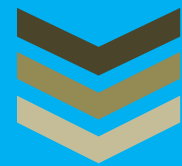


# Referencer for Quick Revision



## Foundation Course Paper-4: Business Economics & Business and Commercial Knowledge



A compendium of subject-wise capsules published in the  
monthly journal "The Chartered Accountant Student"

**Board of Studies  
(Academic)  
ICAI**

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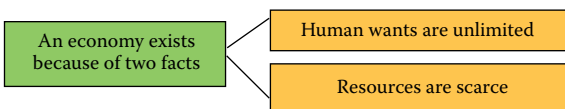
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<b>4A</b>	<b><i>Business Economics</i></b>	<i>1-2</i>	<i>November 2020</i>	<i>Nature &amp; Scope of Business Economics</i>
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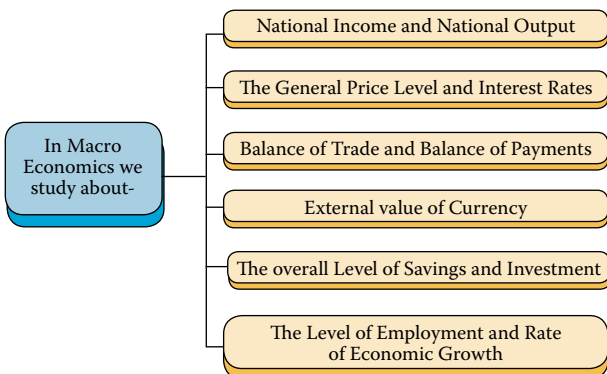
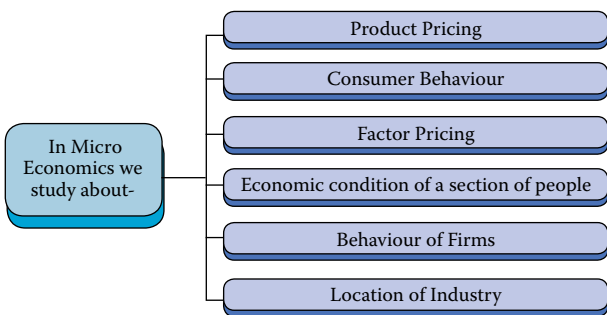
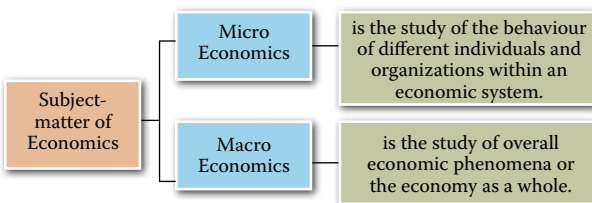
**CA FOUNDATION - PAPER 4, PART-I BUSINESS ECONOMICS**

- Economics deals with problems and questions that affect all kinds of individuals in their capacities as consumers and producers. Therefore, economic literacy is essential for everyone. Business Economics, which is being taught at the Foundation level, has been developed keeping in mind the fact that CAs now a days have to take up the role of not merely an accountant or auditor, but also as a business solution provider.
- Business Economics integrates economic theory with business practices and help business in the process of decision making.
- You are advised to read and understand the study material for a thorough understanding of the topic. This capsule on Foundation Paper 4, Part I is intended to assist you in the process of revision of concepts discussed in the study material.

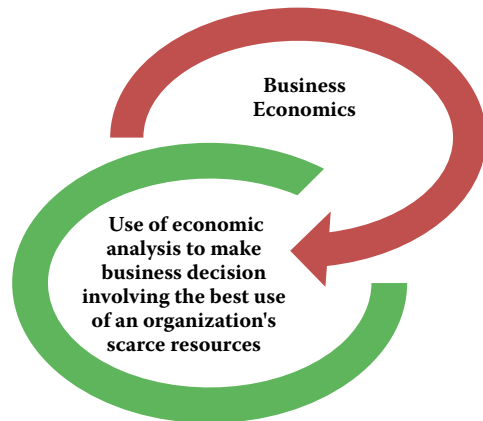
**Economics**  
Economics is the study of processes by which the relatively scarce resources are allocated to satisfy the competing unlimited wants of human beings in a society.



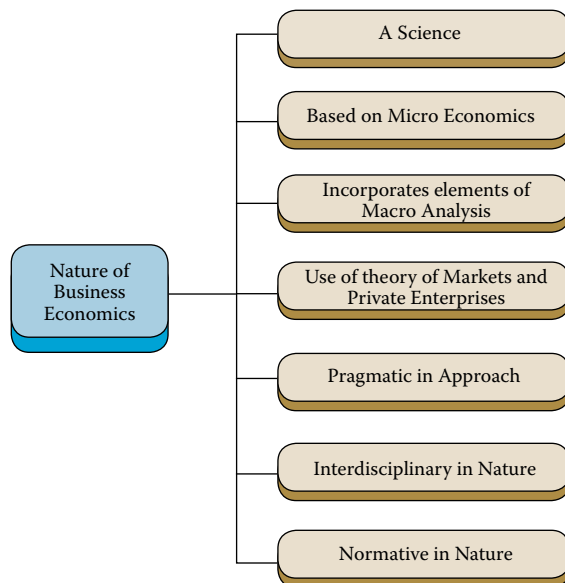
**Subject –matter of Economics**  
Economics is broadly divided into two major parts- Micro Economics and Macro Economics



**Business Economics**  
enables application of economic logic and analytical tools to bridge the gap between theory and practice.

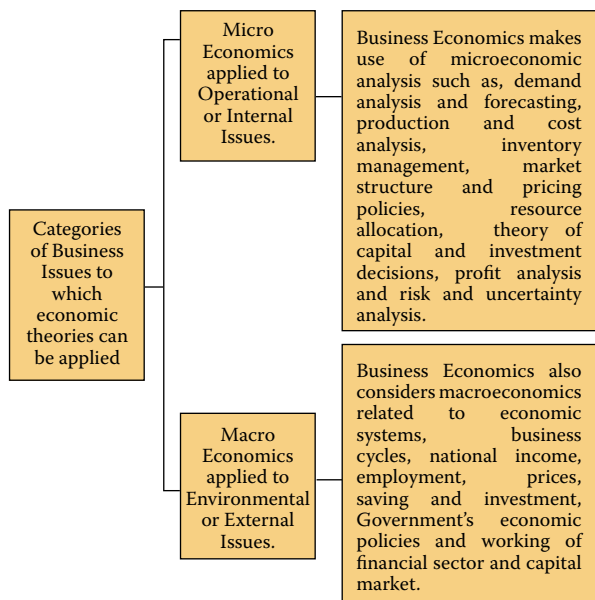


**Nature of Business Economics**  
Business Economics is basically concerned with micro economics. However, macro economic analysis has got an important role to play in business economics. Macroeconomics analyzes the environment in which the business has to function.



## Scope of Business Economics

The scope of Business Economics is quite wide. It covers most of the practical problems a manager or a firm faces.

