

Activity Report

Date of Event: 07-08-2023

Activity: Gamification Workshop

Details of the Resource Persons: Mr. Ramani Venkat, Founder & CEO Bizz Diagnostics

Financial Guru-I:

Gamification is referred to as a process by which students are motivated to learn through interaction and motivation. This is carried out for students so that certain topics be it basic or advanced can be understood effectively and ensures learning. Keeping this in mind the MBA Department of NCET organised the workshop for Board Game on Managing Cost for Second Semester students. The resource person for the session was Mr. Ramani Venkat, Founder & CEO, Bizz Diagnostics.

The name of the board game introduced in the session was **Financial Guru**. The learning objectives of the game are as follows:

- Make crucial decisions for their respective companies which include stocking, purchase of raw materials and stocking and sales of finished goods which vary according to market supply and demand.

The students of both sections – A & B assembled at the auditorium and were divided into 8 groups, with each group consisting of 10 students. The instructions to play the game were given by Mr. Ramani Venkat and two faculty members – Dr. Suresh Boddu and Ms. Rajeswari were assigned to monitor groups for better coordination.

The setup of the game was as follows:

- This game can be played by 2 or 3 or 4 people simultaneously.
- Each participant is a top-level executive who must make crucial decisions for their respective companies which include stocking, purchase of raw materials and stocking and sales of finished goods which vary according to market supply and demand.
- Play this game considering that your company produces a high-end product in a rural area.
- Each player starts the business with
 - Capital raised: 1400 shares worth Rs 1000 each i.e., 1400000
 - Each player starts with 1 standard factory, cost of which is Rs200,000
 - 2 raw material units (RMU) & 2 Finished Goods (FG) – Total Cost is Rs. 400,000 (2x 25000 plus 2 x 175000 respectively)
 - Cash balance: Rs 800,000

The game started with each group getting Rs. 8,00,000 as initial investment amount. This amount can be used to buy raw materials by bidding process in the first round. In the next transaction it can be converted to finished goods. An information capturing sheet is given to each group to document the changes.

How to play the game:

- Please place your respective coins in the appropriate no. of the factory, RMU, FG. As shown in the picture, your starting set-up will be a coin on standard factory no.1, Raw Material Unit No. 2 and Finished Goods No. 2. Since there is no automatic factory as of now, one coin will be a spare with you,



- Information capturing sheet (Fixed Cost) is the essence of the game, please spend some time in understanding it.

3. Fixed Expense

$$\text{Fixed Expense} = \text{Fixed cost of Factory} + (\text{No. of Employees}) \times (\text{Salary Per Employee})$$

Which is 50000 plus 15000 X No of employees

Please note each Player decides Number of Employees before the Market Info card explained in next step is revealed to all players

- Number of Employees can range from 0 to 6.
- Every month each Company can decide the number of employees before the revealing of the Market info card and the number of employees can Vary every month

IMPORTANT NOTE:

- No of Raw Materials converted to Finished goods is directly proportional to number of employees.
- If you have 'X' Employees, you can Convert only 'X' Raw Material to X Finished good that Month provided you have X raw materials

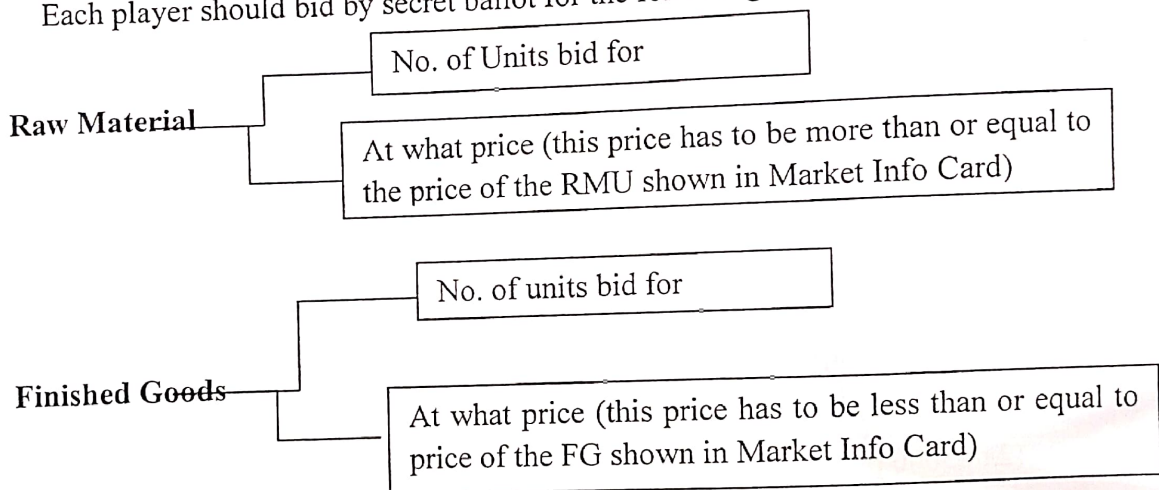
Example: In the month of January, we have 1 standard factory, 4 Employees

