

Career in Commerce

WHAT AFTER 10+2 COMMERCE ?

1. Finance
2. Banking
3. Chartered Accountancy
4. Company Secretary
5. Insurance
6. Foreign Trade
7. Stock Broking & Investment Analyst
8. Economics

CAREER IN FINANCE

FINANCE

1. Financial operations and services offer a variety of opportunities to specialists in finance.
2. MBAs specializing in finance have a multi disciplinary approach and a strong conceptual base. .

Postgraduates in finance control are trained in

1. Financial planning,
2. Decision-making and control,
3. Corporate finance,
4. Project finance and
5. Investment analysis.

Specialized Areas of Study

1. Merchant banking,
2. Equity analysis and research,
3. Portfolio management,
4. Issue management,
5. Treasury management,
6. International finance,
7. Retail banking .

are specialized areas of study for the financial wizard.

Practically every firm needs Finance Managers

- Practically every firm - whether into manufacturing, communications, finance, education, or health care - has one or more financial managers - treasurer, controller, credit manager, and others - who prepare the financial reports required, for tax and other regulatory demands.
- Financial managers oversee the flow of cash and finances and develop information to assess the present and future financial status of the firm. In small firms, accountants' duties usually include finance management.
- However, in large firms, chief financial/accounts officers oversee all financial management departments.
- In these instances, the accountants help top managers develop financial and economic policy and establish procedures, delegate authority, and oversee all financial management departments.

Main Employers

1. Government organizations
2. The Air Force Accounts Section recruits fresh graduates and imparts training in their accounting activities.
3. Large firms business,
4. Finance and leasing,
5. Banking,
6. Multinational trading houses,
7. Software consultancies, etc.

are now recruiting financial personnel at the management level.

Essential Attributes

- Creativity 1
- Physically demanding 1
- Ability to handle pressure 3
- Communication skills 4
- Academic skills 5
- Precision & skill 4
- Business acumen 4

Pay Packages

- At the entry level, finance personnel can expect approximately
Rs.12,000 - 15,000 p.m.
- With five years of experience, finance personnel can expect
Rs.15,000 - 20,000 p.m.
- Senior finance personnel, with more than 10 years of experience earn approximately
Rs.20,000 to Rs.30,000 p.m.

Future Prospects

1. The future prospects for finance professionals are good in any bank or financial institution.
 2. The growth and promotion opportunities are good in multinationals as well as the Indian banks (although the growth and learning opportunities in the multinational institutions are fourfold as compared to their Indian counterparts).
 3. Summing up, the future is indeed bright for the finance professional.
- **Related areas of Work**
Diversification is possible into Management

Banking

- **Introduction**
- Banks are institutions that take care of the money of individuals and corporates.
- Banks pay interest on the deposited money, provide loans to people for business or personal use.
- They also offer a wide range of services like exchange of foreign currency, giving advise related to investment and insurance and acting as trustees.

Nature of Work

- There are various different levels at which a person can join the bank namely
- Clerk
- Grade I officer
- Grade II officer
- Manager.

Personality

- A good banker is a person who has a well-organized mind with an eye for detail.
- It helps in maintenance of records accurately and neatly. The person should have a mathematical aptitude.
- Employees joining as officers should be able to lead, motivate and manage the bank staff.
- Good verbal and written communication skills help in effective interaction with the clients as well as the staff.
- Integrity and honesty play a major role in all dealings related to money, staff and clients.
- A person responsible for foreign exchange transactions needs to have a sharp, quick and analytical mind.

Entry Level Information

- Candidates get recruited at 2 levels in the banks –
 - **Clerical Level**
 - **Officer Level.**
- The procedure of selection varies with nationalized and international banks.

Selection procedure for RBI

- The Reserve Bank of India is the topmost financial institution in India which makes all the policies and regulations for the other banks. It conducts tests for three types of entry level positions:
 - Clerical grade
 - Grade A officers
 - Grade B officers
- The entry point for clerical staff is in the cash department as examiners of coins and notes. They are promoted to the next grade when they successfully clear the relevant examinations after 5-10 years of service.

