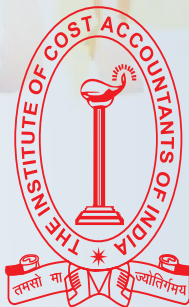


# CAT *e* - Bulletin

## CERTIFICATE IN ACCOUNTING TECHNICIANS

### Skill Development & Employability



## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

[www.icmai.in](http://www.icmai.in)

May the youth of the country acquire employable skills through **CAT**

## MISSION STATEMENT

“The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting.”

## VISION STATEMENT

“The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally.”

# ABOUT THE INSTITUTE

The Institute of Cost Accountants of India is a statutory body set up under an Act of Parliament in the year 1959. The Institute as a part of its obligation, regulates the profession of Cost and Management Accountancy, enrolls students for its courses, provides coaching facilities to the students, organises professional development programmes for the members and undertakes research programmes in the field of Cost and Management Accountancy. The Institute pursues the vision of cost competitiveness, cost management, efficient use of resources and structured approach to cost accounting as the key drivers of the profession. In today's world, the profession of conventional accounting and auditing has taken a back seat and cost and management accountants are increasingly contributing toward the management of scarce resources and apply strategic decisions. This has opened up further scope and tremendous opportunities for cost accountants in India and abroad.

After an amendment passed by Parliament of India, the Institute is now renamed as "The Institute of Cost Accountants of India" from "The Institute of Cost and Works Accountants of India". This step is aimed towards synergising with the global management accounting bodies, sharing the best practices which will be useful to large number of trans-national Indian companies operating from India and abroad to remain competitive. With the current emphasis on management of resources, the specialized knowledge of evaluating operating efficiency and strategic management the professionals are known as "Cost and Management Accountants (CMAs)". The Institute is the 2<sup>nd</sup> largest Cost & Management Accounting body in the world and the largest in Asia, having approximately 5,00,000 students and 85,000 members all over the globe. The Institution headquartered at Kolkata operates through four regional councils at Kolkata, Delhi, Mumbai and Chennai and 101 Chapters situated at important cities in the country as well as 10 Overseas Centres. It is under the administrative control of Ministry of Corporate Affairs, Government of India.

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## CERTIFICATE IN ACCOUNTING TECHNICIANS

VOLUME 2 - NO. 1 - JANUARY 2020

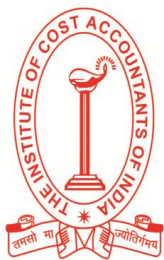
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## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory Body under an Act of Parliament)

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CMA Biswarup Basu      Vice-President

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# CONTENTS

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President's Message	-	Page 4
Vice - President's Message	-	Page 5
Chairman's Message	-	Page 6
Skill Development and Employment Opportunity in India	-	Page 7
Financial Skill Development and Employability in India	-	Page 10
The existence and importance of Micro Entrepreneurs in the perspective of Socio Economic & Business Environment	-	Page 14
Financial Skills and Employability: Tools and Techniques	-	Page 16
Skill Development and Employability in India – Overview, Challenges & Way Forward	-	Page 18
Skill Development and Employability	-	Page 21
“You have the opportunity” – Entrepreneurship	-	Page 22
Activities of CAT Directorate	-	Page 26
Snapshots of CAT Activities	-	Page 28

## PRESIDENT'S MESSAGE

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**CMA Balwinder Singh**  
President  
The Institute of Cost Accountants of India

Greetings...!!!

**A**t the outset, I wish all a wonderful and prosperous New Year 2020. I am pleased to note that the CAT Committee of the Institute is bringing out its “e-Bulletin”. Certificate in Accounting Technicians (CAT) course was introduced by the Institute in consultation with Ministry of Corporate Affairs, Government of India to meet the huge demand for entry level/ Junior Accountants in MSMEs, tiny Industries, Panchayats, etc. CAT course does equip students to become well versed with the practical knowledge viz. maintenance of accounts, filling of returns, export & import documentation etc. This Bulletin is indeed an effort to spread awareness about the usefulness of CAT Course for gaining employable skills amongst the youth of the country.

I congratulate CMA H. Padmanabhan, Chairman - CAT Committee for bringing out this “E-Bulletin”. I also congratulate other members of the CAT Committee and officials of CAT Department for their efforts to bring the E-Bulletin in the present form.

Warm Regards,

A handwritten signature in blue ink, appearing to read 'Balwinder Singh'.

**CMA Balwinder Singh**

## VICE - PRESIDENT'S MESSAGE

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**CMA Biswarup Basu**  
Vice-President  
The Institute of Cost Accountants of India

Greetings...!!!

I am pleased to know that, CAT Committee of the Institute is bringing out the CAT e - Bulletin".

Certificate in Accounting Technicians Course focuses on financial skill development and enhancing employability of the young work force by making them equip with the industry oriented practical areas of work.

The Institute is trying to enhance the scope in which every student can have the access to professional education, to bridge the skill gap and to develop their full potential in getting employability.

I wish the CAT Committee grand success in all its initiatives.

With Warm Regards,

A handwritten signature in black ink that reads "Biswarup Basu". The signature is written in a cursive, slightly slanted style.

**CMA Biswarup Basu**

## CHAIRMAN'S MESSAGE

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**CMA H. Padmanabhan**  
Chairman - CAT Committee  
The Institute of Cost Accountants of India

Greetings...!!!

**S**kill Development in the form of training programme allows the students to strengthen their skills and make them employable in future. Therefore a development programme is essential that will help in reducing weak links within the Education and Employability.

In order to connect the weak links, the Institute has come up with a Financial Skill Development Course, i.e. Certificate in Accounting Technicians Course (CAT Course) to calibrate the young minds with the practical knowledge in Accounting and allied skills to be applied in real life situations.

I am glad to place before you this issue of "CAT e Bulletin". In this issue the distinguished authors have contributed relevant and valuable articles for this e-bulletin portraying the current state of vocational education and training, removal of disconnect between demand and supply of skilled manpower and entrepreneurship.

I am thankful to the CAT Department of the Institute for the efforts in bringing out this e-Bulletin.

I also acknowledge the contribution of resource persons who have contributed their valuable articles in this Bulletin.

Warm Regards



**CMA H. Padmanabhan**





## SKILL DEVELOPMENT AND EMPLOYMENT OPPORTUNITIES IN INDIA

**CMA Ranu Kar**  
Dy. Manager (Finance), Coal India Ltd.

### Abstract

**T**he Indian government's 'Make in India' campaign and the accelerated growth in the economy has highlighted the demand for skilled manpower in the country. The objective of this article is to understand the current state of vocational education and training and review the vocational training models of the emerging economies. The Skill development model of India is studied in detailed with reference to the 'Make in India' campaign. The "demographic dividend" explains for India being the youngest workforce country in the world. The country will have the lowest median age much below that of China and Organisation for Economic Co-operation and Development (OECD) Countries. It means that India can be the largest provider of workforce to the world. But still, India has difficulty to fill up jobs due to a shortage of applicants with the right skills and knowledge. It also brings out the difficulty the country faces with matching the jobs to the skills available. India is still behind countries like China and Singapore in imparting skills. The paper aids in analysing the current skill gaps in the country and the areas where there is a huge scope of supply of skilled workforce. It aims to identify the challenges faced in development of skills in the country and highlighting the employment opportunities arising in the different sectors with emphasis on the Make in India campaign.

### Objectives of the Study

The skill development model forms the basis of the study. The objectives of the study are mentioned below:

- ✓ To study the present system of regulation of the Vocational Education, Training and Skill Development sector in India
- ✓ To review the system adopted by countries like China, Brazil and Singapore
- ✓ To know the challenges with respect to the skill development in India
- ✓ To assess the opportunities available for skill development in India

### Skill Development System in India

India experiences a huge advantage by having a young workforce, which means it high scope of providing manpower to the labour market. After assessing the high demand for the skilled workforce in the world, the Ministry of Skill Development and Entrepreneurship was formed. The Prime Minister of India, Shri Narendra Modi felt the need to focus on skill development considering the changes happening in the labour market and hence the ministry was established. It focused on working in close collaboration with other ministries to meet the huge demand for establishments in the private and the public sector to train the students.

The Industry has to provide on the job training to the students hence giving them a real world exposure to skills and processes and making them employable in the labour market. The National Policy on Skill Development was framed in 2009 with an aim to strengthen the skill development initiatives of the country. It is a Public Private Partnership model which falls under the Ministry of Skill Development and Entrepreneurship. It was established in order to promote skill development by creating large and exceptional quality vocational institution with the appropriate training infrastructure. India has a lot of aspirants but it doesn't have the required infrastructure to meet the requirements of vocational education and training and hence the government involved more of such

partnership to ensure the model is successful in imparting the vocational training.

