



# ST JOSEPH'S COLLEGE OF COMMERCE (AUTONOMOUS)

Affiliated to Bengaluru City University  
Accredited with A++ Grade by NAAC in 4th Cycle (CGPA of 3.75/4)  
College with Potential of Excellence (CPE)  
Ranked 93rd by NIRF 2022 by the Ministry of Education, Government of India  
#163, Brigade Road, Bengaluru - 560025, Karnataka, India



## STRATEGIC FINANCE HEIST NEWSLETTER 22'



### AN INITIATIVE BY THE DEPARTMENT OF COMMERCE [STRATEGIC FINANCE]



#### • About the Institution:

*St. Joseph's College of Commerce, formerly a part of St. Joseph's College was established in the year 1882 as an educational initiative by the French foreign mission Fathers. The motto of the College is 'Fide et Labore' ('Faith and Toil'), The 'Mission' is derived from the Vision and is the raison d'être of the College. Currently it enjoys an A++ grade with the National Assessment and Accreditation Council (NAAC). The college has been proactive to the significant changes and developments in the domain of higher education as well as business and commerce.*

#### • About the Department:

*The Department has efficiently streamlined all its courses to reflect an interdisciplinary approach to understanding the contemporary business environment. Its aim is to construct a strong foundational grounding in core subjects such as Accounting, Taxation, Economics, Statistics, Auditing, along with a choice of Cost Accounting, Finance, Marketing, etc. The courses are challenging, yet, rewarding for students with high aspirations. Our students have been sought after by employers for their excellent knowledge, skills and attitude, giving them an edge over their peers from other institutions. The B.Com Programme of the college is rated amongst the top 10 in the country. (India Today, AC Nielsen Survey 2016).*

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# INTRODUCTION



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## FINANCE

*Strategic finance is the practice of translating operational data from across a business into sound financial insights in real-time. Many modern businesses, especially growth-minded startups, are embracing strategic finance because it leverages modern technology to support long-term goals and growth.*

*Strategic financial management turns the historically complex and siloed finance function into a clear, connected, and collaborative department—one that keeps a finger on the pulse of the business at all times while uniting departments and aligning them around the future.*

*Strategic finance helps businesses move from outdated, backward-looking financial planning and reactive data analysis to modern, forward-looking strategic planning and proactive analytics. The traditional finance function revolves around the three-statement model. But your balance sheet, cash flow, and income statement aren't enough to power strategic financial decision-making.*

# STRATEGIC MANAGEMENT

## ABOUT THIS COURSE IN SJCC



*The four year B.Com (Professional – Strategic Finance) programme has been designed in collaboration with the Institute of Management Accountant (IMA), USA to provide students with the unique opportunity to pursue their CMA qualification in tandem with their under graduation. The Certified Management Accountant (CMA) is the highest level of certification in management accounting awarded by IMA, USA.*

*This Programme enables the students to obtain substantial fundamental knowledge of various financial and management accounting subjects. The core subjects will be taught by experienced professionals from the industry as well as by competent faculty of St. Joseph's College of Commerce. This Programme is well suited also for students pursuing Indian professional programmes such as CA, CMA and CS.*

# BUDGETING

*Budgeting is a process usually undertaken before the beginning of the financial year, to create a plan or estimate of the expected incomes and expenditures in the upcoming financial year. The budgeting process is usually collaborative, enabling budget assumptions to be agreed and stated.*

*It can also provide an opportunity to agree resource allocations, recognize efficiencies as well as to identify practical ways managerial and other incentives can be managed to serve the strategic goals of the organization.*

*Forecasting can assist in preparing cashflow forecasts and asset purchases as well as a “sensitivity analysis”, understanding the areas where a small percentage change can have significant overall impact.*



# INFORMATION TECHNOLOGY IN FINANCE



*Technology has overall driven a persistent ultimatum for accessibility, and innovation, and being able to have convenience is going to be something that keeps changing forever. The role of information technology in finance departments plays a big part ranging from small to large applications and operations. Communication is a very critical component that comes with information technology as well, and there are a ton of advantages that lie within the streamline of communication in both perspectives.*

*Creating more automating and commoditizing processes intensifies the power of information technology in our society today as well, and when looking at how robo-advisors are used. this is a prime example of how IT has taken over how we look at automation in wealth management services such as asset allocation and investment opportunities. The importance of computers in finance also improves data storage, file management, and data reporting as stated earlier in this article. Cloud-based services such as Dropbox are huge roles in information technology, but these services play tangent roles with data reporting and analysis.*

# ABOUT IMA



*IMA® (Institute of Management Accountants) is the worldwide association of accountants and financial professionals in business. Founded in 1919, we are one of the largest and most respected associations focused exclusively on advancing the management accounting profession. We are committed to empowering our 140,000+ members—and those throughout the rest of the profession—to strengthen on-the-job skills, better manage companies, and accelerate careers.*