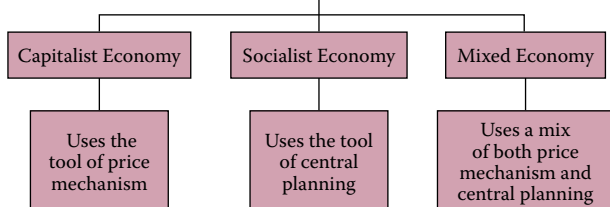


## Central Economic Problems

What to Produce ?	How to Produce ?	For whom to Produce ?	What Provisions are to be made for Economic Growth ?
Since the resources are limited, every society has to decide which goods and services should be produced and how many units of each good (or service) should be produced	It has to decide whether to use labour-intensive techniques or capital-intensive techniques. The choice would depend on the availability of different factors of production and their relative prices.	How the goods (and services) should be distributed among the members of the society.	A society has to decide how much saving and investment (i.e. how much sacrifice of current consumption) should be made for future progress.

The basic economic problems of what, how and for whom to produce are solved by different economies in different ways.

## Three broad classifications of Economies

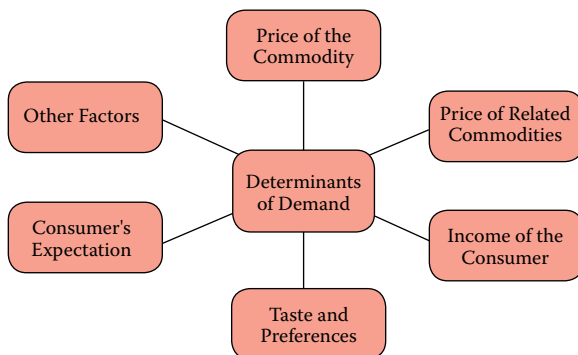


## Meaning of Demand

Demand means desire or wish to buy and consume a commodity or service backed by adequate ability to pay and willingness to pay.

## Determinants of Demand

Demand for a product depends on a number of determinants / variables. The study of relationship between demand and its determinants is essential for a business firm. It helps in estimating market demand for its product.

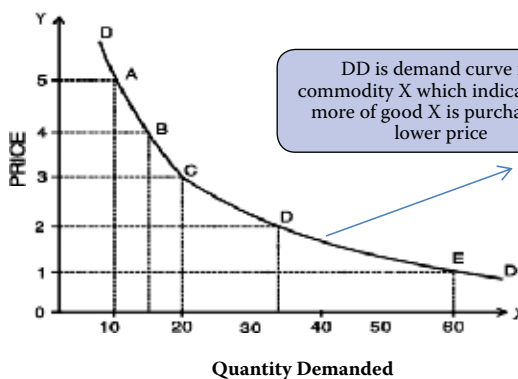


## Demand Function

- it states the relationship between the demand for a product and its determinants. It may be expressed as follows-
- $D_x = f(P_x, M, P_y, P_c, T, A)$
- where  $D_x$  is the quantity demanded of product X
- $P_x$  is the price of the commodity
- $M$  is the money income of the consumer
- $P_y$  is the price of its substitutes
- $P_c$  is the price of its complementary goods
- $T$  is consumer tastes, and
- $A$  is advertisement expenditure

## Law of Demand

According to the law of demand, other things being equal, if the price of a commodity falls, the quantity demanded of it will rise and if the price of a commodity rises, its quantity demanded will decline. Thus, there is an inverse relationship between price and quantity demanded, ceteris paribus.



Demand Curve for Commodity X

**Movement along the Demand Curve**

- ◆ Contraction of Demand - Other things being equal, when the price rises and as a response, the quantity demanded decreases, it is a contraction of demand or an upward movement along the same demand curve.
- ◆ Expansion of Demand -When the price falls and the quantity demanded increases it is an extension of demand or a downward movement on the same demand curve.

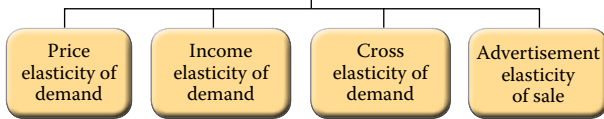
**Shift of the Demand Curve**

- ◆ The demand curve will shift to the right when there is a rise in income (unless the good is an inferior one), a rise in the price of a substitute, a fall in the price of a complement, a rise in population and a change in tastes in favour of commodity. The opposite changes will shift the demand curve to the left.

**Elasticity of Demand**

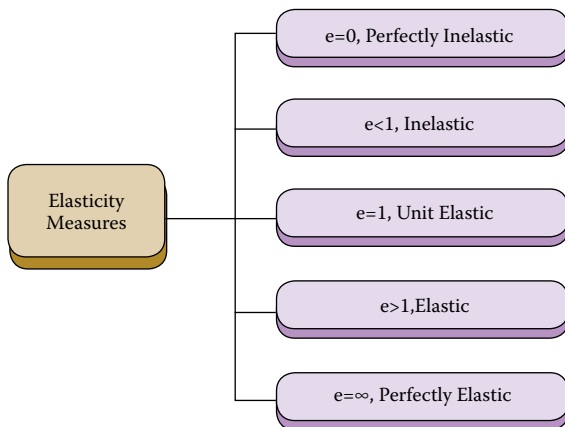
- ◆ Elasticity of demand is defined as the responsiveness of the quantity demanded of a good to changes in one of the variables on which demand depends. More precisely, elasticity of demand is the percentage change in quantity demanded divided by the percentage change in one of the variables on which demand depends.

**Types of Elasticity of Demand**



**Price Elasticity of Demand**

- ◆ Price Elasticity of Demand refers to the percentage change in quantity demanded of a commodity as a result of a percentage change in price of that commodity.
- ◆ As demand curve slopes downwards to the right, the sign of price elasticity is negative.
- ◆ We normally ignore the sign of elasticity and concentrate on the coefficient. Greater the absolute coefficient, greater is the price elasticity.
- ◆ In symbolic form, price elasticity=  $E_p = \frac{\% \text{ change in quantity demanded}}{\% \text{ change in price}}$ .

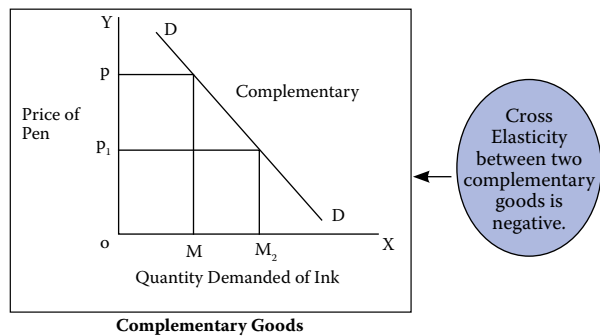
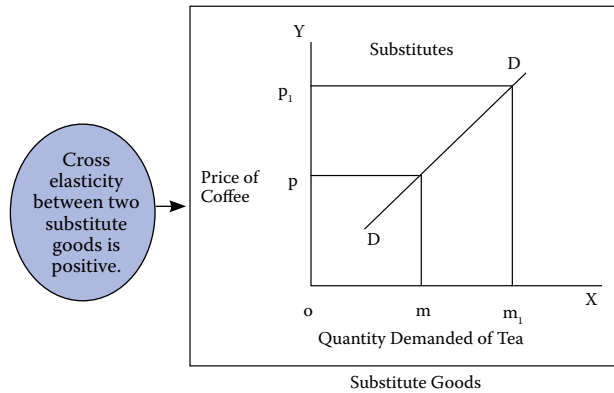


**Income Elasticity of Demand**

- ◆ Income elasticity of demand is the degree of responsiveness of quantity demanded of a good to changes in the income of consumers. In symbolic form, percentage change in demand / percentage change in income.
- ◆ For all normal goods, income elasticity is positive, on the other hand, goods having negative income elasticity are known as inferior goods
- ◆ If the income elasticity for a good is greater than one, such goods are called luxury goods. On the other hand, if the income elasticity is less than one, it is a necessity.