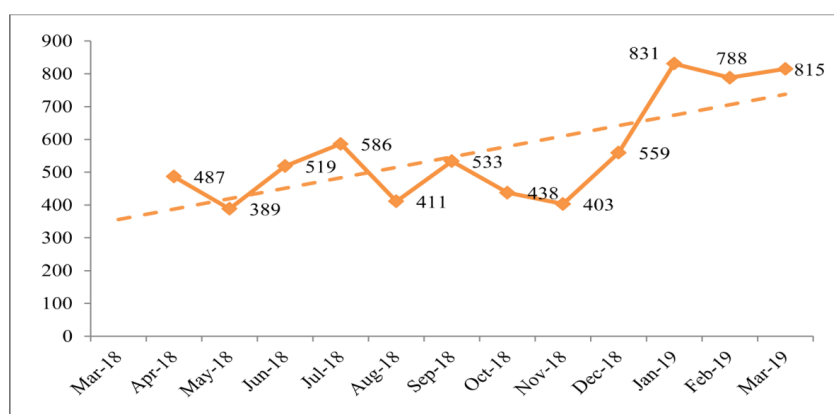
The National Skills Qualifications Framework (NSQF) was enacted on 27th December 2013. The framework is built on the latest concept of competencies which analyses the knowledge, skills and aptitude needed at each qualification. The

levels are graded from one to ten and are defined in terms of learning outcomes for each level. It is regardless of whether the skills are possessed through formal, informal and non-formal learning. The framework is based on competency modelling, which is considered to be highly effective method of mapping the skills needed for a particular role.

### Indicators for Employment in formal sector

The Government has bringing out the employment related statics in the formal sector (since April 2018) covering the period September 2017 onwards, using

Figure 9: Indicator for Employment in Formal Sector (in thousands)



Source: EPFO data

Information on the numbers of subscribers who have subscribed under three major schemes, namely the EPF, ESI, NPS. There are elements of overlap and the estimates are not additive. However, the payroll data released by EPFO based on the number of members subscribing to the scheme gives an idea of the level of employment in the formal sector. The employment generation in the formal sector was higher at 8.15 lakh in March 2019 against 4.87 lakh in February 2018. The trend line reflects a positive trend in terms of employment in the formal sector.

### For Economic Growth, the World Needs Accountants

The largest wealth segment in the world is hidden.

It is held by governments but the assets are mis-measured and mis-managed. Citizens—the ultimate owners of these assets—should demand better. If “public wealth” was properly measured, managed and better understood, society as a whole would benefit. But this requires modern accounting in the public sector and professional accountants to help build robust public finances.

If the world wants growth, it needs accounting and accountants in the public sector.

The global stock market is worth about US \$78 trillion, which is roughly equivalent to the size of the global economy—or global GDP. This wealth segment is scrutinized at every moment by armies of analysts, brokers, investors, regulators, tax authorities and media. Much of the information that is analysed is based on audited accounts using modern accounting standards refined over the last 800 years. The development of these accounting standards has not only enabled capital market development but also of the wealth that we all enjoy today.

Although the value of public assets is twice that of global stock markets, or 2x global GDP, according to estimates from the International Monetary Fund, it remains unaudited, unsupervised and unregulated. Even worse, it is almost entirely unaccounted for. Most governments largely ignore these assets and, the value that could be generated from them, when developing their budgets.

The question is are public assets being used and managed in the best interests of citizens? Sadly, the answer is probably not. Better accounting may not guarantee that assets will be better managed. But

knowing what assets you have and what they are worth is a prerequisite for professional management, and increases the odds for a return back to society—instead of raising taxes.

In fact, professional management of public assets could, across advanced economies, generate annually more revenues than governments receive in corporate tax collections. This could also multiply the funds available for infrastructure investments or the UN's Sustainable Development Goals.

Politicians consistently underestimate, or completely ignore, the value of public assets and liabilities, including the cost of pension promises made to public sector workers. Although this is clearly a recipe for poor governance, if not outright corruption, it is only rarely heard in political debate. The main reason could be that this is about accounting—a topic of limited interest to many politicians.

Furthermore, according to IFAC, the global organization for the accountancy profession, only 8% of all professional accountants are in the public sector. The relative dearth of public sector accountants is directly reflected in the poor quality of information used by governments in their financial management. Managing financial performance and position without sound information is like flying blind into a storm. And, the area where the financial information is weakest is asset management.

This does not benefit anyone, since poor or risky accounting practices can shake, and ultimately bring down, entire societies. Accounting affects us all, as becomes apparent whenever there is a financial crisis, be it for banks, corporates or governments. Proper accounting is essential for the public sector—and by proper accounting we mean the type of accounting that has been used in the corporate sector for centuries.

The reality is that most governments are stuck in the Middle Ages when it comes to accounting. They have for too long been influenced by economists whose perspective on the management of public finances is limited to simple measures of cash flows and debt. This is like trying to manage a modern corporation using only the information available from the cash transactions recorded in the bank statements. Company accounting requires more complex information than this. This is equally true of governments.

For managing the financial affairs of a modern, highly complex government, the right tool is accrual accounting. A modern government needs a different mindset, a mindset that will recognize that managing public assets can generate revenues to pay for public services, fund infrastructure investments and boost the economy—without raising taxes. Like in the private sector, this means shifting the focus to net worth instead of a focus on cash and debt alone.

So far, only New Zealand has introduced modern accounting and integrated its balance sheet with the budget, using it as a tool for its budgeting, appropriations, and financial reporting. Since the public sector reforms in the mid-1980s, New Zealand has achieved and maintained significantly positive net worth, where most comparable governments like Australia and Canada, or larger countries such as the UK and US, have a negative net worth.

We rely on engineers using modern technology to design and build robust bridges. To build robust public finances, we need accountants using modern accounting systems.

This will benefit societies today and reduce the burden on future generations.

## Role of Cost Accountants

Cost accountants are financial specialists who analyse the costs of products that are manufactured or sold by a company. They examine the associated expenses in the supply chain and perform profitability analyses. Cost accountants help organizations identify the products, services, processes or even departments that are the most or least profitable. Some of their specific responsibilities include:

- Preparing monthly and quarterly accounting reports for submission to management  
Generating quarterly reports for senior management based on an inventory reserve analysis
- Suggesting changes to procedures and policies to increase the organization's cash flow
- Analysing organizational data and reviewing rates of labour, overhead and depreciation to recommend policy changes that will improve numbers
- Establishing the standard costs of products and services and updating them as appropriate based on the associated expenses
- Maintaining and reviewing the general ledger and balance sheets.

## Conclusion

The public investments in social infrastructure like education, health, housing and connectivity have a critical role in ensuring inclusive development in a developing country like India. India's development trajectory is critically intertwined with the investments in social infrastructure. To reap the benefits of demographic dividend, the government is committed to improve the outcomes in education and skilling, and to provide employment and affordable healthcare to all. India's march towards achieving SDGs is firmly anchored in investing in human capital and inclusive growth.



## FINANCIAL SKILL DEVELOPMENT AND EMPLOYABILITY IN INDIA

**Shri Arijit Chakraborty**  
Management Consultant

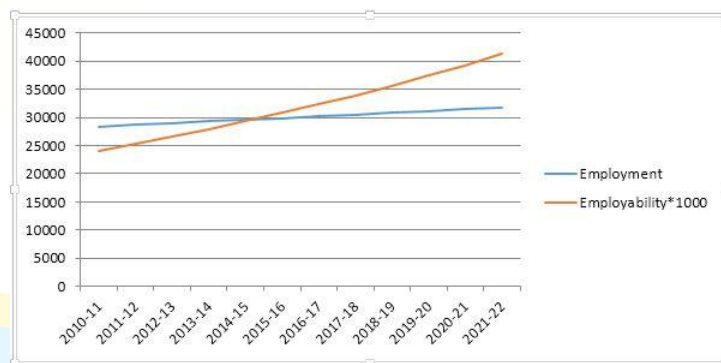
India has made substantial and inclusive economic strides in recent years. The growing economy needs a constant supply of skilled manpower. But our emphasis on degree rather than skill is a stumbling block in the way of economic growth. On the one hand, India has a large number of educated unemployed, and on the other, industry is desperately short of skilled professionals. One of the biggest challenges hiring financial executives & managers face, today, is finding candidates with the right financial skill sets. The answer lies in vocational training and skill development. Vocational training and skill development need to be a strong component of the curriculum of all placement institutes. Being qualified is one thing, being job ready quite another. In the wake of the changing economic environment, it is necessary to focus on inculcating and advancing the skill sets of the young population of the country. With evolving dynamics of job requirements in the highly competitive market, students graduating from educational institutes that are not considered ‘elite’, find it difficult to get a job or even a call for an interview.

To further reach out to the people from economically weaker backgrounds, the Government launched **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)** in 2015 that provides free-of-cost customised industry-oriented training courses across sectors. **Till date, more than 45 lakh candidates have been trained under this programme.** Additionally, to further mould the

skills of the existing workforce, Recognition of Prior Learning (RPL) component of PMKVY certify candidates for their existing skills and ensure financial and digital literacy. Close to 10 lakh candidates have been certified under RPL, which has resulted in improved productivity for the industry and better knowledge and wages for candidates.

MSDE has also taken several steps to build a robust skill training ecosystem through focused policy interventions. Several amendments have been made to the Apprenticeship Act 1961, which has made it easier for industry to train and hire apprentices. The National Apprenticeship Promotion Scheme (NAPS) which was launched in August 2016, incentivizes corporates to hire apprentices and provide them on-the-job training. As a result, the number of candidates undergoing apprenticeship training have increased from 2.8 lakh in 2016 to 6 lakh in 2019. The number of corporates hiring apprentices has also increased from 11,000 to 75,000 during the same period.