*We invite our members to discover the myriad possibilities within the profession and build an actionable future in management accounting. Management accountants are vital to the financial health of organizations. They make critical decisions, safeguard a company's integrity, and plan for business sustainability. They might be CFOs and controllers, budget analysts and treasurers, or one of many other game changers on internal teams. Most of all, as the majority of the accounting and financial workforce, they help drive an organization's strategy and value amid an unpredictable market.*

## IMA'S VISION

Provide best-in-class certification—the CMA—for critical internal financial management responsibilities, including planning, budgeting, business reporting, decision analysis, and risk management. Support members' career development through access to an active professional community, continuing education, valuable information, and resources. Support members and their organizations in driving business performance by promoting the highest ethical standards for internal financial management practices

## IMA'S MISSION

Offering our prestigious credential—the CMA®—with a proven return on investment. Building a professional network that provides career resources and contacts to last a lifetime. Creating CPE-eligible education programs that improve industry knowledge and leadership potential. Giving voice to the profession with insightful and timely journals and newsletters. Serving as a thought leader in cutting-edge research and industry best practices. Advocating for the profession in a challenging regulatory environment

# ABOUT CMA



*US Certified Management Accountant (CMA) or US CMA is a professional certification credential in the management accounting and financial management fields. The certification signifies that the person possesses knowledge in the areas of financial planning, analysis, control, decision support, and professional ethics. The CMA is a US based, globally recognized certification offered by the Institute of Management Accountants (IMA US). IMA US has a legacy of more than 100 years and as on date the membership of US CMA certified candidates is more than 1,40,000 across 150+ countries.*

*US CMA course is a worldwide demanded qualification in Finance. The US CMA course has just 2 parts. US CMA exams can be cleared in 7 to 9 months time. Exams are conducted online at the prometric centres. Typically, the US CMA exams have 75% of the questions as MCQs (objective type) and the rests are Essay questions. Pass percentage of US CMA course is globally near-about 50%, Uplift Pro has a pass percentage of more than 70%. We are one the smartest US CMA institutes in India. Along with providing CMA Study Support, we uplift the soft skills of our students, if required, and also help them in getting placed in leading companies in and outside India. US CMA course helps professionals to build a career across the globe. A US CMA is respected worldwide to be the decision maker in the industry and formulate robust finance and accounting strategies.*

# SYLLABUS

## *PART 1*

### *Planning, Budgeting, and Forecasting*

*CMAs should be able to use financial information to set long-term goals (as well as short-term goals that will help accomplish them) in service of their organization's strategic plan or mission. This includes budgeting for proposed initiatives and forecasting how they will effect future revenues and expenditures.*

### *Performance Management*

*CMAs need to be able to determine whether performance standards are being met with respect to operational goals. This includes topics such as standard costing, flexible budgets, variance analysis, the balanced scorecard, etc.*

### *Cost Management*

*Being able to monitor and manage costs is crucial to goal setting and project management. As a CMA you will need to be able to demonstrate an understanding of cost behavior, supply chain management, benchmarking, product costing, etc.*

### *Internal Controls*

*Designing internal controls and ensuring they are being maintained is a vital for all decision makers. New projects and goals must comply with existing controls and fall into the organization's existing risk strategy.*

### *Technology and Analytics*

*CMAs are playing less of a role in internal auditing and increasingly involved with managing controls. Newly added for the 2020 CMA exam, this domain is a testament to how technological advancement is rapidly changing expectations of CMAs. As time passes, a CMA's role is being defined as more of a data reporter and critical decision maker.*



# SYLLABUS

## PART 2

### *Financial Statement Analysis*

*CMAs take the basic information reported in the financial statements and extrapolate data for use in decision-making. You will need to calculate and understand the uses of the current ratio, the quick (acid-test) ratio, the cash ratio, the cash flow ratio, and the net working capital ratio. Advanced accounting knowledge is a prerequisite to recommending or defending a course of action. You have to know how the numbers support your claims.*

### *Corporate Finance*

*CMAs should know how to raise and work with capital. You will need to understand how organizations generate a return long term, how interest and exchange rates affect revenues over time, and how international diversification can offset the costs inherent to cross-border transactions.*

### *Decision Analysis*

*CMAs need a firm understanding on product and production decisions. CMAs must employ cost-volume-profit and marginal analysis at an advanced level. The exam may ask you to calculate a break-even point, calculate the effect of operating income on a make-or-buy decision, evaluate and recommend a pricing strategies, etc.*

### *Risk Management*

*Risk assessment involving different types of systematic and unsystematic risks is integral because risks are a factor in every high-level business decision. An understanding of Enterprise Risk Management (ERM) generally (and more specifically, COSO Enterprise Risk Management – Integrated Framework) is required.*

