



Diwali Bazaar: Festivity to Finance



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The residents of Govardhandham Heights Society were full of joy in the pre-Diwali season. They were excited about the idea of upcoming Diwali Bazaar, while the strings of lights were already being tested.

This year the event wasn't just another celebration; it was an entrepreneurial attempt. The juvenile group of the society — affectionately known as the Vanar Sena took the lead to organise the Bazar this time. However, society's Secretary, Mr. Sharma approved their initiation only on the condition that they need to make it not only spectacular but also profitable too by saying "No loss, only light."

The Three Pillars and the Target

The Vanar Sena comprising of three very active leaders. Raghav, the charming boy, whose energy could light up a room faster than any diya; Meera,

the meticulous planner who used to transform chaos into color-coded spreadsheets; and Kabir, the quiet finance strategist who saw the world through finance lenses.

Together when they visited society office with the proposal, they got a straight reply from Mr. Sharma that "sentiment wouldn't pay the bills." He further emphasised that we require a minimum surplus of ₹80,000 so as to achieve this year's donation target. He was very firm in his demand by adding to his initial specification that even if something unexpected occurs, be prepared for a twenty percent dip below your target profit but I will never accept a surplus below above mentioned amount. The Vanar Sena had no option but to nod.

Kabir, while running his fingers over a neat stack of papers, underlined this single number on notepad. He later told to Raghav and Meera that this wasn't just about organizing stalls; it

was about managing risk, planning capacity, and balancing profitability with festivity.

To meet the surplus target while accommodating diverse consumer preferences, the Vanar Sena adopted a tiered material mark-up strategy — applying 100% mark-up on Good packs, 110% on Better packs, and 120% on Best packs. These mark-ups were based on a well thought of response to market forces and perceived value. They considered the concept of price elasticity of demand, value perception and willingness to pay while considering cost absorption and margin cushion. This meant every product tier would carry its own profitability cushion, allowing them to reach the target with flexibility.

Raghav leaned back, smiling. “We’re basically building a business plan — with fairy lights.



The Inventory Challenge

Meera, tapping her pen rhythmically, spread the projection sheets across the table, as she wanted to explain the next layer of the puzzle. She opined that based on market survey projected sales mix will follow a 4:2:1 ratio for Good, Better and the Best respectively. However we need to work on production numbers because of

presence of opening inventory of Good, Better and Best which we carried from the previous Dandia event organised in Govardhandham. She reminded the Vanar Sena members about their commitment made to Mr. Sharma.

Mr. Sharma shared with them an inventory register which showed that opening stock from the previous event — 50 units of Good, 40 of

Better, and 30 of Best. The register also revealed that from the previous event, they had opening stocks of 50 units of packing material, 10 kgs of cashew, 30 kg of raisins, and 20 kgs of almonds. To maintain demand flexibility, the Vanar Sena agreed to keep a buffer closing stock of 45 units of packing material, 9 kg of cashew, 27 kg of raisins, and 18 kg of almonds. These figures would play a critical role in determining purchase quantities and ensuring uninterrupted production.

At the same time, Vanar Sena consented that they should plan for a buffer closing stock to meet higher demands if any else they can carry over it as closing stock for the Christmas event — 40 units of Good, 30 of Better, and 20 of Best.

Highlighting the figures Meera explained that we need to figure out exactly how much to produce considering these opening and closing stock quantities of our finished goods.

Raghav grinned. “So, our inventory is both our cushion and our constraint.” She nodded. “Precisely.”

The Product Mix and Material Map

The three varieties of offerings were carefully planned to have a perfect fit with consumer choices. This was based on marketing analytics project done by Raghav and Meera jointly in their recent project during the studies. Accordingly the Vanar Sena decided to go ahead and continue with the below composition which was also used during Dandia event earlier:-

- ⊙ **Good pack:** 1 unit of packing, 0.2 kg Cashew, 0.6 kg Raisins, and 0.2 kg Almonds.
- ⊙ **Better pack:** 1 unit of packing, 0.3 kg Cashew, 0.4 kg Raisins, and 0.3 kg Almonds.
- ⊙ **Best pack:** 1 unit of packing, 0.4 kg Cashew, 0.2 kg Raisins, and 0.4 kg Almonds.

They had a long lasting relationship with a reputed whole-seller of dry fruits who gave them the following rates: - ₹1,045 per kg of Cashew, ₹400 per kg of Raisins, and ₹760 per kg of Almonds with free delivery at site. However

packing material was costing ₹200 per packing unit inclusive of transportation charges 10%.

Kabir reminded Meera and Raghav that during processing, both Cashew and Almonds suffered a loss of 5% during Dandia event and this is something usual to happen. “Every gram lost,” he said, “is a cost ignored — and that’s not acceptable.”

Meera nodded. “We’ll factor it into the material utilization budget. No hidden surprises.”

The room fell into a rhythm of mental math and murmured calculations — the quiet hum of logic that powers good planning.