**Cross Elasticity of Demand**

- ◆ The cross elasticity of demand is the percentage change in the quantity demanded of commodity X as a result of a percentage change in the price of some related commodity Y.

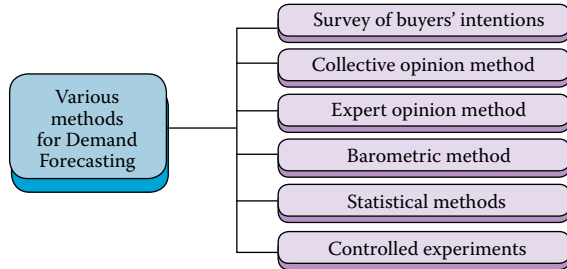


**Advertisement Elasticity of Sale**

- ◆ Advertisement elasticity of sales or promotional elasticity of demand is the responsiveness of a good's demand to changes in firm's spending on advertising.
- ◆ The advertising elasticity of demand measures the percentage change in demand that occurs given a one percent change in advertising expenditure.
- ◆ Advertising elasticity measures the effectiveness of an advertisement campaign in bringing about new sales.
- ◆ Advertising elasticity of demand is typically positive. Higher the value of advertising elasticity greater will be the responsiveness of demand to change in advertisement. Advertisement elasticity varies between zero and infinity.
- ◆ It is measured by  $\frac{\% \text{ change in demand}}{\% \text{ change in spending on advertising}}$ .

## Demand Forecasting

Forecasting of demand is the art and science of predicting the probable demand for a product or a service at some future date on the basis of certain past behaviour patterns of some related events and the prevailing trends in the present.



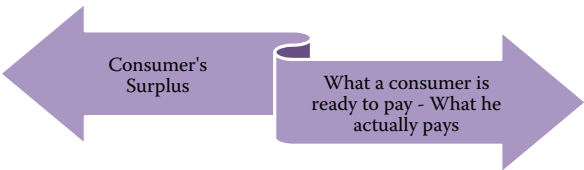
## Meaning of Utility

It refers to the want satisfying power of goods and services. It is not absolute but relative. It is a subjective concept and it depends upon the mental attitude of people.

## Law of Diminishing Marginal Utility

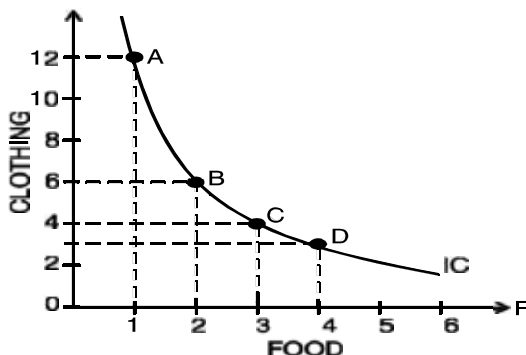
It states that as a consumer increases the consumption of a commodity, every successive unit of the commodity gives lesser and lesser satisfaction to the consumer.

Total Utility	$TU = MU_1 + MU_2 + \dots + MU_n$
Marginal Utility	$MU_n = TU_n - TU_{n-1}$



## Indifference Curve

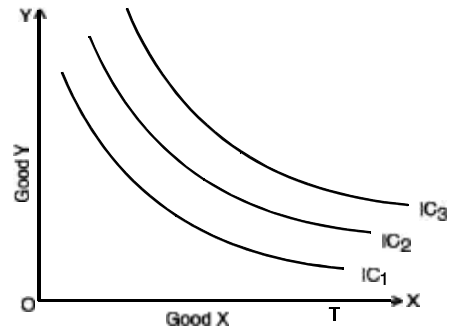
is a curve which represents all those combinations of two goods which give same satisfaction to the consumer. Since all the combinations on an indifference curve give equal satisfaction to the consumer, the consumer is indifferent among them.



Consumer's Indifference Curve

## An Indifference Map

represents a collection of many indifference curves where each curve represents a certain level of satisfaction.



Indifference Map

## Properties of indifference curve

- Indifference curve slopes downwards to the right
- It is always convex to the origin
- Two ICs never intersect each other
- It will never touch the axes
- Higher the indifference curve higher is the level of satisfaction.

Marginal rate of Substitution

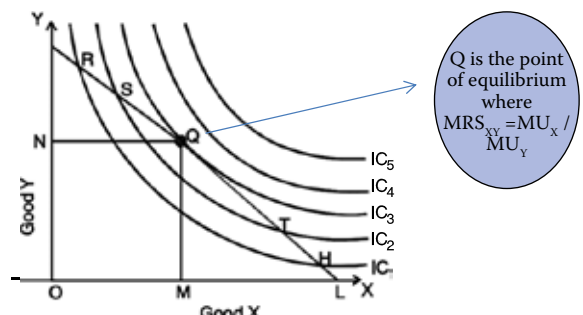
$$MRS_{xy} = MU_x / MU_y$$

## Budget Line/ Price Line

Budget line or price line shows all those combinations of two goods which the consumer can buy spending his given money income on the two goods at their given prices.

## Consumer's Equilibrium

- A consumer is said to be in equilibrium when he is deriving maximum possible satisfaction from the goods and is in no position to rearrange his purchase of goods.
- The consumer attains equilibrium at the point where the budget line is tangent to the indifference curve and  $MU_x / P_x = MU_y / P_y = MU_x / P_z$



Q is the point of equilibrium where  $MRS_{xy} = MU_x / MU_y$

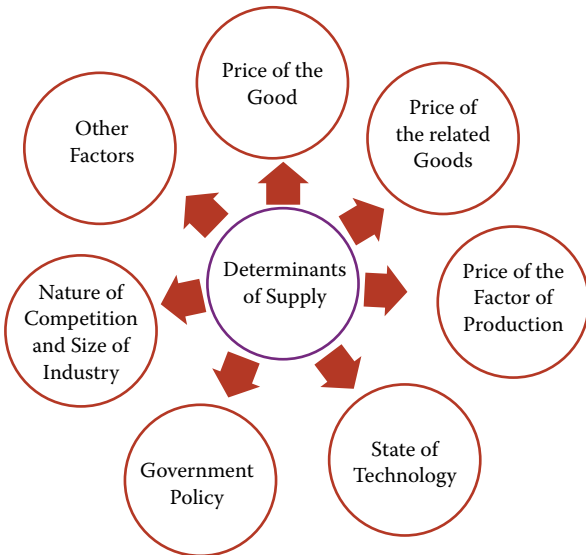
Consumer's Equilibrium

**Supply**

It refers to the amount of a good or service that the producers are willing and able to offer to the market at various prices during a given period of time.