Skill development has come a long way in the past few years, especially in terms of optimum infrastructure, setting up institutional frameworks and introducing policy reforms aimed at better quality outcomes and scale. It is geared at creating an ecosystem of innovation-based entrepreneurship that generates wealth and employment, ensuring sustainable livelihoods. Training is only the first step; a lot more needs to be done to enhance the workforce for every job the new era demands.



Employment & employability comparison

## Employability index – steady surge

In 2019 edition of **India Skills Report** which is a joint initiative of Wheebox, a Global Talent Assessment Company, PeopleStrong, a leading HR Tech Company and Confederation of Indian Industry (CII) and supported and backed by renowned partners like United Nations Development Programme (UNDP), All India Council for Technical Education (AICTE) and Association of Indian Universities (AIU), stated that Employability continues to rise thus reaching a new high of 47% this year - An incremental change of almost 2-3 percentage points since last year and a huge change of over 15% points in the past 5 years.

While in 2014, the percentage of employable population was a paltry 33% and thus this year reaching to 47%. Engineers continue to be the most employable whereas MBA courses lose its shine. As per this year's data 57% of the final year engineering graduates are employable, which is an increase of about 5% points since last year which was 52%.

The comprehensive talent demand and supply report is backed by renowned partners like United Nations Development Programme, AICTE, AIU and various state governments. The insights and trends are captured from the largest employability test that was spread out to 5200 Universities and Professional Institutions in India thus reaching out to more than 3 lakh students across 29 states and 7 Union Territories in India. This year, Andhra Pradesh tops the state with highest in employability followed by Rajasthan and Haryana which has made an entry for the first time to the top 10 states; Madhya Pradesh, Gujarat and Punjab moved out of the last year's list.

It also mentioned that there has been increasing presence of employable talent is in tier 2 and tier 3 cities thus not limiting to metro cities. This trend can be seen in spite of lack of big institutions such as IITs/IIMs or any other renowned institutes in tier 2 and 3 cities. The employability amongst MBA graduates has further dropped by 3 percentage points over last year. (Most of the participants were tier 2 and below colleges).

It seems that with exponential increase in the number of MBA colleges the quality of talent is seen to be declining, which needs government attention. But what came as a surprising was that there has been a drop-in employability of B Pharma graduates this year. While in the past years B Pharma has always been amongst the most employable domains the number a decrease of 12% since last year.

## Statistical observations & key analysis

The key job areas which the companies would be hiring the most for are: Artificial Intelligence, Design, Analytics, Research and Development. Of which Design jobs would be the most in demand (23% of employers plan to hire for design jobs). This is a common thread across industries - Hospitality, travel, Software, mobile companies are looking for seamless

- ✓ Experience (UX) for their app/website/software/property users (or visitors) and auto companies are looking for better driving experience.
- ✓ Engineering and general graduates constituting 45% of total hiring requirements while there would be increase in demand of ITI & management graduates whereas polytechnic graduates would see a drop.
- ✓ Female employability increased this year as compared to last year. It has increased from 38% last year to 46% in current year. Male employability score has grown from 47% last year to 48% in current year.
- ✓ Almost 70% of freshers expect 2 lacs or more as their first salary & 47% of candidates expects 2.6 L or above as their starting salary.
- ✓ Almost 40-50% of existing jobs which are transaction heavy would get automated. The key sectors are IT, financial services, manufacturing, transportation, packaging, and shipping, etc.
- ✓ Job portals and Internal referrals came up as the top 2 most preferred sourcing channels of employers. While until last year, these 3 sources put together were preferred by 70% employers, the number dropped to 63%.

### BFSI Sector Skill Council of India

The BFSI Sector Skill Council of India is set up to bring leading organizations of the BFSI industry together to create strategies and operational plans that will create standardized skill requirements for the various job roles in the industry. The skill council will also accredit well equipped service providers who will partner to disseminate the training. The skill council is seen by its stakeholders and partners as a nation-building activity with far reaching implications for social development and empowerment through financial inclusion. Great care is being taken to appropriately address the needs of the various industry verticals as well as the geographical regions of the country

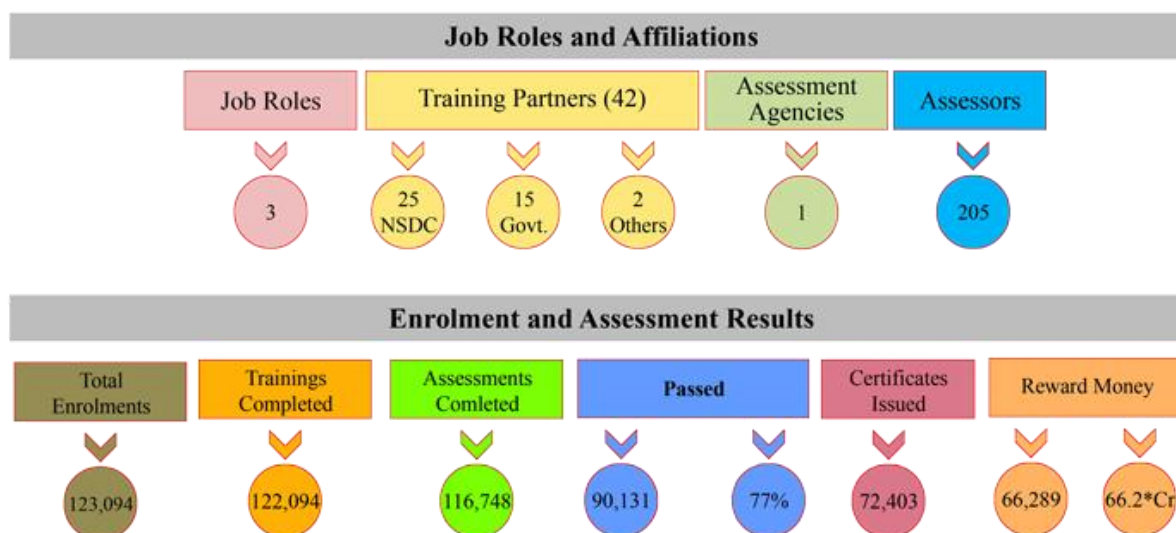
## Illustration of Financial Skill development – SDC – GST Assistant

Thousands of young graduates are undergoing GST Accounts Assistant course under:

NSDC  
Goods & Services Tax (GST) Accounts Assistant  
**NOS Category:**  
BFSI Sector Skill Council of India

**NOS Sub Sector:**  
Lending, Fund Investment & Services, Payments, Broking, BFSI Processing  
**Occupations:**  
Finance and Accounts  
**NSQF Level:** 4  
**Theory Duration:** 53  
**Practical Duration:** 47  
**Total Hrs:** 100

## STAR Achievements



Date As per NSDC on 12th December 2014

## SUCCESS STORY – BFSI SKILL TRAINING

The National Skill Certification and Monetary Reward Scheme, known as STAR (Standard Training Assessment and Reward), was operational between August 2013 and September 2014.

NSDC is the designated implementing agency of the scheme and is working through various Sector Skill Councils (SSCs), Training Providers (TPs) and independent Assessment Agencies (AAs).

The achievements made under the scheme as on Feb, 2015 are as under:

### Outcomes: (As of Feb 2015)

- ✓ Total Enrolments: Since the launch of the STAR Scheme in August 2013, there have been over 14 lakhs enrolments across 19 Sector Skill Councils which has spread over 35 states and Union territories.
- ✓ 719 Training organizations are affiliated under the STAR Scheme.
- ✓ 29 assessment agencies are affiliated and 2,813 assessors empanelled.

- ✓ Total Passed: 9.14 lakh candidates have passed their assessments out of 14 lakh+ candidates trained at an average pass percentage of 67%.
- ✓ Monetary Rewards Processed: Monetary Reward of Rs. 806 crores has been processed by NSDC for 7.78 lakh trainees.
- ✓ Under the STAR scheme, financial inclusion is also achieved as the certified trainees get their rewards credited to their newly opened bank accounts, with a debit card linked to an accidental insurance of Rs 1 lac. Each trainee is also assisted in getting an Aadhaar number and the skilling history is recorded in a Skill Development Management System (SDMS) for future reference by various stakeholders.

### **Courses on offer: Financial Skill Development**

- Recording and Reporting
- Statutory Compliance
- Payroll Executive
- Receivable and Accounts Payable Executive
- Life Insurance Agent
- Loan Approval Officer
- Micro Finance Executive
- SME Officer
- Goods and Service Tax Accounts Assistant

### **Conclusion**

Strategic revisions in the skill development schemes can aid in the creation of a better employment environment and help the country reach the number of finance based jobs required to keep a stable employment rate. The upper age limit for registration needs to be increased to skill and re-skill a larger group of individuals in the working-age population who want to participate in the new and expanding job sectors. Moreover, the diversification and revision of finance based practical courses will have to be made to meet actual employment opportunities, by undertaking extensive skill gap analyses and reporting how many individuals are skilled and absorbed in the growing financial sectors.





## THE EXISTENCE AND IMPORTANCE OF MICRO ENTREPRENEURS IN THE PERSPECTIVE OF SOCIO ECONOMIC & BUSINESS ENVIRONMENT

**Shri R B Som**

Consultant of Atghara Jyoti Mohila Udyog (NGO), Kolkata

**A**s we are aware that China is globally acclaimed as the motherland of Micro Industries backing by Fortified thoughts and finest planning. If China can be a forerunner on growth of micro and small industries, we too also visualize growth prospect with focused approach, initiatives and facilities provided by both Public and Private sectors.