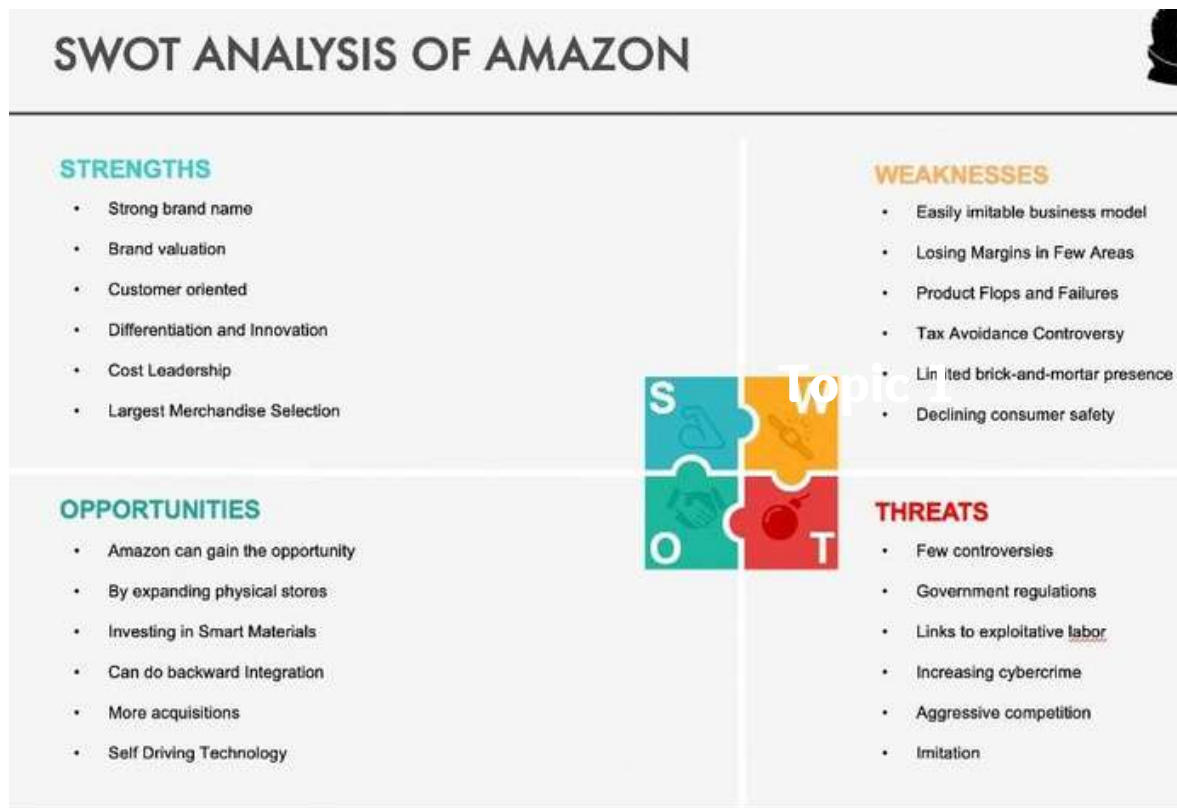
### *Investment Decisions*

*CMAs should understand capital budgeting with regard to investment decisions and be able to use the two main discounted cash flow (DCF) methods, net present value (NPV) and internal rate of return (IRR), to recommend project investments. This is an extension of the ideas established in Corporate Finance, but with an applied focus on investment decisions.*

### *Professional Ethics*

*Underpinning all of this is the IMA's focus on professional ethics, which may be tested in conjunction with any topic area*

# CASE STUDY ACTIVITY



**\*GIVEN ABOVE IS A S.W.O.T ANALYSIS OF AMAZON COMPANY. PLEASE GO THROUGH IT AND ANSWER THE FOLLOWING QUESTIONS:**

**(ALSO SEE HOW YOU CAN IMPLEMENT THIS ANALYSIS TO HELP YOU IN YOUR DAY TO DAY LIFE)**

**Q1) List how Amazon can counter it's weaknesses and threats, by using it's strengths and opportunities.**

**Q2) Do you think Amazon has the opportunity to grow more, or has it reached growth saturation? Justify.**

**Q3) Make a S.W.O.T Analysis of yourself, and list out ways in which you grow as a person.**

**PLEASE TYPE YOUR ANSWERS HERE:**

**[https://docs.google.com/forms/d/e/1FAIpQLSewl7\\_j1V0Wb8T9\\_IWRw4ADWsKn98nFGaz6txkBe7v6RkNK0w/viewform](https://docs.google.com/forms/d/e/1FAIpQLSewl7_j1V0Wb8T9_IWRw4ADWsKn98nFGaz6txkBe7v6RkNK0w/viewform)**