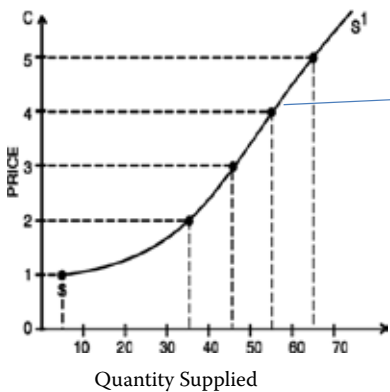
**Determinants of Supply**

Although price is an important consideration in determining the willingness and desire to part with commodities, there are many other factors which determine the supply of a product or a service.



**Law of Supply**

- ◆ It states that when the price of the good rises, the corresponding quantity supplied increases and when the price reduces, the quantity supplied also reduces.
- ◆ There is a direct relationship between price and quantity supplied.



It is an upward sloping curve showing a positive relationship between price and quantity supplied.

**Movement on the Supply Curve**

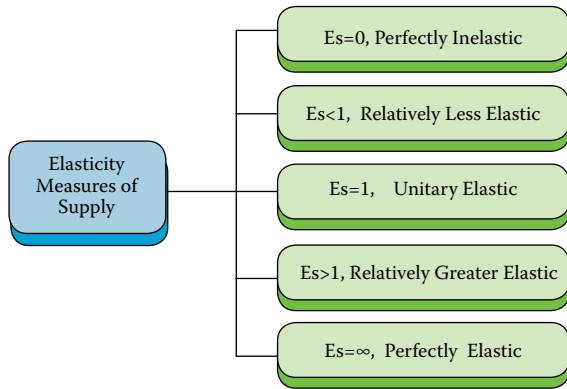
- ◆ When the quantity supplied of a good increases as a result of an increase in its price then there is an upward movement on the supply curve. The reverse is the case when there is a fall in the price of the good.

**Shift in Supply Curve**

- ◆ When the supply curve bodily shifts towards the right as a result of a change in one of the factors that influence the quantity supplied other than the commodity's own price, we say there is an increase in supply. When these factors cause the supply curve to shift to the left, we call it decrease in supply.

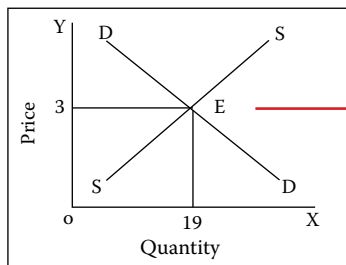
**Elasticity of Supply**

- ◆ It measures the responsiveness of the quantity supplied of a good to a change in its price.



**Equilibrium Price**

- ◆ Equilibrium price is one at which the wishes of both the buyers and the sellers are satisfied. At this price, the amount that buyers want to buy and sellers want to sell will be equal.

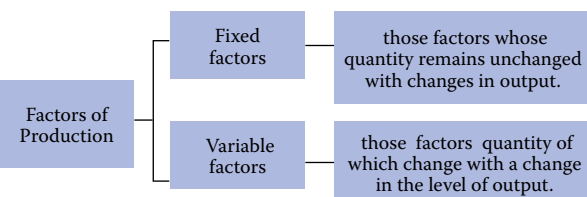


E is equilibrium point where quantity demanded is equal to quantity supplied

Equilibrium price

**Production**

- ◆ Production is the outcome of the combined activity of the four factors of production viz, land, labour, capital and organization. In simple terms production, means 'creation of utility'. i.e. Utility of form, utility of place, utility of time and personal utility.



## Production Function

- ◆ The production function is a statement of the relationship between a firm's scarce resources (i.e. its inputs) and the output that results from the use of these resources.
- ◆ The production function can be algebraically expressed in the form of an equation in which the output is the dependent variable and inputs are the independent variables.
- ◆ The equation is :  $Q = f(a, b, c, d \dots n)$  Where 'Q' stands for the rate of output of given commodity and a, b, c, d.....n, are the different factors (inputs) and services used per unit of time.

## Short-Run Vs Long-Run Production Function

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. The short-run is a period of time in which at least one of the inputs used remains unchanged during that period.</li> <li>2. In the short run, a firm cannot install a new capital equipment to increase production.</li> <li>3. The behaviour of production is the subject matter of the law of variable proportion.</li> </ol> | <ol style="list-style-type: none"> <li>1. The long run is a period of time in which all factors of production are variable.</li> <li>2. It is a time period when the firm will be able to install new machines and capital equipments apart from increasing the variable factors of production.</li> <li>3. The behaviour of production is the subject matter of the law of returns to scale.</li> </ol> |
|--|--|

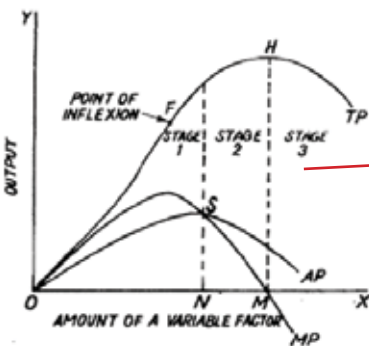
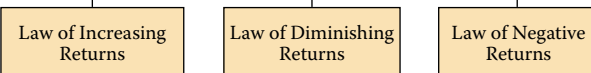
## Cobb-Douglas Production Function

- ◆ It stated as  $Q = KL^a C^{(1-a)}$
- ◆ where Q is output, L the quantity of labour, C quantity of capital, K and a are positive constants

## Law of Variable Proportions

The law of variable proportion or the law of diminishing returns is relevant when some factors are kept fixed and others are varied. It is applicable to the short-run.

### Three stages of the Law of Variable Proportion



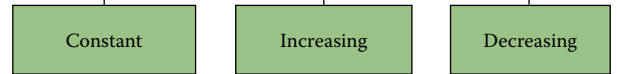
Law of Variable Proportions

- Stage 1 Law of increasing returns.
- Stage 2 Law of diminishing returns.
- Stage 3 Law of negative returns.

## Returns to Scale

It describes the relationship between inputs and output in the long run when all inputs are changed in the same proportion.

## Returns to Scale



### Constant returns to scale

- It occurs when the inputs increase by some proportion and the output also increases by the same proportion. It is also called linear homogeneous production function

### Increasing returns to scale

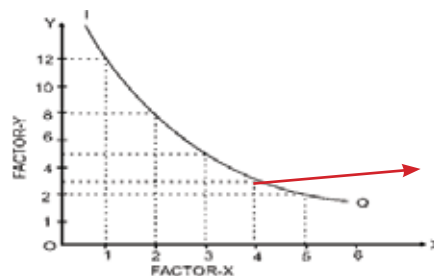
- It occurs when the inputs increase by some proportion and the output increases more than proportionately.

### Decreasing returns to scale

- It occurs when the inputs increase by some proportion and the output increases less than proportionately.

## Isoquants

Isoquants or product indifference curves show all those combinations of different factors of production which give the same output to the producer.

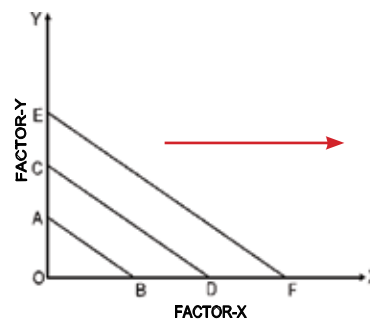


Isoquant Curve

IQ is Isoquant curve.