Albeit India has enormous score to scale high in the domain of Micro Enterprise but the weaknesses of institutionalized initiative lagging behind at every stages of promotion. There are limited roads and avenues to scale up any micro initiatives or industrial growth. They (Micro-Entrepreneur) are poor in terms of infrastructure, economic facilitation or supply chain management.

So it is the time to have a full fledged study and measures to fulfill our dream "MAKE IN INDIA" in mission mode at every corner across the country. Every Micro industry or Entrepreneur rise with a thought of noble mind set. But there are no established institution either adopt or move the positivity to live lively. Hence, I as a Business Process Consultant, pray to every quarter of institutions to extend their warm hands for reviving this initiative in large scale. Let me focus on solution rather than analyzing Micro Industry or Entrepreneurs.

I propose to adopt Micro-Industry or Entrepreneur by nodal educational institutions in terms of enhancing infrastructure, marketing, operation and technological empowerment. Hence, educational institutions can enhance the knowledge of their students as well as Micro- Industry or Entrepreneur can get a road map for scaling the enhancement of their initiatives or thoughts. They can further channelized by financial institutions for generating in flow of funds as well as managing the wealth of such micro initiatives.

Let me share my experience with SHGs' (Self Help Group) for past 19 years across the region that prompts me to advocate strongly that if regulatory bodies or Governmental set-up cultivate SHGs'

into these mission by placing their demand and supply ration then, the mission of SHG can only be fulfilled here, I am noting NGOs', Trusts, National and International facilities can have to act as catalyst due to considered of five phases compulsory for Micro- Entrepreneurs or Enterprises viz Capacity Build Up, Livelihood Formation, Livelihood Sustainability, Enterprise Formation and Enterprise Development.

I would like to clarify the process in flow chart of micro entrepreneurship and the strategic management guidance. (Source: - [www.entrepreneur.com](http://www.entrepreneur.com))



## MICRO ENTERPRISE DEVELOPMENT (MED) MODEL



Based on the above flow chart, let us categorize following key result areas to be adopted for Micro Entrepreneurship initiatives :-

- a) **CAPACITY BUILD-UP:-** It is a process through which individuals, organizations and societies obtain strength, and maintain the capabilities to set an achieve their own development objectives over time.
- b) **LIVELYHOOD FORMATION:-** In this area of work, it is again to be measured and taking risk by flowing small financial support and infrastructure by encouraging in driving of SHG promotion.
- c) **LIVELYHOOD SUSTANABLITY:-** Is an organized set of lifestyle choices, goals and values, and activities influenced by biophysical, political/legal, economic, social, cultural and psychological components.
- d) **ENTERPRISE FORMATION:-** No formal enterprise can sustain without documentations and legal status that requires for any organization build-up. Hence this phase is a period of basic financial and administration knowledge enhancement.
- e) **ENTERPRISE DEVELOPMENT:-** Is piloting a model for investment in Small and Medium sized rural enterprises. The Enterprise Development Sector invests a package of grant, loan and practical support to help these Enterprises grown in viable businesses.

There by we thrust upon every educational institute (esp. Management Institute, Engineering Institute, Medical Institute or Specialized Institutions etc) should come forward to overcome the supply chain. Hence, educational institutes should adopt sector-wise micro-enterprises for larger prospective of the institution as well as realizing 'Make in India' mission into reality. There should be a consortium among promoters of SHGs i.e., NABARD, SIDBI, Nationalised Banks, Municipal Corporations, Different State Govt. Agencies as well as Central Govt. Institutions, NGOs, Trusts etc. In one hand and educational institutions in other hand; so that micro-enterprises can get knowledge regarding the movement of their enterprises and side by side facilitating to move by exploiting nodal agencies at their best.

In fine the above write up is sharing of some of my thoughts and ideas in the light of my prolonged experience in Micro and Small Segments. However the details analysis or case study on the basis of data may be browsed from various sites of Govt. of India and MSME in this respect. I do believe that this write up may bring some ideas and guidance for the small entrepreneurs and researchers in this field for enrichment of the study materials.



# FINANCIAL SKILLS AND EMPLOYABILITY: TOOLS AND TECHNIQUES

**Dr. Ashish Kumar Sana**

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## Introduction

**F**inancial skill is an inherent component of financial literacy and capability. It is an individual's ability to process, find and act on financial information. In simple words, financial skill enables financial knowledge to be put into action and can be applied to all kinds of financing decisions. One can able to obtain reliable information for purchasing an unknown financial product and making long-term financial decisions.

In this paper, important financial tools and techniques required for financial data analysis have been briefly discussed.

## Data Analytical Skills

The set of skills required for Data Analysis are as follows:

- Knowledge of Structured Query Language is the most important skill required for data analysts to manage and store data and relate multiple databases
- Critical Thinking Skills are required to uncover and synthesize connections in a large data set.
- Proficiency in powerful statistical programming languages such as R or Python Statistical Programming for advanced and predictive analysis on large data sets.
- Data Visualization Skills to justify the impact of data.

The Data Analysis tools required to be known for appropriate Data Analysis are R Programming, Tableau Public, Python, SAS, Apache Spark, RapidMiner, Knime and Splunk.

## Risk Management Skills (Banking and Insurance Sector)

Risk Management is a growing area of employment prospect in organizations engaged in Banking and

Insurance services especially. Among the skills necessary, the pre dominant ones are as follows:

- Strong numeracy, analytical and strategy skills to estimate the risk and corresponding returns in the various financial products which are undergoing rapid innovation and up gradation.
- Research skills are necessary to be able to analyze financial prospects holistically.
- Planning and Organizational Skills which are to be supplemented by scientific financial problem-solving ability.
- Competence in Information Technology to present and scrutinize technical information effectively.
- Commercial Awareness is another important skill for risk management in the dynamic and inclusive economic environment where the financial choices of the varied consumer segments needs to be dealt effectively by selecting the correct financial product mix suitably.

Tools required for acquiring proficiency in Risk Management are as follows:

- **For Risk Identification:** The tools and techniques are Documentation Reviews, Brainstorming, Interviewing, Delphi Technique, Root Cause Analysis, SWOT Analysis, Checklist Analysis and Assumption Analysis.
- **For Risk Analysis:** The tools and techniques are Probability and Impact Matrix, Risk Data Quality Assessment, Expected Monetary Value Analysis, Monte Carlo Analysis and Decision Tree.

## Project Financing Skills

In order to become a professional project financial analyst the following set of skills are required:

- Good skills in Financial Data Analysis
- Understanding and interpreting the various Financial Statements of the Companies.
- Developing Project Financial Modeling
- Business Valuation skills
- Knowledge about the various Fund Raising Financial Products

- Knowledge on Global Economy

### Capital Market Related Skills

In order to become a Capital Market professional the skills required are as follows:

- Skills in Investment Banking and Equity Research.
- Financial Modeling and Analytics to construct a portfolio suitable for risk-return tradeoff.
- Bottom-Up Analytical Skills to be able to interpret and analyse changes in price, factor, rate, size, differential, behavior – anything quantitative or qualitative.
- Top-Down Inferential skills to arrive at logical explanations relating to changes that take place in Capital Market.
- Programming Knowledge to identify trends, patterns and forecast future movements in the market. This also helps in building models and algorithms to analyse market data.

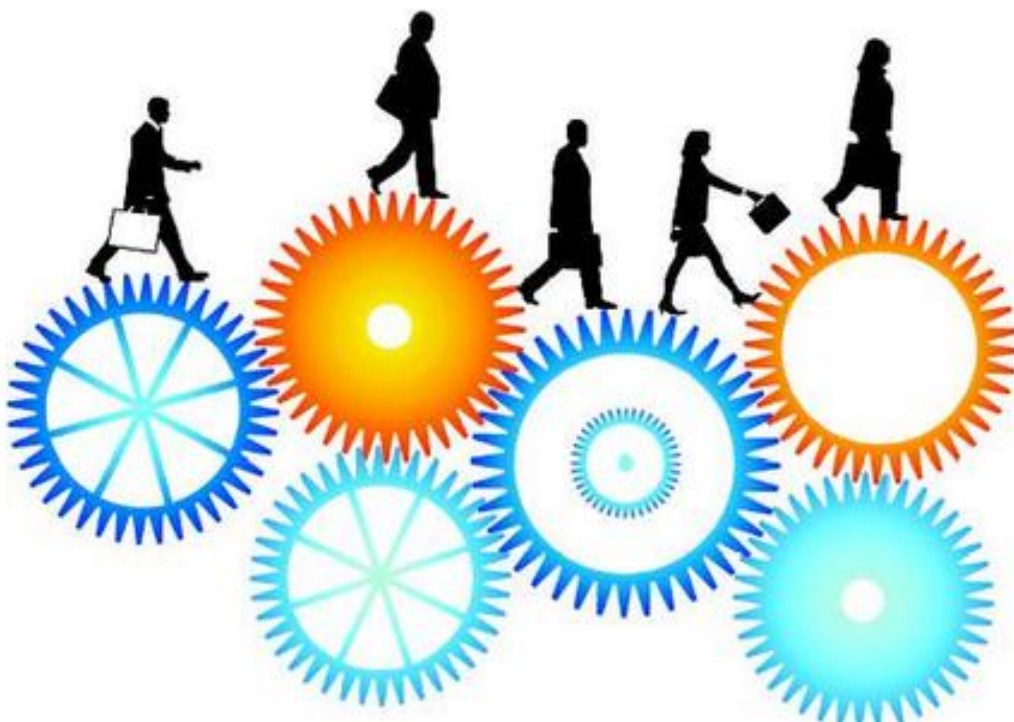
### Artificial Intelligence Skills

In the Artificial Intelligence Development Domain the skills that need to be focused on are:

- Applied Mathematical and Algorithmic knowledge.
- Profound knowledge in Probability and Statistics to understand different Algorithmic Models like Hidden Markov Models, Naive Bayes and Gaussian Mixture Models etc.
- Proficiency in Programming languages such as C++, R, Java, Python etc.
- Distributed Computing to process large Data sets.
- Command over Unix tools such as awk, grep, cat etc.
- Knowledge in Advanced Signal Processing algorithms such as bandlets, wavelets, curvelets, shearlets, countourlets etc.

