

M.L. Dahanukar College of Commerce

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INTRODUCTION

Foreword by the Principal

Idea behind this Monthly Newsletter

Dr. D.M.Doke

Principal



Being a Commerce College, students are expected to know the changes in the business world. This newsletter will help the students get acquainted with a glimpse of what happened in the month gone by. It will also have insights into various business and commerce related updates which will help you gain in-depth knowledge. Make it a point to read each and every article in this issue and stay updated so that you don't get outdated.

Emerging Trends in Accounting

Focus – Artificial Intelligence (AI)

By Durvesh Sawant & Sahil Thakur – SYBAF (C)



AI – INTRODUCTION

AI is an area of computer science that emphasises the creation of intelligent machines that work and react like human beings. It is built on algorithms, which improve over time as they are fed more data. One can say that data is essentially the food for AI. AI isn't susceptible to human error and has around-the-clock capacity to work. AI is disrupting traditional business practices and

AI and Accounting

Accounting is one of the key functions for any business. It is the process of recording financial transactions pertaining to a business. With the help of AI, almost all accounting tasks like payroll, accounts reconciliation, creating financial statements, tax, banking, audits etc can be automated which leads to increased efficiency in essential and foundational accounting routines and practices.

AI is often used alongside machine learning (ML). It identifies patterns in data that help the computer make more accurate decisions in similar scenarios in the future, using algorithms, statistical models, and feedback loops. It helps in identifying trends using past data and analyse variations, if any, that may occur in the future.

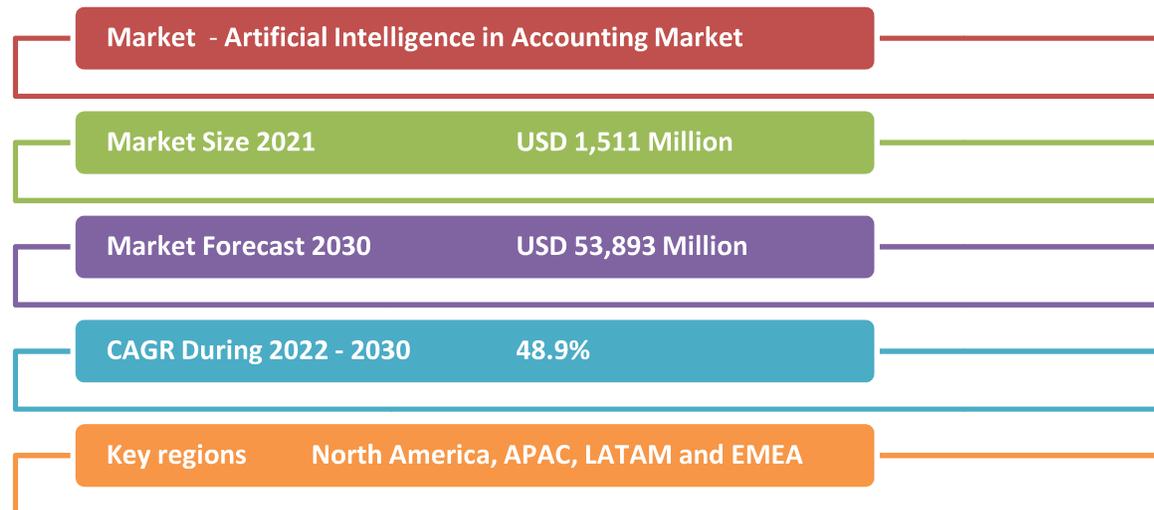
Three of the primary benefits experts see AI providing to accountants are:

Invisible accounting: A behind-the-scenes function that frees up human accountants to engage more with strategic decision-making.

Continuous auditing: Auditing without the need for breaks and with no gaps in reason or precision.

Active insight: Accounting managers and leaders can get real-time visibility into their finances.

Size of AI in Accounting¹



Why is this segment bound to soar upwards? Some of the benefits of usage of AI in Accounting

- ❖ Rising trend of automation in all areas
- ❖ Better data reliability on account of reduction in human errors during accounting process
- ❖ Improved efficiency with reduction in time taken for mundane and routine activities
- ❖ Increased productivity with superior quality of output
- ❖ Real-time data input, processing and report generation
- ❖ With help of algorithms, potential fraud areas can be easily identified and swift actions can be taken to avoid loss of revenue

Some of the accounting areas where AI has been applied²

- ❖ **Payables and Receivables processing** - Invoice processing is considered one of the more time-consuming and labor-intensive exercise. AI-based invoice management systems help by performing zero-error processing, and improving vendor relationships
- ❖ **Supplier on boarding** - The AI-based approach helps expand customers' reach, increase revenue, and evaluate the suppliers with minimal human intervention.
- ❖ **Cash-flow management** - AI-based tools empower enterprises to reconcile financial activities quickly, understand historical cash flows, and predict future cash requirements. AI applications also ensure that all financial processes are secure by collecting data from many sources and integrating the data.