## Iso-cost Lines

It show various combinations of two factors which the firm can buy with given expenditure or outlay.



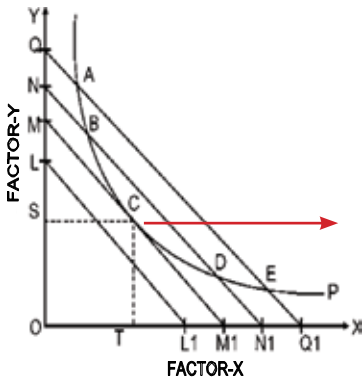
Iso-cost Lines

Figure shows various iso-cost lines representing different combinations of factors with different outlays. AB, CD and EF are Iso-cost lines.

## Least Cost Combination

For producing a given output, the tangency point of the relevant isoquant (representing the output) with an iso-cost line represents the least cost combination of factors.



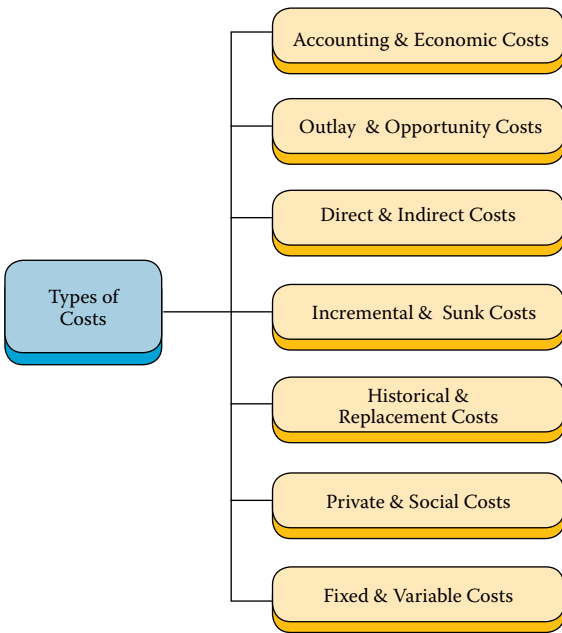


C is the tangency point of the given isoquant with an iso-cost line represents the least cost combination of factors for producing a given output.

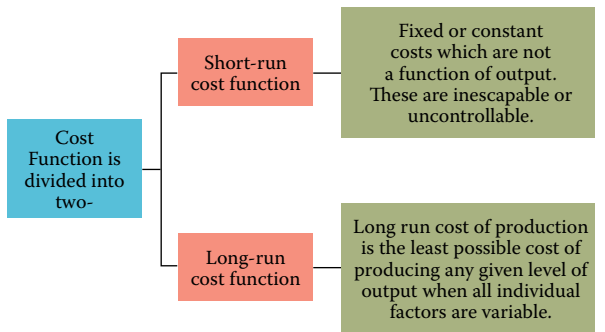
Least-cost Combination of Factors: Producer's Equilibrium

- ◆ Indirect costs are those which cannot be easily and definitely identifiable in relation to a plant, product, process or department. They not visibly traceable to any specific goods, services, processes, departments or operations.
- ◆ Incremental cost refers to the additional cost incurred by a firm as a result of a business decision.
- ◆ Sunk costs are already incurred once and for all, and cannot be recovered.
- ◆ Historical cost refers to the cost incurred in the past on the acquisition of a productive asset.
- ◆ Replacement cost is the money expenditure that has to be incurred for replacing an old asset.
- ◆ Private costs are costs actually incurred or provided for by firms and are either explicit or implicit.
- ◆ Social cost, on the other hand, refers to the total cost borne by the society on account of a business activity and includes private cost and external cost.

**Cost Analysis**  
It refers to the study of behaviour of cost in relation to one or more production criteria. It concerned with the financial aspects of production.



**Cost Function**  
The cost function refers to the mathematical relation between cost and the various determinants of cost. It expresses the relationship between cost and output. Economists are generally interested in two types of cost functions; the short run cost function and the long run cost function.



**Types of Cost**

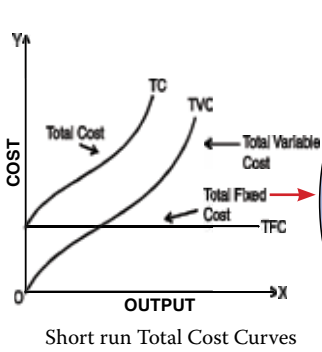
- ◆ Total cost of a business is defined as the actual cost that must be incurred for producing a given quantity of output.
- ◆ AFC is obtained by dividing the total fixed cost by the number of units of output produced.
- ◆ Average variable cost is found out by dividing the total variable cost by the number of units of output produced.
- ◆ Average total cost is the sum of average fixed cost and average variable cost.
- ◆ Marginal cost is the addition made to the total cost by the production of an additional unit of output.
- ◆ Long run cost of production is the least possible cost of producing any given level of output when all individual factors are variable.

**Cost concepts**

- ◆ Accounting costs are explicit costs and includes all the payments and charges made by the entrepreneur to the suppliers of various productive factors.
- ◆ Economic costs take into account explicit costs as well as implicit costs. A firm has to cover its economic cost if it wants to earn normal profits.
- ◆ Outlay costs involve actual expenditure of funds.
- ◆ Opportunity cost is concerned with the cost of the next best alternative opportunity which was foregone in order to pursue a certain action.
- ◆ Direct costs are those which have direct relationship with a component of operation. They are readily identified and are traceable to a particular product, operation or plant.

**Short Run Total Cost**

- ◆ The short run total cost is composed of two major elements namely, total fixed cost and total variable cost.
- ◆ Symbolically  $TC = TFC + TVC$



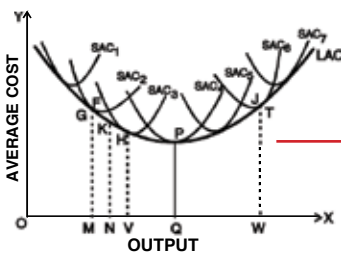
TFC curve starts from a point on the Y-axis shows that fixed costs will be incurred even if the output is zero. On the other hand, the TVC curve rises upward indicating that as output increases, total variable cost increases. The TVC curve starts from the origin because variable costs are zero when the output is zero. The TC curve has been obtained by adding vertically the TFC curve and the TVC curve.

### Relationship between Average Cost and Marginal Cost

- ◆ When average cost falls as a result of an increase in output, marginal cost is less than average cost.
- ◆ When average cost rises as a result of an increase in output, marginal cost is more than average cost.
- ◆ When average cost is minimum, marginal cost is equal to the average cost. In other words, marginal cost curve cuts average cost curve at its minimum point (i.e. optimum point).