### Conclusion

Over the last two decades, there are many tools and techniques have been developed to identify risks in financial sectors. Different courses have been designed by the professional bodies, academic institutions and other associations. So, there is ample scope to get job if one has to acquire skills in a specific field.





## SKILL DEVELOPMENT AND EMPLOYABILITY IN INDIA - OVERVIEW, CHALLENGES & WAY FORWARD

**CMA Francis Basthu Fernandes**  
Finance Manager, CAPITA India Pvt. Ltd., Mumbai

India has been growing on its workforce and the future holds great hope for its millions. Its working-age population is growing faster than its population of young and old dependents. This demographic dividend comes once in a nation’s life. If most Indian workers in this transition are productively employed in good jobs, and earn and save well, India can see a sustained long-term growth spurt that it badly needs to rise to its potential as an economic powerhouse. India can then become rich before it becomes old. Otherwise, it will forfeit its demographic dividend.

The skilling landscape in India has improved significantly in the past few decades. As structural, demographic and technological shifts transform the Indian economy and the nature of work, new entrants to the labour force will have to be skilled and made employable. Approximately 70 million additional individuals of working age (15-59 years) are expected to enter the country’s labour force by 2023 – using the same estimation model, the total workforce will then include approximately 404.15 million people. This will include 59 million youth (individuals aged 15-30 years), according to the analysis of data from the Periodic Labour Force Survey (PLFS) 2017-2018. Strategies for reskilling and increasing the skills of the current workforce, as well as formal recognition of informally acquired skills, will also have to be reinforced.

Against this backdrop, India is driving unique initiatives to convert its demographic potential into a dividend that will fuel the country’s growth. At the same time, ageing populations found in several developed countries present opportunities for the migration of skilled persons from India to the benefit of both the host and destination countries. Below tab shows the growth in unemployment rates.

**Table 1: Urban Unemployment Rates (%)**

2011-2012		2017-2018	
Male	Female	Male	Female
3.0	5.2	7.1	10.8

**Source:** “Annual Report, Periodic Labour Force Survey 2017-2018”, Ministry of Statistics and Programme Implementation, May 2019, Page 83

According to the World Bank report, “Jobless Growth”, such increase in unemployment rates shows that the number of people working has not increased in proportion to the working-age population.[17] The same report determined that the working age population in India will grow by 1.3 million every month, and the country needs to create 8.1 million jobs per year to keep the employment rate constant and prevent a further increase in the unemployment rate.[18] This means that the skill development missions need to be updated to increase the employment prospects of the skilled individuals. The changes have to be made in the design of the courses, in the utilisation of the grants, and the registration process to ensure that the poorest populations are able to avail of the courses and job opportunities.

The National Institute of Skill Development (NISD) has found that only two percent of the country’s workforce has undergone skills training.[19] In the financial year 2018, only three out of every 10 people who undertook courses under the Skill India Mission eventually found a job.[20]

The Ministry of Housing and Urban affairs (MoHUA) has attempted to employ poor individuals in urban areas through the Deendayal Antyodana Yojana-National Urban Livelihoods Mission (NULM) and its Employment through Skills Training & Placement (EST&P) programme. An overarching government skill development institution conducts various skilling schemes such as the NULM and the Pradhan Mantri Kaushal Vikas Yojana (PMKVY). This governing body empanels Vocational Training Providers (VTPs) to execute teaching and examination in courses, and disburses funds for the same, based on the criteria of each scheme.

There have been three major challenges to skills development in India: expanding public sector collaboration with industry and the private sector, creating pathways for international mobility and

addressing women's low participation in the labour force.

## Industry and private sector collaboration

Creating avenues for private sector engagement has been a crucial strategic pillar for India. Skill development faces several forms of market failures, including information asymmetries – a skilled person knows his or her skills, but a potential employer does not; if employers had all the information, their willingness to pay for a skilled person would rise. Recognition of Prior Learning (RPL) is an example of an intervention to address information asymmetry. Another market failure in skill development is externalities. For example, when a firm spends resources on developing the skills of an employee, he or she can quit and join another firm, thus benefitting the latter firm and not the firm that incurred the training cost.

Where there are such market failures, there is a *prima facie* rationale for government intervention. As A.C. Pigou argues in 1912's *Wealth and Welfare*, firms themselves do not have an incentive to spend on developing the skills of their workers, because, as mentioned, a skilled worker can quit and join a new firm. Workers have an incentive to invest in their own general skill training through, say, apprenticeship (wherein they are willing to work for lower pay) or self-paid training, as they stand to potentially benefit from higher salaries when they switch jobs. As such, firms may be willing to spend on developing specific skills of employees.

In India, there are a variety of skill development models – government-funded programmes that fully or partially subsidize training/apprenticeships, market-led trainings (where trainees pay for the course), market-led apprenticeships and industry-led/on-the-job training. The not-for-profit National Skill Development Corporation (NSDC) was set up as a public-private partnership (PPP) to stimulate private sector participation in the Indian skill development sector. A core role of the NSDC is, therefore, providing long-term development finance to organizations to build for-profit vocational training initiatives. We also work closely with the Ministry of Skill Development and Entrepreneurship (MSDE) to implement government grant-based vocational training programmes, where infrastructure is set up by private providers and training costs are subsidized by the government.

Collaboration with industry has been fundamental to ensure the relevance and quality of skills training and for building the institutional structures required to achieve the desired outcomes. Sector Skill Councils (SSCs) were incubated by the NSDC for fostering industry connections and developing an industry-relevant course and curriculum. There are currently 37

SSCs operational, with more than 600 corporate representatives in their governing councils.

India's labour force above 30 years of age is 262 million people, according to the analysis, of which 259 million are currently employed and need to be future-ready. As such, industry partnerships to drive reskilling and upskilling initiatives and to develop close collaborations with employers to prepare their workforce for new technologies and the future of work needs to be initiated.

There is a vast segment of informal workers in India, many of whom possess skills that have not been formally recognized. RPL interventions are critical in this scenario – holding a formal certification can improve an individual's bargaining power. In a third-party evaluation of the RPL component of the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) conducted by Sambodhi Research and Communications, 75% of RPL-certified individuals said they were more prepared for their current job and 79% said that the programme has made them more confident about getting a better job. The same analysis suggests the monthly incomes of RPL-certified individuals were on average 19% higher than those who had not been RPL-certified. An average increase of 25% in income after certification was reported. Analysis of an unpublished household survey conducted by the Centre of Monitoring Indian Economy (CMIE) suggests there are more than 390 million individuals who have acquired skills informally – through self-learning, on-the-job learning, inherited skills or other sources. Of these, a majority (384 million) are working, showing the scope for RPL and apprenticeship-related interventions. Both interventions typically involve collaboration with industry and the private sector, even when they are part of publicly funded programmes or schemes.

## Encouraging international mobility

India is committed to becoming the "skill capital" of the world and structured efforts such as the India International Skill Centre (IISC) programme are evidence of this. A new, market-driven IISC network has been proposed to counsel and guide potential emigrants with a focus on skills tests, upskilling, language and pre-departure orientation. Furthermore, the governments of India and Japan are cooperating to implement Japan's Technical Intern Training Programme (TITP), an on-the-job training scheme providing three to five years of internship opportunities for foreign nationals in Japan, with NSDC as the implementing organization.

Technical collaborations have been undertaken with countries such as the UK, Australia and the UAE for benchmarking and mutual recognition of standards. Government-to-government and B2B partnerships are also being developed for new markets such as those in Western Europe, Canada, Australia and East Asia to

increase the mobility of blue and white-collar Indian workers.

## Women's participation in the labour force

A third focus area for us is addressing the challenge of low female participation in the labour force. The analysis of labour force survey data suggests that of the country's labour force of 395.2 million, only 91.6 million are women.

Skilling initiatives – complemented by a wider push towards empowerment through gender sensitization, creation of economic opportunities and economic and social support – can be used to raise this number. Providing residential facilities for women trainees, embedding mentoring and coaching in skills programmes and providing social support through mechanisms such as local workshops have all been explored.

