

## NEW AGE CAREER OPTIONS IN FINANCE

**Puja Tandon** highlights lucrative career paths in the exciting world of Finance.

The brave new corporate, is an exciting place to be in right now. If there is a right time and right place - this is it. Many indicators are moving north! But as always, it will make things better if we are prepared and if we know what to expect. In today's fast paced world planning a career is a great challenge. The tremendous growth in the economy is opening up new opportunities as new businesses get set up. India has become a global hunting ground for talent. Now we have the opportunity to think of "global" careers. A career as a finance professional today is vastly different than it used to be years ago. The study and analysis of today's markets, financial products and other financially related sectors of the business world are the foundation of financial activities to date. Stockbroker, financial planner, and investment banker are just a few examples of jobs that may be chosen when pursuing a career in finance. As finance grows year to year, being accurate and up to date with financial information and financial techniques is essential when considering a career in finance.

### **New trends in Financial Markets:**

Financial markets across the world are getting integrated and complex due to technological advancements of most of the erstwhile closed economies. This process warranted the market professionals to be equipped with the knowledge of the various market processes, and the understanding of broader role of various segments of the markets. Over the past few years the financial market has seen a tremendous change in the activities that are transacted in it. Reliance , Infosys, Wipro, L&T, Mahindra & Mahindra, ICICI, Satyam are few amongst the many companies who have tapped offshore markets to raise capital. The journey of IDR has just begun. The conditions set for the issue are stiffer; yet taking into confidence the realities of market conditions is a step for the convergence and harmonisation of whole stock markets. The introduction of derivatives has brought in a number of challenges. These assets are like dynamite. Used properly, they can be extremely effective and beneficial. The problem is they can also destroy careless users. There are several problems faced by derivatives markets across the globe. Even today, majority of the investing public do not share the advantages of these products due to the enormous margin requirements. The Indian stock market is on the roll. Today India is one of the favourite investment destinations of FII's. Restructuring and consolidation have become a norm rather than an exception. Internet has touched almost all aspects of our lives. In their quest to differentiate their services and gain competitive advantage over their competitors, the financial service providers are trying to provide their services to the customers in the comfort of their homes. The internet has emerged as a convenient channel for these service providers. Internet-Based trading technologies together with shifts in the economy and the business environment are transforming treasury investing. Online trading platforms are making significant inroads into cash management functions; treasurers are increasingly relying on these tools to find and execute the best trades. Banking sector is also witnessing changes. Banks are eyeing retail segment as it offers immense opportunities. However, on the governance front, the sector is facing multiple challenges like: increased competition, rising customer expectations, and diminishing customer loyalty. Corporate governance is in fact the crying need of the day as Indian banks endeavor to make global

players. Mutual funds are also competing with commercial banks in the race for retail investor's savings and corporate float money. The power shift towards mutual funds has become obvious. The coming years will show that the traditional saving avenues are losing out in the current scenario. Many investors are realising that investments in savings accounts are as good as locking up their deposits in a closet. The opportunities in finance are many with a wide choice of organisations and jobs to choose from. **Prof. Vijay Page**, Director General - [MET Institute of Management](#) says "The financial sector is now poised for a quantum leap and the challenges are so vast that they will fulfill the aspirations of the innovators, the workaholics as well as the researchers from all streams of society. Those who join the finance sector in the take off stage will dominate business and trade worldwide for decades to come."

### Careers and Job Information

**"Finance is the key when you think about strategy, because what are we all about? It's about creating shareholder value."** You can grow a company volumetrically as much as you want and you may not create any value at all. So underpinning all of those strategic decisions to sell properties or to make acquisitions - is the financial analysis says Janet F. Clark, CFO Marathon Oil Corp.

Today's finance professionals assume a broad range of responsibilities involving capital budgeting, risk management, project analysis and evaluation, and short-term and long-term financial planning. Finance professionals are key to the strategic management and success of the business enterprise. They are often responsible for making investment decisions and determining financial policy for their organisations.

The finance career field includes:

### CORPORATE FINANCE

In Corporate finance you would work for a company to help it find various sources to raise finance, grow the business, make acquisitions, plan for its financial future, manage any cash in hand and ensure future economic viability.

### Job Options

The following are just a few of the job options available for professionals seeking a career in corporate finance:

**Treasurer:** responsible for capital raising, financial planning, cash and asset management.

Impeccable analytical abilities as well as management and motivation skills are essential in this upper level administrative position.