All India Exam

- There is an All India Exam conducted for class I posts.
 - Graduates,
 - Post Graduates,
 - CA's,
 - MBA's
- in the 21-26 years of age group are eligible.
- The candidates are tested in logical reasoning, mental ability, numerical aptitude and general English.

The examination is in parts.

- Paper I is a written test comprising of General Mental Ability (Objective type).
- Paper II is a subjective one which has English Essays/Comprehension/Precise writing etc.
- Paper III is on Economics and Social problems.

Selected candidates are shortlisted for an interview which forms the basis for the final selection.

Financial Planning: Skills and Talents

- The financial planning sector is booming and offers a variety of career options.
- This field deals with the largest markets of any kind in the world and call on the following skills:

Key Skill Area

Requirement

People skills:

High

Sales skills:

Medium

Communication skills:

High

Analytical skills:

Medium

Ability to synthesize:

High

Creative ability:

Medium

Initiative:

Medium

Work hours:

25-65/week

Financial Planning: Salaries

- The median salary for financial planners job rankings issue was \$55,100 in a recent survey.
- The salary distribution in this business is highly skewed.
- The 90th percentile salary in financial planning was in excess of \$150,000.

Career in Chartered Accountancy

Chartered Accountancy

- Every organization - no matter if it is a large corporate house or an NGO - must maintain accounts and manage its finances.
- It is here that the CA enters the picture.
- Only qualified chartered accountants are permitted to audit an organization's records.

Introduction

- The economic liberalisation has brought drastic changes in the corporate environment.
- Specialization has become, the need of the hour. Chartered Financial Analyst (CFA) though is a relatively new field, it has assumed significant importance in the changing business scenario.
- Their work primarily focuses on the financial analysis.
- To meet the changing requirements of the financial sector, CFA programme has been designed and conducted by various Institutes.
- The programme is more of a practitioner's course.
- It imparts training in the fields of corporate finance, investment management and financial services.
- The programme is better suited for executives who want to enhance their skills in the field of finance.

Nature of Work

- The CFA programme imparts enough knowledge and expertise in the finance fields and those having undergone this programme have an edge over others.
- The areas of work for CFAs are as follows.

CORPORATE FINANCE:

- Necessary technical skills and knowledge imparted in the CFA programme in fields of corporate finance, like
 - Indian Financial System,
 - Financial Accounting,
 - Management Accounting,
 - Financial Management,
 - Advanced Financial Management, and International Management
- adds to the advantage of CFAs in disposing of their duties and responsibilities.

INVESTMENT MANAGEMENT:

- Investment management is an analytical subject. knowledge of the subject.
- The CFA programme takes care of all these needs and covers important aspects of the subject including,
 - Economics,
 - Quantitative Techniques,
 - Economic Legislations for the Securities Industry
 - Security Evaluation Techniques.

FINANCIAL SERVICES:

- The CFA programme being a specialization programme in finance helps CFAs to foray into financial services like Leasing, Hire Purchasing, Project Planning, Issue Management, Credit Rating, Venture Capital etc.

Personality

- Unlike other finance and accounts related professions like Chartered Accountancy, Cost Accountancy, MBAs and Company Secretaryship, the very basic requirement for a CFA is to have good numerical ability.
- CFAs should have a logical approach so that the facts and figures are interpreted accurately.
- The work involves critical analysis of data, therefore a methodical approach helps in efficient handling of matters.
- Awarenesss about the economic conditions and up to date knowledge of the financial policies and legislations are also important for them.

C.A.'s are responsible for

- Financial & Tax Management,
- Accounting & Auditing
- Advise and Planning.

The Institute of Chartered Accountants of India (ICAI)

1. The institute has its headquarters at Indraprastha Marg, New Delhi.
2. Five regional offices at
 - Mumbai,
 - Chennai,
 - Calcutta,
 - Kanpur and
 - New Delhiwith branch offices located in almost all major cities and towns of India.
- 3.