Preparing women for forms of employment that are more attractive to them, such as the gig economy and its more flexible work models, is especially relevant, given that 229.2 million women (out of the 301.5 million who are not in the labour force) report their status as “attending domestic duties”, in the analysis.

Encouragingly, the progress so far in terms of creating access to skill development for women has been positive. More than 50% of the candidates trained under PMKVY are women. A significant number of women have also been trained in unconventional roles, such as in the electronics and hardware sectors. On our paid courses, women account for 40% of trained candidates. Here too women are increasingly enrolling for unconventional job roles, such as field technician, organic grower and automation specialist. Several training providers in our system focus exclusively on women and are promoting skill training in areas including digital and financial literacy, entrepreneurship, website design, 2D and 3D design, hardware repair and farm management. Partnerships with industry to support women-centric projects in non-traditional trades have also been explored.

The Periodic Labour Force Survey (PLFS) 2017-2018 shows that India's unemployment rate has increased from 3.0 percent to 7.1 percent for urban men, and from 5.2 percent to 10.8 percent for urban women. These statistics suggest that employment generation mechanisms, such as skill development and vocational training, are falling short in meeting the demands of the changing urban job market.

Many organizations are stakeholders in the skill development sector and have gained rich experience and knowledge from their work in the space. The lessons they have learned from skills training provision and the implementation of innovative models must be used to take the sector to the next

level. We need the platforms to share this knowledge and these diverse perspectives. In addition, engaging with research organizations, academic institutions, think tanks and multilateral institutions that focus on education, skills and labour markets is critical if we are to build new initiatives and collaborations, deepen the knowledge pool on skills and facilitate the creation of institutional knowledge and capability.

A three-part framework of *acquiring, matching, and anticipating skills* provides a way of designing, executing, and evaluating policies and programmes to accelerate skilling India, and to move from its current vicious cycle to a virtuous cycle of better skilling and faster creation of good jobs. All stakeholders in the skilling space must work together to acquire and impart, to match and adjust, and to anticipate and adapt the skills that India will need in the next three decades to generate good jobs for its rapidly expanding workforce. This imperative calls for distinct roles and responsibilities for employers, for governments, for skill providers and for workers. And it calls for mutually reinforcing policies, actions, incentives and understanding among and between these four key stakeholders to successfully impart, match and anticipate skills for India in the 21st century. We need a 15-year, 2020–35 perspective plan focused on transferable skills that can meet the demand from industries now and in the future. To prepare such a plan, the government should establish a Commission for 21<sup>st</sup> Century Skills. The diversification and revision of courses will have to be made to meet actual employment opportunities, by undertaking extensive skill gap analyses and reporting how many individuals are skilled and absorbed in the growing sectors.

Finally, we should remember the words of Rabindranath Tagore's *Gitanjali*, “We have no time to lose, and having no time we must scramble for a chance.” Tagore's next line written in 1912 reads, “We are too poor to be late.” India has achieved much since Tagore wrote those words, yet it cannot afford to be late.

## Additional reading references

- *Report by Manish Kumar, Managing Director and Chief Executive Officer, National Skill Development Corporation*
- *Skilling India Report by the National Council of Applied Economic Research (NCAER 2018)*
- *Aditi Ratho, “Education, Skills, Gender Parity: An Agenda for Employment Generation in Urban India”, ORF Issue Brief No. 306, August 2019, Observer Research Foundation*
- *Weforum Skill Development Discussion - <https://www.weforum.org/agenda/2019/10/india-skill-development-programme/>*



# SKILL DEVELOPMENT AND EMPLOYABILITY

**CMA (Dr.) S. C. Das**  
Former Director (Finance), HPC Ltd.

**B**efore we discuss about skill development, let us know what is the exact meaning of skill development?

Skill development is the process of (a) identifying our skill gaps, and (b) developing and honing these skills. It is important due to the fact that our skills determine our ability to execute our plans with success in pursuing to achieve our goals.

Let us now understand what are the essential life skills that we want to achieve to strike our goals?

There are several essential core life skill traits that we want to have. These are enumerated below:

1. Self awareness
2. discipline
3. Empathy
4. Critical thinking
5. Creative thinking
6. Decision making
7. Problem solving
8. Effective communication
9. Inter personal relationship

In order to develop our own skills, we need proper and effective training. A training programme facilitates strengthening those skills which each one of us needs to improve. A development programme brings all of us to a higher level so that all of us, being effective employees, have similar skills and knowledge. It also facilitates reduction of any weak links within the organisation.

The next question arises: what are the types of training that are to be imparted to us for becoming effective and efficient employees?

Most of the organisations impart training to their employees thro: HR Departments on the following lines:

1. Technical training
2. Quality training
3. Skill training
4. Soft skill training
5. Professional training
6. Team-building training
7. Managerial training etc.

Next logical argument arises as to what do we mean by the term employability skills?

Employability skills are the general skills which apply to all industries, business organisations for accomplishment of assigned tasks. Employment skills basically fall into three categories such as, (1) transferable skill, (2) hard skill and (3) soft skill.

The next question comes as to what are the different types of employability skills we require to become successful and effective employees? Briefly, these are mentioned hereunder:

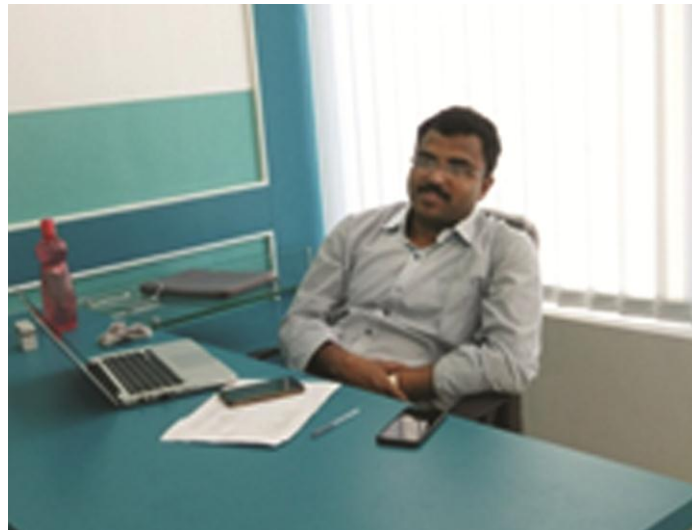
1. Communication
2. Teamwork
3. Initiative and enterprise
4. Problem solving
5. Planning & organising
6. Self-learning etc.

Let us now focus on the skill development and employability initiative in India.

All the governments in the past and the present have taken numerous initiatives for imbibing skill development and employability of the people of this country, especially the youth of India. Many schemes have been undertaken in this regard. The present government has brought reforms of the apprenticeship system to make it conducive for employers to create talents as per their requirements.

As per UNDP report on skill development in India it is observed that India is the youngest nation with more than 62% of its population in working age group of 15-59 years and more than 54% of its population below 25 years of age. Therefore, our aim is to become the future skill capital of the world. Recent initiative such as, National Skill Development Mission is the example of government initiative in this regard.

However, the private sector organisations along with the public sector companies should also come forward to support government initiatives in regard to skill development and employability exercise in this country.



**Mr. Kazi Mizanur Rahaman**  
Entrepreneur  
Elick Softwares Solutions Pvt. Ltd.

# “YOU HAVE THE OPPORTUNITY” – ENTREPRENEURSHIP

- **Entrepreneur:**

An entrepreneur is a person who sets up a business with the aim to make a profit. However, the entrepreneur meaning involves much more than being a business or job creator. Entrepreneurs are some of the world’s most powerful transformers. From Elon Musk sending people to Mars to Bill Gates and Steve Jobs making computers part of every household, entrepreneurs imagine the world differently.

- **Entrepreneurship?**

The meaning of entrepreneurship involves an entrepreneur who takes action to make a change in the world. Whether startup entrepreneurs solve a problem that many struggle with each day, bring people together in a way no one has before, or build something revolutionary that advances society, they all have one thing in common: action.

It’s not some idea that’s stuck in your head. Entrepreneurs take the idea and execute on it. Entrepreneurship is about execution of ideas.

- **Importance of Entrepreneurship**

- ✚ **Entrepreneurs create jobs:** Without entrepreneurs, jobs wouldn’t exist. Entrepreneurs take on the risk to employ themselves. Their ambition to continue their business’ growth eventually leads to the creation of new jobs. As their business continues to grow, even more jobs are created. Thus, lowering unemployment rates while helping people feed their families.

- ✚ **Entrepreneurs create change:** Entrepreneurs dream big so naturally some of their ideas will make worldwide change. They might create a new product that solves a burning problem or take on the challenge to explore something never explored before. Many believe in improving the world with their products, ideas or businesses.

- ✚ **Entrepreneurs give to society:** While some have this notion of the rich being evil and greedy, they often do more for the greater good than the average person. They make more money and thus pay



more in taxes which helps fund social services. Entrepreneurs are some of the biggest donors to charities and nonprofits for various causes. Some seek to invest their money in creating solutions to help poorer communities have access to things we take for granted like clean drinking water and good health care.

**Entrepreneurs add to national income:** Entrepreneurship generates new wealth in an economy. New ideas and improved products or services from entrepreneurs allow for the growth of new markets and new wealth to be created in an economy. Adding to that, increased level of employment and earnings add to the national income.