**Credit Manager:** Responsibilities consist of establishing rules for credit collection as well as for the securitisation of receivables. Must be able to analyse accounting data and know a lot about their customers.

**Investor Relations Officer:** responsible for publishing corporate financial information and events through press releases, coordinating with investors and replying to investor inquiries. You are in close contact with top management officials and demands you understand both finance as well as public relations.

**Controller:** Responsibilities include accounting, cost analysis, financial planning and reporting, creating costing systems, transfer pricing issues. CA/Cost Accountant with extensive experience in the field. For this

function candidates need to prepare themselves academically with at least a bachelor's degree in accounting, finance, economics, or business administration. In an increasingly competitive market, a master's degree—especially in business administration, economics, or risk management—is increasingly important. Employers value the analytical skills and the training in the latest financial methods and technology that these degrees provide their employees.

## **INVESTMENT BANKING**

Investment Banks help companies and governments issue securities, help investors purchase securities, manage financial assets, trade securities and provide financial advice.

### **Job Options**

Initially, you may start as an analyst and be responsible for writing reports, maintaining spreadsheets, trading stock options, research, etc. You will need to involve yourself in an intensive study to find out opportunities to invest in profitable shares, debentures and other financial instruments. You need to have in-depth knowledge of money markets, the state of the economy and business and industry in general. Moreover, you will need to continuously involve yourself in extensive research on these subjects, and be up-to-date with the latest information. . Often, bankers specialise in a particular industry and follow its fortunes over the years.

Most foreign banks and financial institutions prefer management graduates from the premiere management schools, or professionals in accountancy, (chartered accountants and cost accountants), finance experts and economists with postgraduate qualifications in finance, economics, financial planning, capital markets and so on. A Ph. D in Economics and relevant experience in the industry can also get you a good job.

## **COMMERCIAL BANKING**

Commercial banks serve large corporations, small businesses, as well as the general public. Despite recent consolidation in commercial banking, the industry continues to provide more career opportunities in finance than any other sector in the financial services industry.

### **Job Options**

The opportunities at commercial banks are more numerous today than they have ever been. With entry level tellers, leasing agents, international finance officers, trade credit specialists, and credit card banking specialists, the options in commercial banking are seemingly endless. As a mortgage banker the responsibility is to supply potential homeowners and businesses with loan opportunities. Recruitment for the public sector banks is done through the Banking Service Recruitment Boards (BSRBs).

Foreign banks pick up their personnel management institutes, from interviews held in the premiere management institutes, from among finance professionals such as Chartered Accountants, Cost and Works Accountants and Chartered Financials Analysts and also from the fold of experienced personnel of the apex financial institutions and public sector commercial banks. Private banks recruit Officer Trainees from amongst first class graduates, Management Trainees from amongst MBAs, and also recruit experienced personnel from the banking sector for middle and higher management positions.

## **FOREX MANAGEMENT**

Indian Companies have been increasingly attracting foreign capital either through listing on international stock exchanges or through private equity placements. Companies that wish to access markets for capital or that wish to become leading global suppliers to corporations in developed markets have to hedge forex exposure.

### **Job Options**

The Forex Treasury division in banks offers full range of vanilla and derivative products in forex, interest rates and commodities. These include spot, forward, swaps, currency options, interest rate derivatives, commodity futures and options in addition to high yield structured deposits linked to currencies, interest rates and commodities. Several companies are looking for professionals who understand the nuances of international finance, international capital markets and risk management.

The MBAs /CFAs may seek careers in the following areas: overseas fund mobilisation, risk management, Forex dealing or Forex consultancy.

## **MONEY MANAGEMENT**

Money managers purchase and carry corporate bonds, agency securities, asset-backed securities and other fixed-income investment products. Some specialise in small stocks, large cap funds, fledgling markets, and other equities.

### **Job options**

**Portfolio Manager:** Managers specialise in specific areas like growth stocks, hedge or commodity funds. Competency in analysis of securities and a broad knowledge of companies and markets in the financial sector is required.

**Mutual Fund Analyst:**skills are required in financial analysis, asset selection, stock selection, plan implementation and ongoing monitoring of investments.

**Hedge Fund trader:** To get started be sure to study portfolio theory, learn fixed income investments, take CFA/MBA exam and learn the industry.