### Long run Average Cost Curve(LAC)

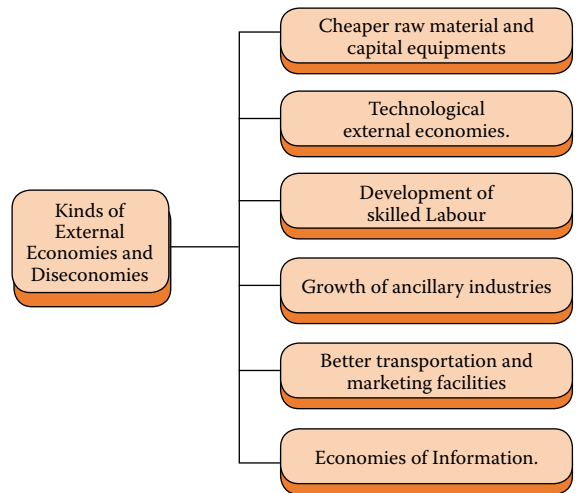
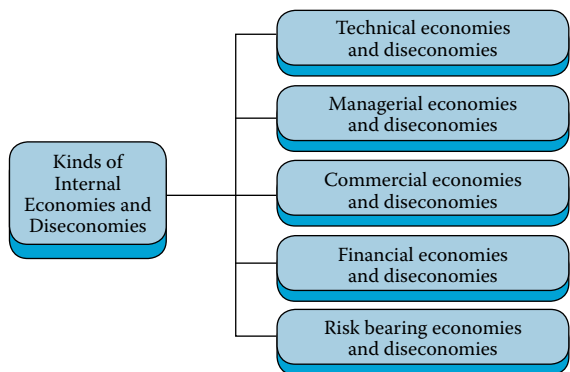
The long run average cost curve, often called a planning curve, is so drawn as to be tangent to each of the short run average cost curves.



The LAC curve is tangent to each of the short run average cost curves. Every point on the long run average cost curve will be a tangency point with some short run AC curve.

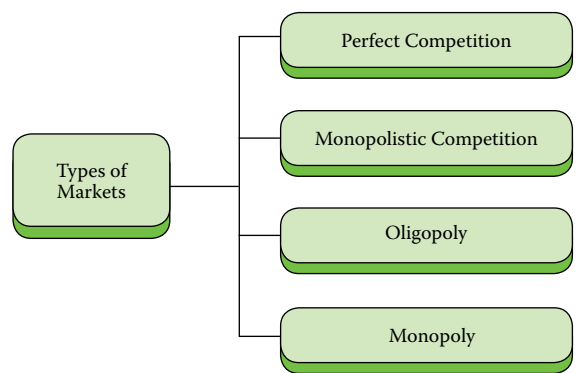
### Economies of Scale and Diseconomies of Scale

- ◆ When increase in scale is upto optimum level, then it is economies of scale. On the other hand, increase in scale beyond the optimum level, results in diseconomies of scale.
- ◆ Economies of scale is of two types-
  - Internal economies of scale which accrue to a firm when it engages in large scale production.
  - External economies of scale accrue to a firm due to factors which are external to a firm.



### Meaning of Market

Market is the whole set of arrangements for buying and selling of a commodity or service.



### Perfect Competition

- Very large number of sellers.
- No product differentiation.
- Price elasticity of demand of a firm is infinite.
- No degree of control over price.

### Monopolistic Competition

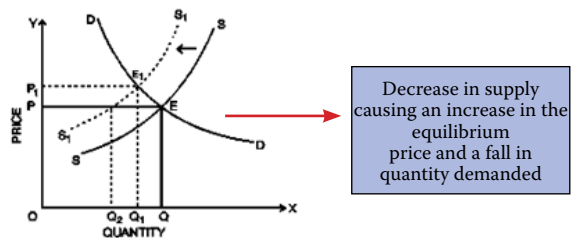
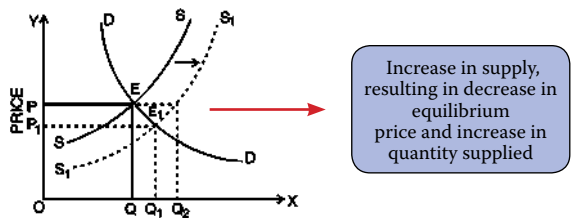
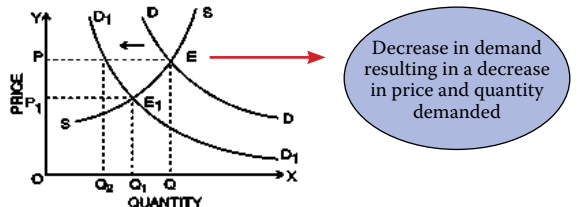
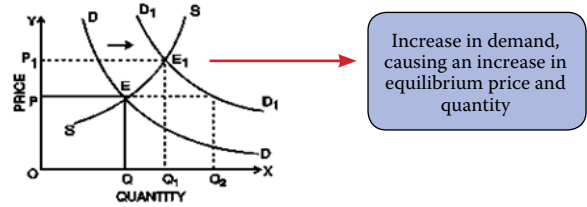
- Large number of Sellers.
- Slight product differentiation.
- Price elasticity of a firm is large.
- Some degree of control over price.

**Oligopoly**

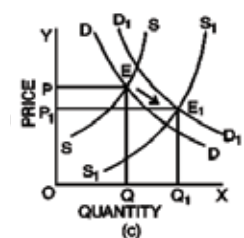
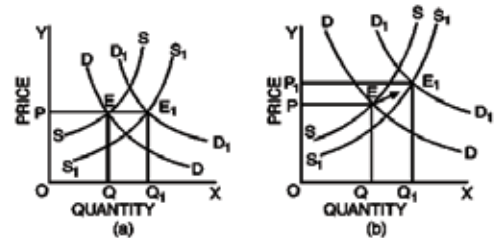
- Small numbers of sellers.
- Price elasticity of demand of a firm is small.
- Some degree of control over price.
- Product differentiation is none to substantial.

**Monopoly**

- Only single seller.
- Extreme product differentiation.
- Price elasticity of a firm is small.
- Degree of control over price is very considerable.

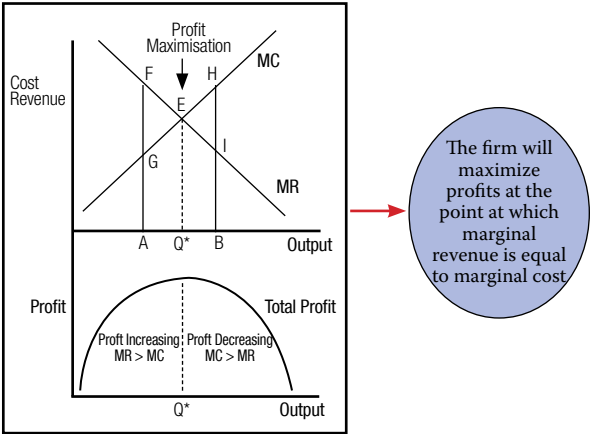


There can be simultaneous changes in both demand and supply and the equilibrium price will change according to the proportionate change in demand and supply.