- **Why Do People Become Entrepreneurs?**

- ✓ Want to be a business man
- ✓ Admire Other Entrepreneurs
- ✓ They Don't Want to Have A Boss
- ✓ Can't Handle a 9-to-5 Job
- ✓ They're risk-takers
- ✓ Too Creative
- ✓ Resourceful
- ✓ They want flexible hours
- ✓ They're ambitious
- ✓ Has No other Choice But to be an Entrepreneur

- **Concept of entrepreneurship**

The process of creation is called "entrepreneurship". Entrepreneurship is a process of actions of an entrepreneur who is a person always in search of something new and exploits such ideas into gainful opportunities by accepting the risk and uncertainty with the enterprise.

- **4 Types of entrepreneurship**

It turns out that there are four distinct types of entrepreneurial organizations; small businesses, scalable start ups, large companies and social entrepreneurs. They all engage in entrepreneurship.

- **India's place in Entrepreneurship Development**

The Entrepreneurship Development Institute of India runs the oldest Entrepreneurship Development Program in the country. This is an autonomous institute, started in 1983 by four prominent financial institutions, IDBI Bank,

IFCI, ICICI Bank and State Bank of India (SBI), on land provided by the Gujarat government.

- **Status of Indian Entrepreneurship today**

India is witnessing a major growth in entrepreneurship — not because of its X factor but out of the need for its citizens to create their own job. With more than 65 percent of the population under 35 years of age and a record-breaking growth in smart phone adoption and data services across the country, there has been a rising demand for next-generation services with simplified solutions.

While India has been seeing this increasing trajectory of entrepreneurs and new start-ups over the last five years, 2016 has been a major milestone year for all of the key stakeholders in the Indian ecosystem — including government, educational institutions, entrepreneurship support organizations, investors and entrepreneurs — to seek and provide support in sustaining the biggest hurricane of entrepreneurship to date.

- **Opportunities for entrepreneurship**

The following are seven ways to do just that all entrepreneurs should be taking these opportunities if they can.

- Invest in Multiple Businesses
- Angel Investors
- Crowd funding
- Start up Incubators
- Quality Content
- The Social Power of the Internet
- Foreign Markets

- **New Entrepreneurial opportunities in India**

India is a country full of opportunities for entrepreneurs whether it be new or existing ones. Government is keen on making India a \$5 trillion economy by 2024. This is possible only when revenue is generated and what can be better than emerging entrepreneurs. India is still in its developing phase and has a lot to offer to the entrepreneurs.

As per the International Research Journal of Engineering and Technology, the major sectors in which an entrepreneur can start a business are textile, energy, tourism, health, automobile, packing, training and education, organic farming, etc.

There is a lot more to offer in the fields mentioned above. Choose your field of passion and start working in its direction. The

Government of India is running various programs through 'Make in India' initiative for the new entrepreneurs making it easy for them to set up their business.

• **Status of Entrepreneurship Development in India**

The Entrepreneurship Development Institute of India runs the oldest Entrepreneurship Development Program in the country. This is an autonomous institute, started in 1983 by four prominent financial institutions, IDBI Bank, IFCI, ICICI Bank and State Bank of India (SBI), on land provided by the Gujarat government.

• **Float Works**

Say the TSJ Sports Conglomerate has 10 million shares in total, but 3 million shares are held by insiders who acquired these shares through some type of share distribution plan. Because the employees of TSJ are not allowed to trade these stocks for a certain period of time, they are considered to be restricted. Therefore, the company's float would be 7 million (10 million - 3 million = 7 million). In other words, only 7 million shares are available for trade.

• **Factors of entrepreneurship**

The most critical and most important key success factors that can make an entrepreneur become a successful entrepreneur are:

- Willingness to take action
- Entrepreneurial knowledge
- Entrepreneurial creativity
- Entrepreneurial skills
- Entrepreneurial intelligence
- Patience
- Persistence
- The ability for team work

• **7 key concepts in entrepreneurship?**

In short, the 10 concepts of entrepreneurship are as follows:

- Risk Bearing Concept
- Innovative Concept
- Managerial Skill Concept
- Creative and Leadership Concept
- High Achievement Capacity Concept
- Professional Concept
- Organisation and Coordination Concept
- Business Oriented Concept

• **5 Characteristics of an entrepreneur**

5 Key Characteristics an entrepreneur should have:

- Motivation: Entrepreneurs are by nature motivated. ...

- Vision: The best entrepreneurs have a vision as to what they want to achieve, how they can accomplish their objectives, and whom they need on their side to reach their goals
- Passion: A start up founder is often driven by the quest for deeper purpose beyond the sheer mechanics of operating a business
- Perseverance: Entrepreneurs need to be able to deal with obstacles
- Confidence
- Decision Making Capability

India was at the 69th position last year. The US topped the index, which ranked 137 countries, this year also, Jonathan Ortman, president of the Global Entrepreneurship Network (GEN), said today. "India is in 68th position in the Global Entrepreneurship Index. The USA is in first position in 2018.

**Statistical Analysis:**

✚ **Name of the country which is the most Entrepreneurial:**

For the third year in a row, Germany is the world's best country to be an entrepreneur, according to the U.S. News & World Report's annual "Best Countries" rankings.

✚ **Rank of India in the World Entrepreneurship Development Index?**

Global Competitiveness Index	40 / 137	2017 - 2018
Index of Economic Freedom	128 / 178	2016
Economic Freedom of the World	95 / 157	2015 - score 6.63
Financial Development Index	51 / 183	2016

✚ **Percentage of entrepreneurs in India:**

✚ Entrepreneurial Ecosystem: The percentage of adults in India involved in starting a business has grown to the highest it's been in almost three years, while the percentage of adults who say they expect to start a business in the next three years increased from 7.7% in 2014 to 9.2% in 2015.

✚ **India the second most entrepreneurial country in the world**

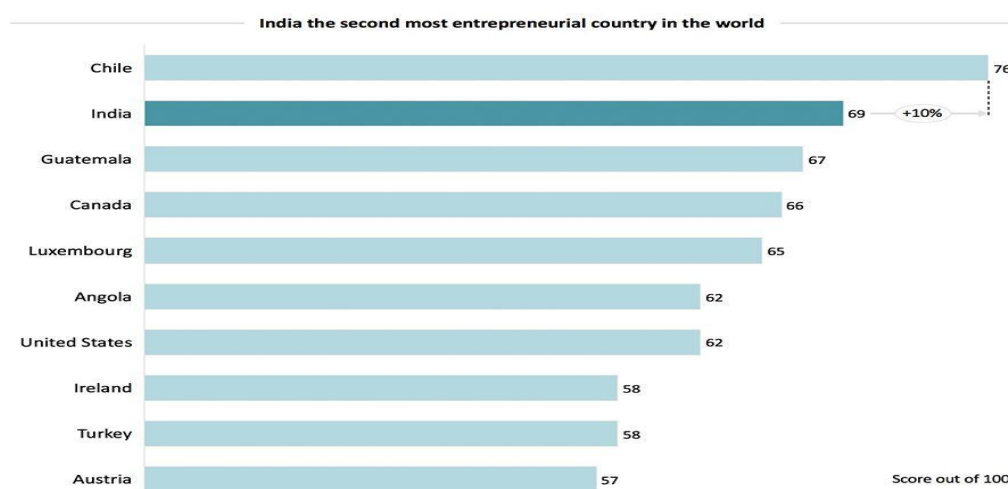
- Through analysis of The Global Entrepreneur Monitor data reveals that India is the world's second most entrepreneurial country. The attractiveness of doing business for start-ups India ranks behind only Chile, and ahead of economic powerhouses as the US, China and Germany.

- The analysis is based on a study conducted by US-based merger & acquisitions firm Latona's, which monitors activity and possible investment opportunities in the entrepreneurial sphere across the globe. The firm has developed a scoring system to rank entrepreneurialism in countries.
- The Global Entrepreneur Monitor released data in July this year that evaluates countries' business environments based on a number of

different metrics. With a focus on entrepreneurs, metrics include: fear of failure, entrepreneurial intentions, early entrepreneurial activity and innovation.

- Other metrics include the amount of finance available for entrepreneurial activity and entrepreneurial education at the school level. The various metrics were assigned values on the basis of their perceived importance, and were then benchmarked across countries to develop a list of top performers.

### **Score Board**



Source: Consultancy.in analysis, The Global Entrepreneur Monitor

### **India the second most entrepreneurial country in the world**

Based on this system, India emerged in second place in the global entrepreneurial score. Chile topped the list with a score of 76, while India scored 69 on the index. Guatemala and Canada were not far behind with scores of 67 and 66 respectively, while the Luxembourg and Angola also made it ahead of the US, which was in 7th with a score of 62.

- India's position on the list is not surprising, given the recognition that the country has received recently for its vibrant start-up environment, particularly in the tech domain. In 2018, global challenger consultancy Elixirr projected that India could house the next global start-up revolution, given that more than 5,000 start-ups had emerged in the country over two years.

- A number of major global firms have been rushing in to help support this vibrant environment, offering a mixture of expertise and investments. An example of this is a partnership forged between Accenture and Microsoft early last year with the specific objective of finding and supporting promising tech start-ups in the country.