## **FINANCIAL PLANNING**

Financial planning helps people make advance provision for financial needs that may arise in future .You can draw parallels between the family doctor and a financial planner. The family doctor takes care of your physical health and the financial planner takes care of your financial health, ensuring orderly and systematic achievement of your financial goals

On the technical side, strong attention to detail is required as you analyse all types of financial options, including their tax implications and legal restrictions. Financial computing skills are recommended for performing the mathematical calculations quickly and accurately. You must also have the ability to communicate somewhat complex financial concepts and strategies to clients in non-technical, easy-to-understand terms.

The Chartered Financial Planner (CFP) course is presently offered in India by two authorised education providers of the Association of Financial Planners (AFP) in technical collaboration with the Financial Planning Association of Australia Ltd. (FPA). The 2-year distance-learning programme covers topics such as insurance

planning and risk management, retirement planning, tax and estate planning, employee benefits, wealth creation, budgeting, cash flow management, debt management and financial plan construction. Alternatively, an MBA/CFA/CA/Insurance specialisation - singly or in combination, would also give you a broad understanding of the various investment instruments and options, and their implications.

## **STOCK BROKING**

Brokers or stock market professionals are now either playing host to foreign investment bankers, who are looking for opportunities on the Indian stock market, or visiting fund managers abroad seeking investment here. Stock market houses are redefining themselves and the business of stock broking is highly visible today. Communication links between the dealing room and the trading ring are being improved.

The National Stock Exchange or NSE (inaugurated on 23 July 1994) provides nationwide facilities with access to investors all over the country. The automated, screen-based trading system using state-of-the-art technology makes market operations transparent. Stock broking business requires the services of specialists (in varied fields) - economists, accountants, finance managers, financial analysts, capital market specialists, and investments and financial planners.

1. Postgraduate courses in economics and commerce are available in most universities in the country.
2. Finance managers may be MBAs with specialisation in finance from the reputed institutes of management or from the departments of business administration of the major universities.
3. The Institute of Chartered Accountants of India (ICAI), New Delhi, conducts the chartered accountancy course for the plus two level through the foundation course and directly for graduates.

## **COMMODITY TRADING**

Commodities Trading is a global phenomenon and offers tremendous potential to market participants for both profit taking on small price corrections as well as to hedgers looking at managing price risk on account of price fluctuations. In developed markets, futures trading is conservatively 10 times the size of cash market in commodities. If we consider the fact that in the US, where the futures trading is almost 20 times that of the cash market production, it would only be fair to suggest that our futures market would be a very large and deep market, easily many times more than that of the securities market.

**MCX CERTIFIED Commodity Professional (MCCP):**The Exchange offers this certification course for professionals who want to pursue a career in Commodity derivatives markets. It is designed with necessary information and inputs so as to enable the participants to get well versed with the modalities of the commodity markets in India. Certification as "MCX Certified Commodity Professional" is given on passing.

## INSURANCE

Apart from career opportunities available with insurance companies employment avenues are also open in corporate sector, stock broking firms, finance companies, shipping companies etc. With private participation in insurance sector the number of employment opportunities have gone up.

**Actuarial:** An actuary holds one of the most important position in an insurance business. He is involved in solving wide range of financial problems related with insurance investments, financial planning and management. Graduates in maths or statistics are suited for this kind of a job because the work is based on mathematical and statistical skills. In the coming times it will definitely make one of the highly paid career option in the insurance sector.

**Underwriting:** The life and non-life insurance segments require professional underwriters. Underwriters assess the risk in the business and takes care of risk management.

**Investment:** Like banks and mutual funds, investment professionals will be required in insurance sector as well. Professionals with degree in finance from reputed institutes as well as experienced professionals from banks and mutual funds will have promising career options to look forward. [MET Asian Management Development Centre](#) offers a Post Graduate in e Management and Business Administration (PGeMBA) in Insurance Management.

## REAL ESTATE

Real estate is collateral for mortgages and a large amount of financial assets. Identifiable real estate fields are mortgage banking, property management, real estate appraisals, brokerage and leasing, and real estate development.

The old stereotype that financial officers do nothing but crunch numbers all day is fading quickly. Thanks to computers who do the number crunching, finance officers now spend their time assessing reports generated by computers. The CEO of Coca-Cola said: "The secret isn't counting beans, it's growing more beans " Thus the need has increased for intelligent, dynamic communicators and analysers in all aspects of the financial world.

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