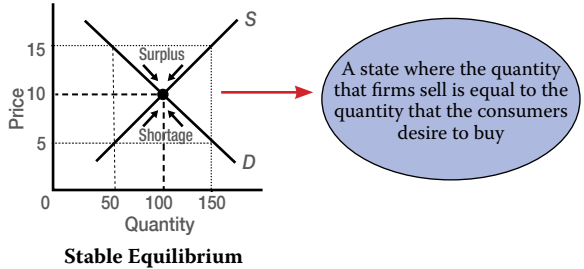
Simultaneous Change in Demand and Supply

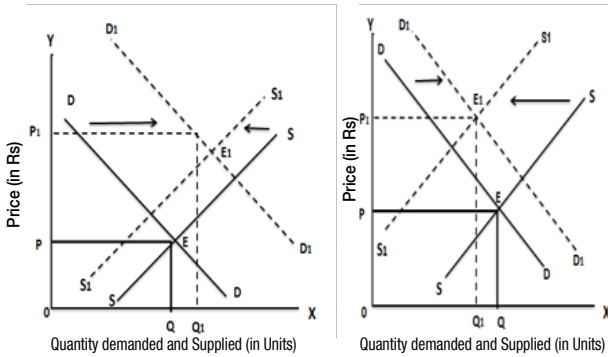
Total Revenue	Average Revenue	Marginal Revenue
refers to the amount of money which a firm realizes by selling certain units of a commodity.	refers to the revenue earned per unit of output.	refers to the change in total revenue resulting from the sale of an additional units of a commodity.
$TR = P \times Q$	$AR = TR/Q$	$MR = \Delta TR / \Delta Q$



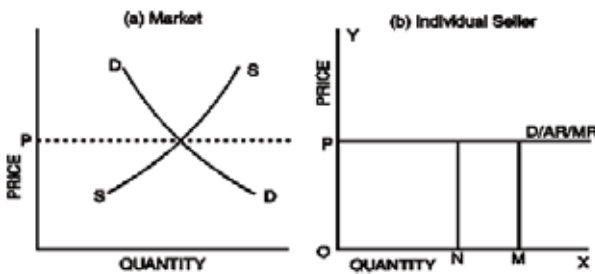
**Equilibrium price or market clearing price**

- It is the price at which the quantity demanded of a commodity equals the quantity supplied of the commodity there is no unsold stock or no unsupplied demand.

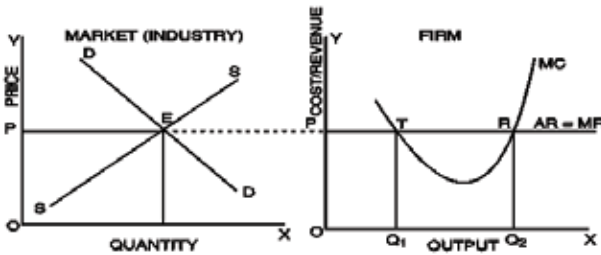




Effect on Equilibrium Price and Quantity When Demand and Supply Curves Shift in Opposite Directions

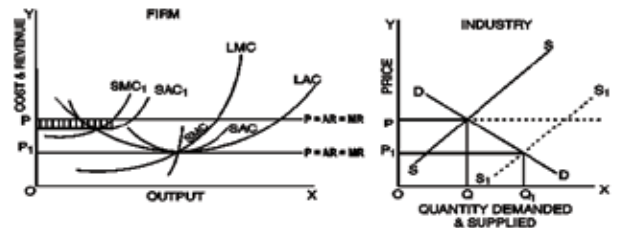
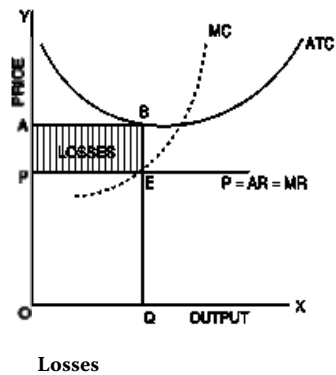
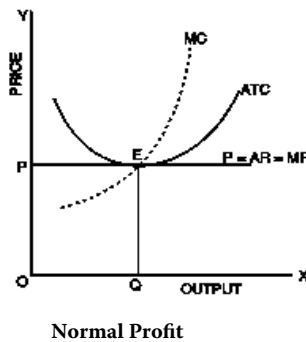
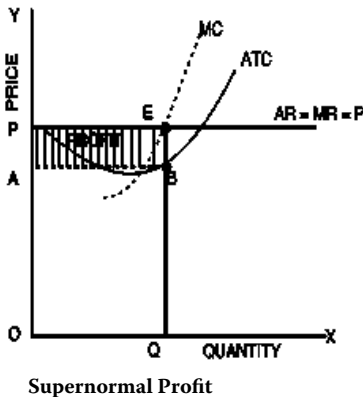


The Firm's Demand Curve under Perfect Competition



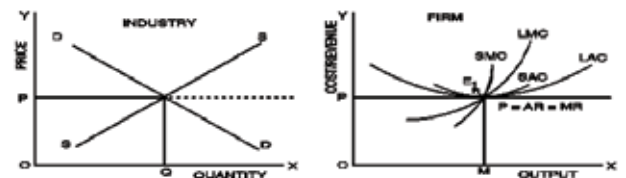
Equilibrium position of a Firm under Perfect Competition

In the short run, firms may be earning normal profits, supernormal profits or making losses at the equilibrium price.



Long run Equilibrium of the Firm in a Perfectly Competitive Market

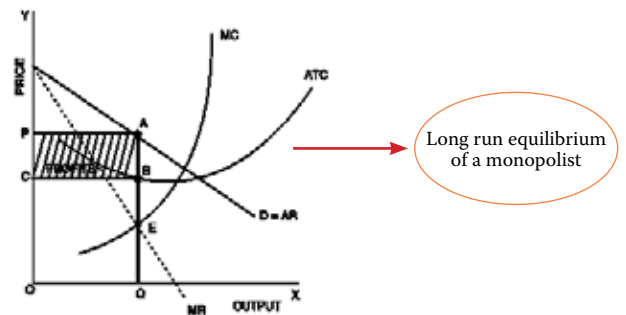
In the long-run all the supernormal profits or losses get wiped away with entry or exit of the firms from the industry and all firms earn only normal profit.



Long run Equilibrium of a Competitive Industry and its Firms

Monopoly

- The fundamental cause of monopoly is barriers to entry; in effect other firms cannot enter the market.
- In the long-run, the supernormal profit will be continued because entry is restricted.



## BUSINESS AND COMMERCIAL KNOWLEDGE: A CAPSULE FOR QUICK RECAP

This capsule on Foundation Paper 4 part II: Business and Commercial Knowledge broadly covers the companies discussed in detail in Chapter 3 of the Study Material. To facilitate easy understanding of the significant changes in the year 2019, an attempt has been made to give an overview of the significant changes in the companies in tabulated form.

It may be kept in mind that the capsule is not the replacement of the Study Material. Reading of Study Material is absolute essential. This capsule is intended to assist you in the process of quick revision. Students are also advised to remain update with current news concerning business organisations.