¹ [Artificial Intelligence in Accounting - Global Market and Forecast Till 2030](#) by Acumen Research and Consulting

² <https://www.aspiresys.com/artificial-intelligence-in-finance-and-accounting>

- ❖ **Expense management** - When manually done, managing expenses-related processes is not only filled with complex paperwork - but also prone to fraud and data breaches. Expenses management automation ensures almost zero errors and alerts the team to a breach if it occurs.

- ❖ **Procurement management** - Purchasing and procurement processes mean a lot of paperwork - sometimes in different systems that are seemingly unconnected! With AI-driven workflows, finance teams can process unstructured data while automatically mitigating governance/compliance/risks.

Do we need to worry as Accounting and Finance students and future professionals?

No.

It is unlikely for AI to replace accountants i.e. us. It may reduce the need for us to do process-driven or repetitive bookkeeping tasks, but not higher-value accounting tasks.

In the past, accountants focused so much of their time on minor roles, such as data entry, data management, and less time on primary roles. The new technologies took over those, but human accountants are still needed in the following ways:

- ❖ **To analyse and interpret reports**
- ❖ **Application of human experience and instinct**
- ❖ **AI isn't capable of critical thinking**
- ❖ **AI isn't capable of strategising**

*** We will continue to discuss more about emerging trends in accounting in our next article...
Until then keep watching this space for more ***

THE MEN WHO BUILT INDIA:

Part- I and II

By Yash Suvarna – TYBAF (C)

The Beginning of Business Revolution in India.....

Everyone today knows about the Tata Family and how they transformed India, but very few know about how they began the journey of building India. Today we will talk about how the incident in Persia changed India's future.

During the 7th century, a few Zoroastrians entered the then Sanjan region through the sea route which is part of today's Gujarat. When the King Jadi Rana's men saw them, they ran and alerted the King that someone might be attacking the kingdom. A feeling of fear spread around and everybody started preparing, thinking it might be a war. The King ordered his soldiers to capture them. When they reached the shore, the soldiers arrested them and they were shocked to see that nobody had any weapons with them. They were presented before the King. The King tried to talk to them, but neither could understand each other's language. Looking at them, the King thought that they were fugitives i.e. maybe their country had kicked them out and they've come here. He ordered his men to bring a glass full of milk. With the glass of milk, the King tried to make them understand that his kingdom was already full and prosperous, and there's no place here for fugitives. That is why he can't accommodate them. The King was also worried that this might be an enemy plot.

The twist....

An old Parsi man stands up and mixed some sugar in the milk. The milk didn't pour out, it only got sweeter. With this, he tries to explain the King that these Parsis will live like that in his kingdom. They will not trouble him nor will they be a burden, and their arrival will only sweeten the Kingdom more. The King was very impressed but didn't take an emotional decision and he made some conditions such as, they cannot carry weapons, they will have to learn Gujarati, women will have to wear sarees and all their weddings will take place in the evening. He let them stay in the kingdom under these conditions.

At the time, nobody had any idea that this one decision by the King was going to bring a business revolution in India. Parsis followed all these conditions and peacefully started living there. When the King had taken them into the kingdom it was a life-saving gesture for them. They wrote many poems in the King's praise. You can still see them written on the temple walls of Sanjan Stambh. Parsis were not always into business. They were initially farmers.

How they got into the business sphere is an interesting story.....

Jamsetjee Jejeebhoy - The catalyst of business revolution in India...

Everyone today knows about the Tata Family and how they transformed India, but very few know about how they began the journey of building India. Today we will talk about how the incident in Persia changed India's future.

The Marathas had attacked Surat twice which led to a lot of losses in Surat. The Britishers felt that Surat had become a risky trading centre for them. So they decided to develop Mumbai and make it their trading centre. To make Mumbai a trading centre, they had to develop it. Hence, the Britishers required the help of locals. With their help, they could trade Tea and Opium, and build and repair trading ships.

Bombay had a huge Marathi community but the Britishers didn't involve them in business. The Britishers knew that if they involved the Marathas in their business then they would become rich. Once they became rich, they would throw the British out. Exactly what Chhatrapati Shivaji Maharaj always wanted! The Britishers noticed a community they could involve in their business and make them their business partners. This was the Parsi community. The British believed that the Parsi community was very small and controlling them would be very easy and even if they became rich, they would never be a threat. Some Parsis began helping the British in building ships such as, Wadiyas. Some Parsis helped them in trading Tea and Opium such as Jamsetjee Jejeebhoy. Soon Jamsetjee Jejeebhoy became the richest Parsi. But its beginning was very painful.