It also has seven chapters
outside India at

Abu Dhabi,

Bahrain,

Doha,

Dubai,

Jeddah,

Muscat

Zambia

for the benefit of NRI students

FOUNDATION COURSE:

- **FOUNDATION COURSE:** This is a beginner's course and except for the exempted categories, everybody else has to enroll to this module to start with the CFA programme. The examination for the module can be taken in the following subjects, after **3 months** of enrollment.
 - Elements of Financial and Management Accounting
 - Basics of Corporate Finance
 - Essentials of Investment and Tax Planning
 - Statistics of Financial Applications

PRELIMINARY LEVEL:

- **PRELIMINARY LEVEL:** After qualifying the Foundation examination, the next step is to qualify the Preliminary level. The preliminary level is divided into two Groups namely Group A and B. Group A examination can be taken up after **6 months** of enrollment and Group B examination can be taken after **12 months** of enrollment. The subjects for both the groups are as follows.
- **GROUP A**
 - Financial Accounting
 - Financial Management
- **GROUP B**
 - Quantitative Methods Economics

INTER LEVEL:

- **INTER LEVEL:** On clearing the Preliminary level, students can take up the Inter examination. The Inter level has two Groups namely Group C and D. Examination for Group C can be taken 6 months after passing the Preliminary examination and Group D examination can be taken after **12 months** of passing the Preliminary examination. The subjects for the Groups are as follows.
- **GROUP C**
 - Economic Legislation
 - Management Accounting
- **GROUP D**
 - Security Evaluation
 - Project Appraisal Planning and Control

FINAL LEVEL:

- **FINAL LEVEL:** The last module is the Final level. This is also divided into two Groups namely Group E and F. Examination for Group E can be taken 6 months after passing the Inter examination and examination for Group F can be **12 months** taken after passing Inter examination. The subjects of the groups are as follows.
- **GROUP E**
 - Advanced Financial Management
 - Financial Services
- **GROUP F**
 - Investment Management
 - Indian Financial System
 - International Financial Management

Career Prospects

- The openings available to CFA degree holders are in
- Banking,
- Insurance,
- Corporate Sectors and Finance,
- Leasing Companies.

Continued...

- Even organisations like Railways, Reserve Bank of India and Financial Institutions like ICICI, IDBI, IFCI and UTI have given due recognition to the CFA programme.
- Most ICFAI graduates receive offers for challenging professional positions with attractive emoluments.
- The career prospects are as bright as of any other in the field of finance.
- Fresh graduates with a degree from ICFAI generally start as executive trainees in the financial sector.
- After gaining experience, they can even go on to, head their departments.

Some of Institutes where CFA programme can be pursued are as follows.

- Birla Institute of Technology and Science, Pilani.
- Narsee Monjee Institute of Management, Mumbai.
- International Management Institute, New Delhi.
- SP Jain Institute of Management and Research, Mumbai.
- Xavier Institute of Management, Bhubaneswar, etc.

Career as Company Secretary

COMPANY SECRETARY

- A company secretary has been recognized by various enactments as one of the principal officers of the company.
- The knowledge and training acquired by him makes him versatile to carry out various functions in
 1. Finance,
 2. Accounts,
 3. Legal,
 4. Administrative and
 5. Personnel areasin addition to his own secretarial duties and responsibilities.
- In fact, his role starts from the very moment when the idea of formation of a company is conceived.

Institute of company secretaries of India(ICSI)

- The Institute of company secretaries of India was constructed under the Company Secretaryship Act, 1980
- To develop and regulate the profession of company secretary in India.

COURSES/TRAINING

- FOUNDATION COURSE:-
- Professionalism studies towards becoming a company secretary can commence right after completion of the +2 level of education through the foundation course.

This course covers four papers in

1. Business communication,
2. Business laws and management,
3. Principles of accountancy,
4. Economics and statistics.

DURATION: 8 Months

The Institute conducts examination by registering students and imparting coaching through distance education as well as optional oral classes for the company secretaryship course.