### A. AN OVERVIEW OF SELECTED INDIAN COMPANIES

S.No	Company's Name	Incorporation year	Headquarters	Chairman	Present Managing Director	Chief Executive Officer	Chief Financial Officer	Ranking in Forbes World's Largest Public Corporations List 2019	Ranking in Forbes World's Best Employer's List 2019
1	Adani Ports and Special Economic Zone Ltd.	1998	Ahmedabad, Gujrat, India		Gautambhai Shantilal Adani	Karan Gautambhai Adani	Deepak Maheshwari	1706 <sup>th</sup>	276 <sup>th</sup>
2	Asian Paints Ltd.	1942	Mumbai, Maharashtra, India		K B S Anand	K B S Anand	Jayesh Merchant	1832 <sup>nd</sup>	232 <sup>nd</sup>
3	Axis Bank Ltd.	1993	Mumbai, Maharashtra, India		Amitabh Chaudhry	Amitabh Chaudhry	Jairam Sridharan	741 <sup>st</sup>	283 <sup>rd</sup>
4	Bajaj Auto Ltd.	1945	Pune, Maharashtra, India	Rahul Bajaj	Rajiv Bajaj	Rajiv Bajaj	Soumen Ray	1503 <sup>rd</sup>	448 <sup>th</sup>
5	Bharti Airtel Ltd.	1995	New Delhi, India	Sunil Bharti Mittal	Gopal Vittal	Gopal Vittal	Badal Bagri	852 <sup>nd</sup>	
6	Bharat Petroleum Corporation Ltd.	1952	Mumbai, Maharashtra, India	D Rajkumar	D Rajkumar	D Rajkumar	Neelakantapillai Vijayagopal	628 <sup>th</sup>	
7	Cipla Ltd.	1935	Mumbai, Maharashtra, India	Y K Hamied	Umang Vohra	Umang Vohra	Kedar Upadhey		
8	Coal India Ltd.	1975	Kolkata, West Bengal, India		Anil Kumar Jha		S Sarkar	583 <sup>rd</sup>	
9	Dr. Reddy's Lab. Ltd.	1984	Hyderabad, Telangana, India	Kallam Satish Reddy		Erez Israeli	Saumen Chakraborty		
10	GAIL (India) Ltd	1984	New Delhi, India	Ashutosh Karnatak	Ashutosh Karnatak	Ashutosh Karnatak	A K Tiwari	1186 <sup>th</sup>	290 <sup>th</sup>
11	HDFC Bank Ltd.	1994	Mumbai, Maharashtra, India	Deepak S Parek	Aditya Puri		Srinivasan Vaidyanathan	209 <sup>th</sup>	119 <sup>th</sup>
12	ICICI Bank Ltd.	1994	Mumbai, Maharashtra, India	Girish Chandra Chaturvedi	Sandeep Bakshi	Sandeep Bakshi	Rakesh Jha	400 <sup>th</sup>	
13	Indian Oil Corporation Ltd.	1959	New Delhi, India	Sanjiv Singh	Sanjiv Singh		Sandeep Kumar Gupta	288 <sup>th</sup>	
14	Infosys Ltd.	1981	Bengaluru, Karnataka, India	Nandan Nilekani	Salil Parekh	Salil Parekh	Nilanjan Roy	643 <sup>rd</sup>	
15	ITC Ltd.	1910	Kolkata, West Bengal, India	Sanjiv Puri	Sanjiv Puri	Sanjiv Puri	Rajiv Tandon	806 <sup>th</sup>	117 <sup>th</sup>
16	Larsen & Toubro Ltd.	1938	Mumbai, Maharashtra, India	Anil Manibhai Naik	S. N. Subrahmanyam	S. N. Subrahmanyam	Shankar Raman	438 <sup>th</sup>	29 <sup>th</sup>
17	NTPC Ltd.	1975	New Delhi, India	Gurdeep Singh		Gurdeep Singh	Anil Kumar Gautam	492 <sup>nd</sup>	288 <sup>th</sup>
18	Oil & Natural Gas Corporation Ltd.	1956	Uttarakhand, India	Shashi Shankar	Shashi Shankar		Subhash Kumar	220 <sup>th</sup>	
19	Power Grid Corporation of India Ltd.	1989	Gurugram, Haryana, India	Sreekant Kandikuppa (K. Sreekant)	Sreekant Kandikuppa (K. Sreekant)		Sriramchandra Murty Kocherlakota (KSR Murty)	865 <sup>th</sup>	341 <sup>st</sup>
20	Reliance Industries Ltd.	1966	Mumbai, Maharashtra, India	Mukesh Ambani	Mukesh Ambani	Mukesh Ambani	Srikanth Venkatchari	71 <sup>st</sup>	
21	State Bank of India	1806	Mumbai, Maharashtra, India	Rajnish Kumar	Rajnish Kumar		Prashant Kumar	460 <sup>th</sup>	385 <sup>th</sup>
22	Tata Sons Private Ltd.	1868	Bombay House, Mumbai, Maharashtra, India	Natarjan Chandrasekaran	Natarjan Chandrasekaran		Eruch Noshir Kapadia	Tata Motors-769 <sup>th</sup> TCS - 374 <sup>th</sup> Tata Steel - 552 <sup>nd</sup>	Tata Motors - 304 <sup>th</sup> Tata Steel - 391 <sup>st</sup>
23	Wipro Ltd.	1945	Bengaluru, Karnataka, India	Azim Premji	Azim Premji	Abidali Neemuchwala	Jatin Dalal	857 <sup>th</sup>	193 <sup>rd</sup>

# BUSINESS AND COMMERCIAL KNOWLEDGE

## B. AN OVERVIEW OF SELECTED GLOBAL COMPANIES

S.No	Company's Name	Incorporation year	Headquarters	Chairman	Chief Executive Officer	Chief Financial Officer	Ranking in Forbes World's Largest Public Corporations List 2019	Ranking in Forbes World's Best Employer's List 2019	Ranking in Fortune 500 Companies List 2019
1	Deutsche Bank	1870	Frankfurt, Germany	Paul Achleitner	Christian Sewing	Frank Kuhuke	547 <sup>th</sup>		
2	American Express	1850	New York, United States of America	Stephen Squeri	Stephen Squeri	Jeffery C Campbell	83 <sup>rd</sup>	43 <sup>rd</sup>	72 <sup>nd</sup>
3	Nestle	1866	Vevey, Switzerland	Paul Bulcke	Ulf Mark Schneider	Francois-Xavier Roger	42 <sup>nd</sup>	79 <sup>th</sup>	
4	Microsoft Corporation	1975	Washington, United States of America	John Thompson	Satya Nadella	Amy Hood	16 <sup>th</sup>	2 <sup>nd</sup>	26 <sup>th</sup>
5	IBM Corporation	1911	New York, United States of America	Ginni Rometty	Ginni Rometty	James J. Kovnaugh	60 <sup>th</sup>	11 <sup>th</sup>	38 <sup>th</sup>
6	Intel Corporation	1968	California, United States of America	Andy D. Bryant	Bob Swan	George Davis	44 <sup>th</sup>	64 <sup>th</sup>	43 <sup>rd</sup>
7	HP Inc.	1939	California, United States of America	Chip Bergh	Enrique Lores	Steve Fieler	279 <sup>th</sup>	393 <sup>rd</sup>	55 <sup>th</sup>
8	Apple	1977	California, United States of America		Tim Cook	Luca Maestri	6 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>
9	Walmart	1969	Arkansas, United States of America	Greg Penner	Dough McMillon	Bret Biggs	29 <sup>th</sup>		1 <sup>st</sup>