



# CALCUTTA BUSINESS SCHOOL

## FACULTY DEVELOPMENT PROGRAM ON

### FINANCIAL LITERACY – CONNECTING INCOME TO WEALTH CREATION

**DATE: MAY 18-20, 2017**    **VENUE: CALCUTTA BUSINESS SCHOOL**  
Diamond Harbour Road, P.O. - Bishnupur, 24 pgs(S)  
(7 kms from IIM Calcutta towards Diamond Harbour)

#### INTRODUCTION

The period after the 2008 world financial crisis saw many western financial markets and institutions collapse and also economic and political crisis in many economies. Consequently, Reserve Bank of India (RBI) embarked on a project to make every Indian financially literate. The purpose was two-fold. First, individual households need to understand the various financial products that are available to allocate their savings. It is necessary to understand financial needs and the trade-off between present and future consumption. Second, financial literacy is the key to financial inclusion, and this is essential for capital formation and economic growth. The need was articulated by RBI and it was felt that financial education should be an essential part of overall education and growth of a child. Every individual needs to have full understanding of financial matters and control over one's own finances as:

- i. Income generation may not be smooth over a life time
- ii. With age, financial needs increase and also keep changing along with priorities
- iii. Human beings stop working full time after some age
- iv. Providing for post-retirement expenses is important
- v. It is the key to financial independence and dignity

In poor financial situation human beings feel trapped, caged, depressed, angry and frustrated, afraid (to invest, to seek help), hopeless (things will never change) and out of control. When in control on finances, they feel stress-free, confident, proud, happy, blessed with options and enjoy better personal relationships. Organisation for Economic Co-operation and Development (OECD) defines financial literacy as a combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

In India, along with Reserve Bank of India, Nationalized Banks, Securities and Exchanges Board of India (SEBI), National Stock Exchange (NSE), National Council for Education, Research and Training (NCERT) and Financial Stability and Development Council (FSDC) have joined hands to spread financial literacy.

#### OBJECTIVE OF THE PROGRAM

There is, generally, a lack of basic knowledge about financial products and services and also their risk-return framework. Again there is greed and requirement of earning higher returns in a short span of time. These two eventually lead to a financial crisis, both at the individual level and also at the societal level. The purpose of this program is to create awareness and appreciation of various financial products and role of different financial institutions. It will also create understanding of the meaning of liquidity, returns, safety and risk tolerance.

The program will handhold the participants to specify their objectives, assess their corresponding financial needs, design the time path and finally determine their optimal portfolio. At the end of the program, each individual participant will have a clear idea about how the financial market functions, what are the different financial instruments that are there in the market, and the risk return trade-offs that are involved. It will then empower them to spread this understanding through their respective institutions.

#### PROGRAM CO-ORDINATOR



#### **Dr. Tamal Datta Chaudhuri**

Principal and Professor  
Calcutta Business School

Dr. Tamal Datta Chaudhuri did his BA in Economics from Presidency College, Calcutta and his MSc in Economics from Calcutta University. He subsequently did his MA and PhD in Economics from the Johns Hopkins University, Baltimore, Maryland, USA. He has taught in institutions like Calcutta University, ISI Calcutta, IBS Kolkata and Hyderabad, Army Institute of Management, IIFT and IISWBM. He was a visiting fellow in the University of Illinois at Urbana Champaign, USA. He joined the financial sector and has worked for around 23 years in an all India Development Financial Institution. He is currently Principal and Professor in Calcutta Business School. Dr. Datta Chaudhuri has many publications in national and international journals.

Other faculty members will be from the Insurance Sector, the Banking Sector, the Securities Market and the Mutual Fund Industry.

#### THE PROGRAM HAS THREE PARTS

##### **PART 1: Financial Institutions, Financial Markets, Financial Instruments**

In the beginning, the participants will be familiarized with various financial institutions in the country and their functioning. This is a prelude to understanding the various financial products that these institutions have to offer and subsequently the function of the different markets. Participants will understand that it is not only financial institutions, but also corporates, that offer financial products. The characteristics of financial assets like stocks, bonds, gold, mutual fund units, ETFs, commodities, derivatives etc. will be explained.

##### **PART 2: Financial Investment**

Participants should understand the meaning of a portfolio of financial assets and what constitutes such a portfolio. After understanding the financial needs and its distribution over time, matching of financial instruments with needs will be explained. Special emphasis will be given to understanding time value of money and the concept of compounding.

##### **PART 3: Stock Market Investing**

Like it or not, a large part of household savings eventually ends up in the stock market. The life/general insurance premium paid, the mutual fund units purchased, the contribution to provident fund, all or part of it is invested in the stock market. We should thus spend time on how to invest directly in the stock market. The other objective behind including stock market in a financial literacy program is to demystify this market and understand that stock market investment is not "gambling".