IMPOTANT DATES:-

Enrollment for foundation course is open throughout the year.

- For appearing in June examination, enroll by 30th September
- For appearing in December examination, enroll by 31st March.

WHAT AFTER PASSING CS FOUNDATION COURSE ?

The programme after this stage is divided in to two parts –Intermediate and final.

INTERMEDIATE COURSE:-

Duration: 9 Months

Subjects to be studied:

- Management And Industrial Laws,
- Tax Laws,
- General Laws And Procedures
- Cost And Management Accounting,
- Economic And Other Legislation,
- Company Law And Practice
- Theory And Practice Of company accounts.

B.A./B.Sc/B.Com

Students of any discipline excluding fine arts are eligible.

Those who have passed foundation course examination can seek direct registration to the Intermediate course of company Secretaryship.

FINAL COURSE

Duration: 9 Months

Eligibility: 9 Months after Intermediate Course

The final course includes subjects such as

- Financial Management,
- Management Control And Information,
- Corporate Tax Management Related To Indirect And Direct Taxes,
- Secretarial And Management Audit And
- Corporate Laws And Practice.

MEMBERSHIP OF THE ICSI

- Only after the aforementioned conditions have been fulfilled a candidate becomes eligible for admission to Associate membership of the ICSI.
- The course is conducted under a system of compulsory postal tuition against payment of requisite fees.
- The necessary study material is provided to the student by the ICSI.

Institutes address:-

The Institute of company secretaries of India ICSI House,
22 Institutional Area, Lodi Road,
New Delhi-110003,
Telex-31-62164 ICSI IN (STD 011)
Fax-91-11-4626727.

PLACEMENTS/PROSPECTS

- **Secretary in HR:**
Becomes a HR Executive or Senior Executive.
- **Secretary in Marketing:**
Becomes a Marketing Executive or PR Executive.
- **Secretary in Administration:**
Becomes an Admin. Executive.
- **Secretary in CEO's Office:**
Becomes an Executive in Corporate Communications Department or in Training if she has the aptitude.
- **Secretary in Finance:**
Becomes a Finance Executive; of course depending on whether she has the relevant qualification.

Related Courses

Present Dept.	Appropriate Course	Eligibility	Duration
HR	Diploma in Human Relations	Graduation	1 year
Finance	Diploma in Financial Management	Graduation	1 year
Diploma in Taxation	-	-	-
Marketing	Diploma in Marketing Management	Graduation	1 year
Diploma in Advertising	-	-	-
Diploma in Public Relations	-	-	-

Pay Package

The pattern of emoluments would tend to be on the following lines :

Freshers: Rs.3,500 to Rs.4000

3 - 5 years: Rs.6,000 to Rs.7,000

5 - 10 years: Rs.10,000

10 years & above: Rs.12,000

Career in Insurance

Insurance-Introduction

- Presently in india, the insurance sector is nationalised, services are rendered by life insurance corporation of india (LIC) and general insurance company (GIC) alongwith its 4 subsidiaries.
- While lic provides life insurance,
- Gic is concerned with non life insurance like - motor, marine, fire, health and personal accident insurance.

Lic employs people in various departments –

- Publicity And Public Relation Department,
- Development Department,
- Personnel Department,
- Accounts Department,
- Actuarial Department,
- Secretrarial Department,
- Legal Department,
- Investment Department,
- Inspection Department,
- Mortagages Department,
- Vigilance Department,
- Foreign Department,
- Corporate Planning Department,
- Building Department Etc.

Nature of Work

- The insurance corporation performs various tasks with each department having its own set of responsibilities.
ADMINISTRATIVE OFFICER AND ASSISTANT ADMINISTRATIVE OFFICER: Administrative Officer (AO) and Assistant Administrative Officer (AAO) belong to the class I officer group.
- The job begins with the candidates joining LIC and GIC on a probation-cum-training period of 6 months. This is to provide exposure about the working of insurance sector.
- AAOs can choose any of the areas from
 - Administration,
 - Development
 - Accounts.
- In Administration AAOs handle policy making, policy claims upto certain limit, checking clauses and details, filing official returns and statements to higher regional offices etc.

