Finance comments

Finance



Q1. TATA motors can gain maximum benefits from the research facilities through a number of ways. To start with, they canenlist some of their engineers into the facility so that they can get first hand information on any upcoming technology. Secondly, the firm can use the investment done to support the facility to garner more publicity. Since this investment is meant to help engineers and scientists come up with technology that can reduce help carbon emissions, the firm can tag it as corporate social responsibility. Lastly, the firm can have some of its automotive models tested with the upcoming technology from the facility thus getting a competitive advantage in devising manufacturing strategies. In the long run, the facility will provide the firm with cutting edge technology which will help it improve efficiency while bolster production.

Q2

The bank had an initial target of 128 billion dollars which came in the wake of slump of its pretax profit by 26%. To come up with this initial target, the bank first step was to reduce it assets by some twenty billion pounds. So the actual asset target was the initial target of 128 billion dollars plus the value of the reduced assets prior to decision making.