## SESSION PLAN

### DAY 1: May 18, 2017

- **Registration:** 9.30 am – 9.55 am
- **Session 1:** 10 am – 11.30 am
  - a. What is Financial Literacy?
  - b. Allocation of income between consumption and savings – the choice problem. Allocation of savings between various financial instruments/assets.
  - c. Setting financial goals – the present and future considerations.
- **Session 2:** 11.45 am – 1.15 pm
  - d. An overview of financial institutions, financial markets and financial instruments.
- **LUNCH**
- **Session 3:** 2 pm – 3.30 pm
  - e. The role of the banking sector in the current environment. Products and services they have to offer, the role of technology, and their changing role in the current environment.
- **Session 4:** 3.45 pm – 5.15 pm
  - f. The insurance sector and various products. Their role in financial planning.

### DAY 2: May 19, 2017

- **Session 1:** 10 am – 11.30 am
  - a. Time value of money. Understanding the importance of compounding.
- **Session 2:** 11.45 am – 1.15 pm
  - b. The trade-off between risk and return.
- **LUNCH**
- **Session 3:** 2 pm – 3.30 pm
  - a. Mutual Funds, Asset Management Companies, their role and importance. Various types of funds and their asset composition.
- **Session 4:** 3.45 pm – 5.15 pm
  - b. Mutual Funds continued. Net Asset Value and measuring the performance of a mutual fund.

### DAY 3: May 20, 2017

- **Session 1:** 10 am – 11.30 am
  - a. Introduction to stocks and the stock market. Steps to enter the stock market and start investing/trading.
- **Session 2:** 11.45 am – 1.15 pm
  - b. Difference between large cap, mid cap, small cap stocks. Difference between low priced and high priced stocks. The art of holding vs trading.
- **LUNCH**
- **Session 3:** 2 pm – 3.30 pm
  - a. Stock selection for portfolio formation and wealth creation. Fundamental Analysis.
- **Session 4:** 3.45 pm – 5.00 pm
  - c. Technical analysis of stock price movements
- **Distribution of Certificates:** 5 pm – 5.20 pm



**REGISTRATION FEES**                      **For students: Rs.1000/-**                      **For all others: Rs.1500/-**  
**A/C Accommodation:**                      **Twin Sharing: Rs. 1000/- per day per head (all inclusive)**

Payment can be made in the form of A/C payee Cheque/DD favouring "Calcutta Business School" and payable at "Kolkata" (DD). RTGS/NEFT/ECS can be made to our Savings A/C No. 001794600000085 with YES BANK LTD., Russel Street Branch, Kolkata (IFSC Code. YESB0000017), under intimation to us. Our PAN No. AAAAM0247J; Service Tax No. AAAAM0247JSD002.

**Registration Deadline:**                      **30th April, 2017.**

#### **METHODOLOGY**

Class room lectures by industry experts, extensive discussion with real life examples, use of stock trading software, and age group analysis in portfolio construction.

#### **TARGET GROUP**

Faculty members of schools, undergraduate colleges and management colleges, undergraduate students, MBA/PGDBM students, research scholars, corporate managers and general public.

#### **About Calcutta Business School (CBS):**

Calcutta Business School (CBS) is an autonomous institution offering an AICTE approved two year fully residential Post Graduate Diploma in Management (PGDM) Program and several Management Development Programs.

"The 2 year Post Graduate Diploma in Management programme of Calcutta Business School has been granted provisional accreditation by NBA for two years, i.e. 2016-17 & 2017-18. Students who graduate during the validity period of accreditation, will be deemed to have graduated with an NBA accredited degree."

The School, modeled on some of the top ranking business schools in the world, is located in a sprawling 15-acre fully residential, eco- friendly and intelligent campus on the outskirts of Kolkata. Its objective is to provide an environment that is academically challenging as well as made enjoyable through a variety of avenues provided to students for self-expression and development.

CBS, founded by the Shri Shikshayatan Foundation, is governed by a board consisting of eminent industrialists and former directors of IIMs with Mr. S. K. Birla as the Chairman. It also has an advisory board comprising highly reputed academics and business leaders representing the country's renowned institutions and reputed companies cutting across industries.

The full-time faculty members of CBS have distinguished academic background with several of them having Ph.D degrees from top ranking institutions like The Wharton School at the University of Pennsylvania, and Johns Hopkins University, USA; IIMs, NTs, ISI and Jadavpur University. Several faculty members also have significant experience in industry. This combination of faculty members allows CBS to offer a management programme that is relevant to industry that is also strong in academic rigour. CBS has created an eco-system that is conducive to leadership development through extensive co-curricular and extra-curricular activities.



#### **CALCUTTA BUSINESS SCHOOL**

Diamond Harbour Road, P.O. - Bishnupur  
24 Parganas(S) - 743503

[www.calcuttabusinessschool.org](http://www.calcuttabusinessschool.org)