Jamsetjee Jejeebhoy was travelling to China on his ship, when some French men attacked him. They took them to South Africa. There was another man on the ship, William Jardine. Jamsetjee Jejeebhoy and William had a long conversation. The conversation turns into a friendship. William Jardine over a period of time becomes one of the biggest Traders in China. He then required a principal collaborator, who could help with transportation. Jamsetjee Jejeebhoy comes to his help. So by trading Opium with William Jardine, Jamsetjee Jejeebhoy earns millions of Pounds. He became the richest Parsi. But in 1839, China and Britishers had an Opium war where China bans Opium for a while. Due to this, Parsi businesses that were Opium dependent lost their income source. A lot of Parsis committed suicide after this. Soon after, Jamsetjee Jejeebhoy closed his Opium business and then focused on Philanthropy. He didn't close his Opium business because of the war, but because a lot of people were criticizing him for trading the wrong thing because Opium was used to make Drugs.

Jamsetjee Jejeebhoy made so many donations that it is said the person with the biggest role in developing Mumbai was Jamsetjee Jejeebhoy. At that time, he donated ₹1 lakh and made Sir J.J Hospital and donated his money to 126 notable public charities. Some of them were Sir J.J School of Arts, and Sir J.J Dharamshala. On 14th April, 1859 Jamsetjee Jejeebhoy died but India's business revolution began as well. That era was Jamsetjee Tata's, which will be explained in the next issue.

NEW IDEAS, NEW DEVELOPMENT – MADE IN INDIA

By Laxmita Shetty TYBAF (C)
CA Prachi Malgaonkar



Have you ever wondered what are the plans plotted for buying or producing jets? Haven't you questioned anyone that how are the tactics made by IAF and Navy equally?

Let's take a look on the newly emerging news and plans having a combination idea of the Government, IAF and NAVY.

The Government has introduced to Navy and Air Force a new technology and a new equipment known as Twin Deck Based Fighter (TEDBF), to which Navy has agreed as it is tactical, cheaper and assured of a good performance and quality. The idea behind is to produce a qualitative equipment with more knowledge and less money.

The Navy had told ADA that it will be procuring 45 TEDBF from HAL when it enters service in 2031. It is planning to buy 27 deck-based fighter jets currently. The same idea was been shared to IAF; their decision is yet to come. IAF had placed order for 83 Tejas Mk1A and has committed to procuring 108 Tejas Mk2 and 120 AMCA Mk1 and Mk2 fighter jets by 2040. Rafale M per unit flyaway cost in 2011 was reported to be \$89 million which is comparatively high from the cost of TEDBF as its total is estimated to be around \$ 100 million.

If Navy had demanded a Specific Enhancement Package as IAF did, then the cost of each jet would be considerably higher per unit. The plan of the Government was to achieve modern technological equipment at a low amount. The TEDBF programme analysis came out to be cheaper than an imported carrier - based fighter jet. It is been also noted that the development will be done as per Naval Operational requirement.

Till now, Navy's tender has never moved into a request for proposal (RFP) stage as IAF had. To look upon and equal the taxes as Indian Taxpayers for the purchase of IAF new jets, Indian Navy has committed to procuring 50 IAF jets.

According to ADA, the Air Force version called ORCA will have a flyaway per unit cost of \$65 million along with the other purchasing amounts. The amount of Tejas M1A costs \$43.6 million per flyaway unit and Mk2 is estimated to cost \$55 - 59 million. These are heading towards a large billing amount of less equipment.

This new program and tactic of TEDBF is the new beginning of benefiting India indirectly as the overall purchase rate is low, equipment is more in number and qualitative, available for Indian Developments and Modifications as per requirement etc. which can be also said as a new step towards Efficient and Capable India.

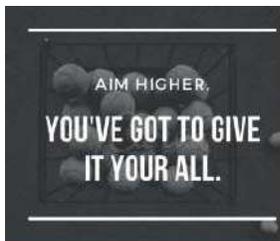
Commonwealth Games 2022

MAKING INDIA PROUD

You've got to give it your all!