- The Development AAOs deal with marketing and procurement of business, promoting policies, getting contracts etc.
- The Accounts AAOs manage the funds including incomes and expenses of the corporation. After 3 years of working as AAOs they can be promoted to AOs. This adds on more powers and authority and they can be posted anywhere in India.

Eligibility

- Candidates applying for the post of AAOs should be between 21 and 28 years of age.
- They should hold a graduate/postgraduate degree in any subject with minimum of 50% marks. Recruitment is done by LIC Central Office at Mumbai.
- The entrance examination has two papers, one is of objective type and the other is of essay type - test of English.
- The objective type paper, tests intelligence and quickness of response. For the quantitative aptitude test good mathematical knowledge is essential.
- Logical reasoning, general knowledge, awareness of political, cultural events and happening are also tested. After the written test, selected candidates have to appear for interviews which are conducted by the Board and are held across the country.

- **DEVELOPMENT OFFICER:** The Development Officer belongs to class II officer group. They are incharge of their territory for the development of the insurance policies. They handle recruitment of agents, train them for procurement of new business and servicing of the existing policies. Over a period of time Agents recruited by the Development Officers can also rise to the position of the Development Officer. Recruitment process of Development Officers is handled by the Divisional Office. Candidates applying for the post of Development Officer have to be between 21 and 26 years of age and should be graduates. Eligible candidates are then put through written tests in English and mathematics. On clearing the test, they qualify for the interview which is conducted by the Board. Later on selected candidates have to serve as Apprentice for a period of one year. This is important to impart practical training in various areas.
- **OTHER JOBS:** Apart from the class I and II level, there are other posts such as Assistants, Typists, Machine Operators, Stenographer, Telephone Operators, Clerks etc. This group comes in the class III level category. They are recruited by the Divisional Office. The candidates applying for these posts have to go through a written test and an interview. There are reservations in the jobs for Handicapped persons, SC/ST, ex-servicemen. The age requirement for these posts is between 18 to 25 years.
- Apart from people directly working in the insurance companies, there are other categories of people related to the insurance sector. These include the following.
- **INSURANCE AGENTS:** An insurance agent is a person who takes up agency from the insurance company to sell their policy on a commission basis. He acts as an intermediary between the insurance company and the policy holder. But before doing so, he has to undergo training and get a certificate of proficiency from the insurance company. Mostly insurance policies are bought through agents. Agents help individuals and companies in selecting the right policy for their needs. They plan for the financial security of individuals, families and businesses and advise them about insurance protection. They also help the policy holders at the time of settlement of the claim. The job of agents is quite challenging as selling a product like insurance policy is not easy. For being successful, agents should be outgoing and social. They should have a knack of convincing people.
- Recruitment of agents is done by the Corporation after a written test and an interview followed by a training period of 3 years. Graduates in the age group of 21 to 35 years are preferred.
- **INSURANCE SURVEYORS:** Insurance surveyors are qualified professionals deputed for the assessment of losses, according to their qualification and experience. They play an important role as they serve a link between the insurer and the insured. Their job is to assess the actual loss and avoid false claims filed by the insured and on the other hand help the insured who has suffered a genuine loss by indemnification of the loss. They act as investigators, assessers for determining the loss and liability to be reported to the insurance company. The work is not always delighting as it often involves a lot of hardwork and travelling at awkward times. Surveyors are not employees of the insurance companies. They are independent professionals who are hired by the insurance companies. To hold a license of a surveyor, one must possess any one of the following qualifications.
 - Fellowship or Associateship of the Institute of Insurance Surveyors and Adjustors (IISA), Mumbai.
 - A Degree or Diploma in Architecture of a Recognised University or Institute.
 - Fellowship or Associateship of the Institute of Chartered accountants or Cost and Works Accountants.
 - A Degree or Diploma of a Recognised Institute of Engineering.
 - A Degree or Diploma in Naval Architecture.