- Other major global firms such as Capgemini, Japanese firm Dream Incubator, and a number of others have expressed their interest in the Indian entrepreneurial environment. The scenario indicates that India is performing well when it comes to innovation and available funding for entrepreneurship.

# ACTIVITIES OF CAT DIRECTORATE

## December 2019

### • State Level ROCCs Meet

State Level ROCCs Meet was held at Mumbai on 19th December 2019 for the States of Maharashtra, Gujarat and Goa. Various initiatives of the Institute were discussed which were well received by the representatives of ROCCs, who also gave suggestions towards further growth in this field of CAT Course.

### • Meeting with the Government Officials

CMA H Padmanabhan, Council Member & Chairman Regional Councils and Chapters Coordination Committee & CAT Committee and Team has been meeting regularly with the key Government officials to brief them about the innovative step taken by the Institute in developing skills among the youth in the important area of Accounting through CAT Course. The Chairman and Team met Top officials of Tamil Nadu State Government and Pondicherry Government. The respective Government's had shown eagerness in the Institute's proposal on Skill Development Project under the Additional Skill Development Program. The CAT Directorate is in enhanced level discussions with the officials of the Ministry of Rural Development, Govt. of India for its proposals to Bihar and Karnataka States.

### • CAT Course Examinations - January 2020

The CAT Course Examination - January 2020 term is scheduled to be held on 18th January, 2020.

## November 2019

### **CAT Course under SHE Skills-2019 scheme of Government of Kerala**

CMA H Padmanabhan, Chairman CAT Committee of the Institute had signed on behalf of the Institute the SHE SKILL Project MoU between Government of Kerala, ASAP BFSI and ICAI. 16 batches of 30 girl students per batch are pursuing the CAT Course, which is the first time ever in India among all States. The Honourable Minister of Government of Tamil Nadu Sri. Kadambur Raju, Minister for Information and Publicity has witness the august event.

### **CAT Course for Poor through Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) in Karnataka and Bihar**

Ministry of Rural Development (MoRD) announced the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) Antyodaya Diwas on 25th September 2014. DDU-GKY is a part of the National Rural Livelihood Mission (NRLM), tasked with the dual objectives of adding diversity to the incomes of rural poor families and cater to the career aspirations of rural youth. DDU-GKY is uniquely focused on rural youth between the ages of 15 and 35 years from poor families. To be an active part of this scheme, the Institute has applied for imparting the CAT course in the states of Karnataka and Bihar.

### **New ROCCs**

The Directorate of CAT under the Chairmanship of CMA H. Padmanabhan has approved two new ROCCs in New Delhi (N-239 & N-240).

### **State Level ROCCs Meet**

CMA H Padmanabhan, Chairman, Regional Council and Chapters Coordination Committee (RC&CC) and CAT Committee of the Institute is working to take the Profession at different level with extended cooperation & support of Chapters, ROCCs and CMA Support Centres PAN India. Accordingly, for the North-Eastern states, a meeting at Guwahati was held on 17th November 2019 and for the southern Indian states on 23rd & 24th November, 2019.

### **Meeting with the key Government officials and Ministers**

Chairman CAT and team met Honourable Chief Minister of Government of Tamil Nadu and appraised about the Skill Development Project and in turn the Government is eager to have our proposal for implementation in the State. To discuss the contemporary issues related to the profession, CMA H Padmanabhan, Chairman CAT Committee has been meeting regularly with the key Government officials and Ministers in the States of Kerala, Tamil Nadu and Odisha encouraging others to meet the officials in other parts of the Country.

## October 2019

### **New ROCCs**

The Directorate of CAT constantly endeavours to mark its presence evenly in the country by getting the new Regional Oral Coaching Centres (ROCCs) on board in the cities of Malappuram (S-208) and Jaipur (N-238).

ICAI inaugurated CAT ROCC S-208 at a function held in Thrissur by CMA Balwinder Singh, Honorable President of the Institute in the presence of CMA H Padmanabhan, Central Council Member & Chairman CAT Committee, CMA Dr PVS Jaganmohan Rao, President SAFA and CMA Jyothi Satish Chairperson SIRC, ICAI.

### **CAT Course under SHE Skills-2019 scheme of Government of Kerala**

The State of Kerala has always been the frontrunner of the CAT Course, from where the Institute gets highest number of admissions in the course. The course in this state ran under the Additional Skills Acquisition Programme (ASAP) model-an initiative of Government of Kerala, successfully, for a long period. The association with ASAP will be going for another lap as it has approved 12 Centers under its scheme, wherein a total of 368 students will be imparted CAT course training under SHE Skills scheme. A meeting with ASAP, Government of Kerala in connection with SHE Skills-2019 scheme was held on 25th October, 2019 to review the progress.

### **State Level ROCCs Meet**

The Directorate of CAT organized State Level ROCCs meet for the States of Andhra Pradesh & Telangana and Kerala on 15th & 22nd September 2019 at Visakhapatnam and Thiruvananthapuram respectively. The agenda of the meet was to have a discussion with, and amongst the ROCCs to have a feedback of the CAT Course, to understand the challenges faced by the ROCCs in meeting the goals & the ideas to overcome those, to maximize the number of admissions in CAT course, and to formulate strategies for expanding awareness about the course. The meet at both the places received excellent response from the ROCCs and many ideas, strategies, plans and suggestions for the betterment and expansion of CAT course were received during the discussion. The Directorate will hold similar meets in future, in other cities too, to get valuable feedback of the stakeholders. CMA H Padmanabhan, Chairman, CAT Committee chaired the meeting at Visakhapatnam and the meeting held in Thiruvananthapuram was chaired by CMA Balwinder Singh, Honorable President of the

Institute wherein CMA H Padmanabhan Chairman, CAT Committee was also present.

## September 2019

The Institute organized State Level Chapters/ ROCCs/ CMA Support Centers/ Extension Centers Meet at Uttar Pradesh, West Bengal, AP & Telangana, Kerala and Odisha State's to have better reach and implementing the Institute activities in those States ensuring contributions to the growth of those States by the services to the Students, Members, Society as a whole including social responsibility activities, liaison with the State Government, Corporations, Municipalities, Panchayats, Management Bodies, Educational Institutions and Industries.

The CAT RoCC Meet was organized to have a discussion with, and amongst the ROCCs to have a feedback of the CAT Course, to understand the challenges faced by the ROCCs in meeting the goals & the ideas to overcome those, to maximise the number of admissions in CAT course, and to formulate strategies for expanding awareness about the course.

## July 2019

- The result of the CAT Course examination-July 2019 term-Foundation Course (Entry Level) Part-I was declared after the examination was concluded at various locations of the country.
- The CAT Department increased its footprints in the country and approved the four new recognized Oral Coaching Centers of Certificate in Accounting Technicians (CAT) course in the cities of Coimbatore, Virudhunagar, Dindigul and Kolkata.
- In order to propagate the CAT course in the valley of Kashmir, the Council of the Institute decided to open Srinagar Extension Centre and also waived full fee for the first batch of the CAT Students. Good numbers of admissions in the CAT course were received from Srinagar Extension Centre.

# SNAPSHOTS OF CAT ACTIVITIES



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# SNAPSHOTS OF CAT ACTIVITIES



# NOTES

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# CERTIFICATE IN ACCOUNTING TECHNICIANS (CAT) COURSE

## Objective

To meet the huge demand for entry level Accountants in India, ICAI has launched a short term Course - Certificate in Accounting Technicians (CAT) for 12th (10+2) passed and Under Graduates. This Course has been introduced in consultation with Ministry of Corporates Affairs, Government of India. CAT equip students become well versed with the maintenance of accounts, preparation of Tax Returns, Filling of Returns under Companies Act, Filling of Returns under Income Tax, GST, Custom Act, Export & Import documentation etc.

## Eligibility

The Students who have passed/appearing 12th (10+2) examination are eligible to take admission in Foundation (Entry Level) Part-I of CAT Course.

## Coaching

Institute has Coaching Centres all over India. The Students desirous of pursuing the course have to get admitted in their nearest Regional Council or Chapter or Recognized Coaching Centres (ROCCs) for undergoing Oral Coaching.

## Course Details

### A) Foundation Course (Entry Level) Part-I

Paper 1: Fundamentals of Financial Accounting.

Paper 2: Applied Business and Industrial Laws

Paper 3: Financial Accounting-2

Paper 4: Statutory Compliance

### B) Competency Level – Part-II

(A) Fundamentals of Computers

(B) Filling of Statutory Returns

(C) Introduction to Costing Principles and Preparation of Cost Statements

(D) 5-days Orientation Programme

## Internship

The Internship will be for 45 days. The Internship can be taken from organizations prescribed under Internship scheme of CAT Course.

**Course Fees:- Rs. 9800/-**

## Mode of Examination

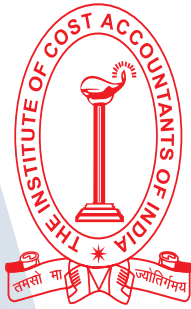
Multiple choice question to be answered on-line.

## Last Date for Admission

For June Term Examination 31st January

For December Term Examination 31st July

May the youth of the country acquire employable skills through **CAT**



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

[www.icmai.in](http://www.icmai.in)

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May the youth of the country acquire employable skills through **CAT**