India's Lovely Choubey, Pinki, Navanmoni Saikia and Rupa Rani Tirkey pose for photos after winning the Lawn Bowls Women's Fours gold at the Commonwealth Games 2022 (CWG). It was India's first ever medal finish in Lawn Bowls (PTI)



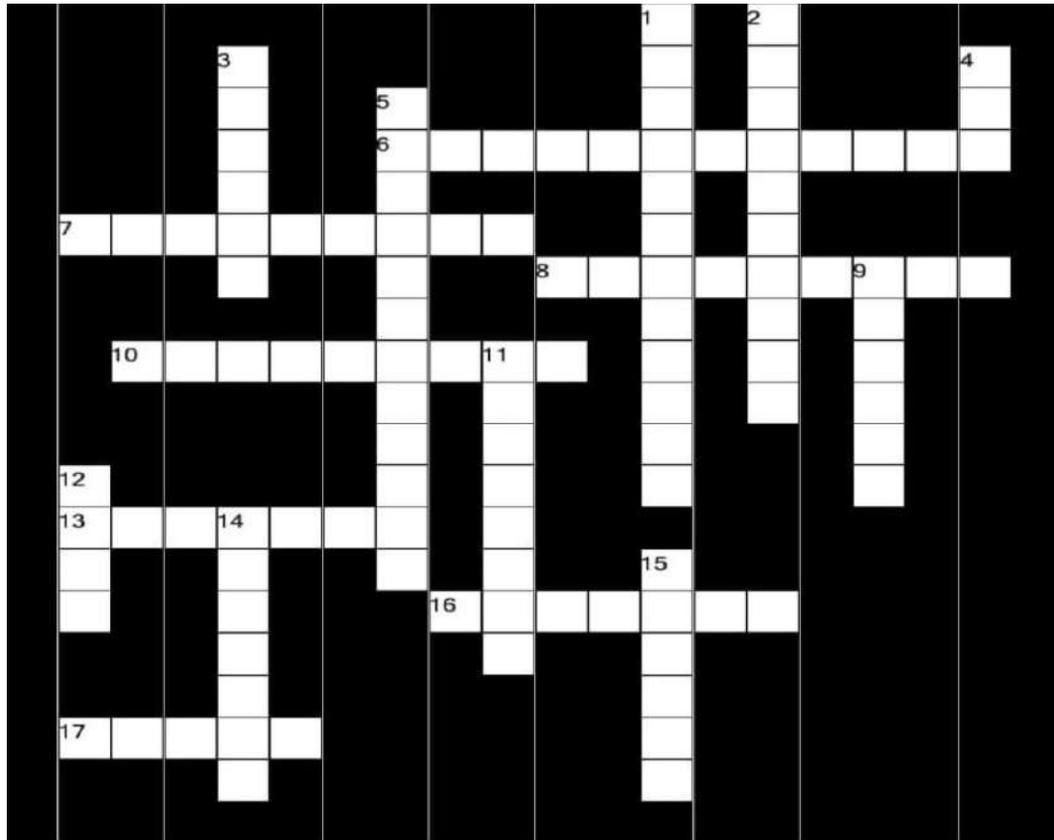
P.V. Sindhu won the gold medal in the badminton final against Canada's Michelle Li at the 2022 Birmingham Commonwealth Games. File Photo Credit: Getty Images



Abdulla Abobacker and Eldhose Paul became the first Indian male pair to finish a CWG table tennis event with gold and silver medals. (ANI)

CROSSWORD OF THE MONTH

By Riya Nar – TYBAF (C)



ACROSS

6. Gradual and periodic reduction of any amount
7. A year immediately preceding the assessment year
8. Provision is created for
10. Headquarter of IRDAI is located at
13. HDFC bank is which type of bank
16. Person paying premium
17. A resource with economic value that an individual, corporation and country owns

DOWN

1. Take advantage of price difference in two market
2. Goodwill is which type of asset
3. Difference between bid and ask price
4. Currency of Japan
5. Canara bank is which type of bank
9. Money that we receive regularly as a payment for work or as interest
11. Examination of books of accounts
12. Foreign exchange Rate currently prevailing in the market
14. A written document is support of a transaction is called
15. A person act as an agent for others in buying and selling shares in return for brokerage

Solution will be given on the last page of the newsletter

BAF TIMES Team –

Riya Nar – TYBAF (C), Durvesh Sawant & Sahil Thakur – SYBAF (C)

If you wish to contribute your articles to be featured in the next issue, please mail your articles on vidhim@mldc.edu.in by 10th of every month.

All Articles in this issue are the personal views of the authors and the college does not necessarily subscribe to the personal views of the authors.

Editor-in-Chief

CA Vidhi Manek, Asst. Prof – B.Com.(A&F)

CROSSWORD SOLUTION

- 1. Arbitrageurs 2. Intangible 3. Spread 4. YEN 5. Nationalised 6. Amortization 7. Financial (year) 8. Liability 9. Income 10. Hyderabad 11. Auditing 12. Spot 13. Private 14. Voucher 15. Broker 16. Insured 17. Asset*