The Human Equation: Labor and Love

Behind every successful event, people’s involvement is a must. Vanar Sena, believing in this concept, came of the spreadsheet for a while and discussed need for manpower. Raghav said “We need volunteers as they work at low cost but with high spirits. Kabir confronted “For skilful work only professional support will do” Meera supported Kabir by arguing market dynamics and consumer expectations of quality.

Arguments heated up but landed in an advanced outcome consensus for a mixed of human requirement as The Vanar Sena agreed that enthusiasm alone wouldn’t fill boxes — time, precision, and fair compensation would.

They divided their workforce carefully. They worked out that junior volunteers will be happy with a stipend of ₹50 per hour while seniors will require at least ₹100 per hour. So they planned to assign the work in such way that Juniors devote 2, 3, and 4 hours per unit for the Good, Better, and Best packs respectively while seniors devote 1, 2, and 3 hours respectively.

However, as agreed, the professional packing artists must be invited, who are required to give the final polished look to each pack, given their higher remuneration of ₹125 per hour, they are planned to remain engaged only for 12 minutes, 24 minutes, and 48 minutes for each pack of Good, Better, and Best respectively.

Meera said that now we have planned for a

workforce energized by purpose and guided by precision. Raghav walked around the workspace that evening, smiling at the buzz of activity. “Every almond counts,” he said softly, half to himself. “Every pack is a promise.” And it truly was — a promise of quality, unity, and the satisfaction of doing things right.

The Unshakable Fixed Costs

There were some unshakable costs which stood tall, immovable and non-negotiable because they were behind giving the capacity to perform the entire event. Without them, the Vanar Sena’s meticulous planning would remain confined to spreadsheets. With them, the bazaar could become a benchmark.

Meera said that in modern times, it is very important to create a digital buzz and the the Social campaign will cost not less than ₹76,400. This spending will create a digital buzz that would ripple across platforms, drawing attention from neighbouring societies and even local influencers. Raghav smiled and said that we are not

e-commerce company and we require physical landscaping for which the Ground Rent will cost us a hefty ₹1,00,000. Kabir added to these cost mentions and said a lucky draw can do miracles in attracting customers but will cost us ₹1,51,000. It was considered as the magnet for footfall, promising high-value prizes that would keep the crowd engaged till the final diya was lit.

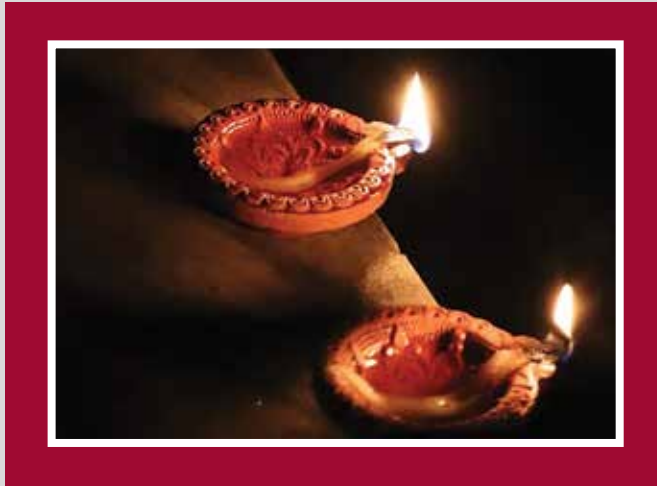
The Budgeting Blueprint

The Vanar Sena was working like clockwork. The air was filled with scribbles, debates, and the occasional burst of laughter. Kabir finally outlined the roadmap — the sequence of budgets that would guide every decision and would help

the Vanar Sena to finalise its deliberations and start action for the execution of the event with confidence of meeting promise made to Mr. Sharma:-

- ⊙ Sales Budget.
- ⊙ Production Budget
- ⊙ Material Utilization Budget
- ⊙ Material Purchase Budget
- ⊙ Manpower Cost Budget
- ⊙ Fixed Cost Budget
- ⊙ Operating Income Statement

Raghav nodded, impressed. “So the light show starts on paper before it ever hits the stage. Meera smiled. “Exactly. If our numbers shine, the event will too.”



The Critical Surplus Puzzle

As the clock edged past midnight, the trio reconvened in a room lit only by the soft glow of Kabir’s laptop screen. Meera, tapping her pencil on the table “We’ve outlined the production volumes, mapped out material requirements, and

completed manpower planning. But everything hinges on one key metric — the number of units we need to sell.”

Kabir agreed, “To secure a surplus of ₹80,000 after accounting for all fixed and variable expenditures, we must determine the precise sales quantity.”

Raghav leaned in, eyes focused. “So this is our inflection?”

The question lingered, weighty and unresolved — more pressing than any cost line item.

What method should the Vanar Sena use to calculate the optimal sales volume that guarantees their desired surplus — considering pricing tiers, cost structures, and inventory dynamics? **MA**