Pick each card sequentially. Turn Market Info card 01 for everyone to view. Market info card shows the

- current RMU available in the market
- exact no. of customers in the market.
- minimum expected cost of Raw material
- maximum expected cost of Finished Goods
- all the above is given for a 2,3 or 4 people game set up

4. Purchase Raw Material & Sell Finished Goods by Bidding

- Each player should bid by secret ballot for the following



The Bidding price and number of RMUs bid for should be entered in the plain white paper provided (or any rough paper) and has to be folded to ensure confidentiality and placed on the centre of the board.

Bidding Evaluation

Raw Material

Scenario 1: If the total number of units bid by all players is "less than or equal to" than the "available raw materials" in the market, then every player will get the raw material at the price, that each one had bid for respectively.

Scenario 2: In case total number of units bid by all players is "greater" than the "available raw materials".

1. Highest bidder (in terms of value) will get his or her number of raw materials at the price bid for by him/her.

2. In case raw material is still available in the market, the 2nd highest bidder (in value) will get what is remaining at the price bid for by him or her, so on and so forth for the remaining bidders all subject to availability of raw materials.

Scenario 3: In case of a tie in the value (sufficient raw materials are not available for both players)

1. The player bidding for a higher number of raw materials will be the winner.

Scenario 4: In case of a tie in the value and quantity (sufficient raw materials are not available for both players).

1. The raw materials will be divided equally to the nearest integer, and if even that is not possible, no one will get it.

**Bidding
Finished Goods**

Scenario 1: If the total number of units bid by all players is "less than or equal to" than the "potential num. Of customers" in the market then every player can sell the finished goods at the price , that each one had bid for respectively.

Scenario 3: In case of a tie in the value (sufficient Potential customers are not available) 1. The player bidding for selling the higher number of finished goods will be the winner.

Scenario 4: In case of a tie in the value and quantity (sufficient Potential customers are not available) 1. The potential customers will be divided equally to the nearest integer, in case division is not possible, no one will be able to sell their Finished Goods.

Now enter the details in the Info Capturing Sheet in the Raw Materials Purchases & FIU Sales section as per what you bid for and what you won

- **Production**
- Decide how much RM you will convert to FG, by Paying 100.000 PER RMU to the Moderator
- Move your coins to represent the current value of RM and FG based on number of RM purchased or FG sold (Reduce RMU by that Number and Increase FG by the same Number to denote it on the board)
- **Loan Facility**
- In case of short of funds, one can avail a loan to the extent of 100% of the Fixed Asset value (Fixed Asset = Value of Factory) at an interest rate of 1% per month.
- Your current value of the Factory is Rs. 200,000 ; thereby you are eligible for Rs200,000.
- Interests will be payable from the subsequent months.

**The Game can be stopped after 3 Months (3rd Month Use Market Info card 14)
Before the 3rd Month (After Teams have calculated closing Balance and before deciding number of employees)**

Announce that this is the last month

- All Inventory (UN Converted RMUs will be given an Inventory value of Rs 25000 per Unit and All unsold FGs will be evaluated at 175,000 per unit
- Please note all other process of Buying RMU, Selling FGs and also Conversion will happen even in third Month
- Overall, the session was filled with fun and learning as the students involved themselves in doing the task as expected. Out of 6 groups only 2 groups made into profit zone while other 4 groups were in loss. This made students realise how important it is for each information to be analysed not only from logical perspective but also financially.

At the end of the 3rd Month,

- Net worth of each Company is calculated
- It is the Sum total of
Cash in Hand + Factory Value i.e., 200000 + (No of unconverted RMU x25000) + (No of Unsold FGs X 175000)
- If the above value is more than 1400000 which was capital at the start of business that team has made a profit
- The Winner is the player with Highest Networkth
- Participants can work on creating the P&L account and Balance sheet (back side of Info Capturing Sheet)

Overall, the session was filled with fun and learning as the students involved themselves in doing the task as expected. Out of 8 groups only 2 groups made into profit zone while other 4 groups were in loss. This made students realise how important it is for cost information to be analysed not only from logical perspective but also financially.

