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The first and utmost aim of the National Research Journal is to present a scholastic platform to emerging scholars and academicians all over the country to publish their novel, original, empirical and high quality research work in the area of Marketing, Finance and HRM.

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KEY GROWTH DRIVERS AND BARRIERS TO ADOPTION OF E-PAYMENTS: A REVIEW

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Abstract

New monetary wants have been emerged due to e-commerce which was lacking with standard payment systems. The presence of this e-commerce has initiated different payment tools or mechanisms for completing the business transactions through internet. Therefore, the stakeholders came up with completely new strategies for electronic payments. The e-payments in India have witnessed an exponential growth in last few years, at the same time faced some challenges. In this article, a modest attempt is made to critically analyse key drivers of exponential growth of e-payments in India, as well as key barriers to adoption of e-payments in India. The article is based on exploratory research and secondary data. The data was accumulated from books, journals, magazines, websites and other published sources available. This article provides an original insight of key growth drivers and barriers to adoption of e-payments in India.

Keywords: Financial transactions, E-commerce, Digital currency, Indian economy, Growth drivers, Barriers, E-payments.

1. Introduction

New monetary wants have been emerged due to e-commerce which was lacking with standard payment systems. The presence of this e-commerce has initiated different payment tools or mechanisms for completing the business transactions through internet. Therefore, the stakeholders came up with completely new strategies for electronic payments. Recognising this, just about all interested parties square measure exploring numerous forms of the electronic payment system and problems encompassing electronic payment system and digital currency.

Usually, e-payment systems could be categorised into On-line Electronic Money System, On-line MasterCard Payment, Electronic Cheque, and Cards based mostly Electronic Payment System. Every payment system has its blessings and downsides for the purchasers and merchants. Security, convenience, cost, anonymity, acceptableness, traceability, and control are some basis mandates of these new payment systems. Most of the banks have started following e-commerce supporting the e-payment system for sustaining in the hyper-competitive market.

Though Indian economy is considered as a cash-driven economy, however, it is not so far away in adopting e-payment services in banking as well as a retail sector (Roy, 2015).

The financial system is considered as a real backbone of any economy. A reliable and transparent financial system is a must for handling an increasing number of monetary transactions of the economy. Here, the financial system means, banks as well as non-bank financial institutions that are offering different types of financial services to their targeted customers. Fund transfer, as well as financial clearing, are considered two prominently important services as compared to other services of the payment system. The payment system is a key role player in enhancing the business growth, improving the financial intelligibility and supporting the reforms of the sector. The attitude and behaviour of people or customers of new payment system have been changing drastically from last two decades. The major reasons for the same are following:

1. **Increased either volume or value of transaction:** Not only the numbers but also the value of the transactions are increasing as the people are considering their financial matter most important. Because of this new phenomenon, there is a rapid growth in the activities of the financial market can be noticed around the globe and the payment generated by such activity.
2. **Technological enhancement:** From last 20 years there's an unbelievable technological improvement in banking and money sector. It's owing to the advancement of data and communication technology and big growth of net. As a result, money establishments and shoppers each have the flexibility and therefore the resource to manoeuvre funds abundant quicker through the system, at a lower value.
3. **Effect of globalisation:** As an outcome of the globalisation, many businesses have started to overcome geographical boundaries. As a result, a lot of money transactions are flowing across the countries. The corporate that has the aptitude to contour its payment mechanism is ready to trim prices and therefore succeed competitive advantage. This will be attainable solely in cross-nation payment.

Globalisation and financial revolution came with some drastic changes in developing countries in various aspects. Some of the notable changes are: new opportunities of trading and investments, changes in the consumers taste and preferences, increase in the demands of international products. Technological advancements have also played a critical role in making the world borderless. Improved communication and information technology have also provided unbelievable chances in the world economy, with the help of the Internet, countries are connected digitally. Electronic money is the outcome product of this digital convergence and also proved as electronic replacement of cash. The idea of electronic payment for trading in goods and services is not new to the world. Several schemes were offered to promote the electronic payment or payment through a computer network in late 1970's as well as early 1980's. Aristotle (384 – 322 B.C.) said that “everything must be assessed by money; for this enables men always to exchange their services and so makes society possible.”

2. Objectives of the study

In this article, an attempt is made:

- To critically analyse key drivers of exponential growth of e-payments.
- To critically analyse key barriers to adoption of e-payments.

3. Methodology

The article is based on exploratory research and secondary data. The data was accumulated from books, journals, magazines, websites and other published sources available. This article provides an original insight of key growth drivers and challenges in Indian retail industry.

4. Key drivers of the exponential growth of e-payments

4.1. Mobile trajectory

India is holding a 2nd position in the world with over 100 corers of mobile subscribers (Shah *et al.* 2016). From which the customer who uses a smartphone is near about 24 corers and by year 2020 users are estimated to increase over 52 corers.

4.2. The online network

The online network of India is day by day increasing even in the isolated parts of the country, with the 3G and 4G sharpness network. The National Optical Fibre Network (NOFN) action taken by Digital India to provide high-speed Internet service to cover 2.5 lakh Gram Panchayats across rural India. In the current scenario, there are 30 corers of users from rural areas who are accessing the internet from their mobile handsets, and it is estimated that there will be an increase in adoption of data-enabled devices in these areas. By 2020 the percentage of using mobile handsets with data enabled devices will raise near about 50% with respect to this year which will be around 65 corers.

4.3. Digital transformation in banking

Over the years, electronic or digital transactions are taking place and the growth rate is about 50% year-over-year, with the support of ATM transactions growth rate of 15%. And the bank branch-based transactions are reduced by almost 7% in the year 2015 as compared to the year 2014 (Shah *et al.* 2016).

4.4. Supporting regulatory environment

In the today's world, there are many changes taken place in the payment method. The technology and the customer expectations are constantly changing with rapid growth and that is being recognised by the governing body and the concerned regulators. However, this is just the start and requires more development in this area to make more conductive electronic payments for the success of business in this country. Given below are the key regulatory steps that are now a day's authorised as an electronic payment in India:

- **KYC tranquility for teeny transactions:** According to the RBI instructions there is no need for the customers to undertake the process of KYC for up to INR 10, 000 per month on prepaid instruments transactions. The instructions made the customers easy to download the wallet of their choice and use them for transactions without the

requirement of documentation, photograph etc. By this, the requirement traditional banking service is being fulfilled.

- **Exemption from Two-Factor Authentication (2FA):** According to the instructions of RBI (May, 2015), the incorporation of two-factor authentication (2FA) the settlements made in Indian debit/credit cards, notwithstanding of transaction values.

This is required for the customer's security, it is also risky, and the difficulties in the payment process, the number of transactions fails and drops-off. The different mobile wallet requires customers to undertake 2FA process only while adding fund in the wallet from other bank tools. Further, the mobile wallets have limits on the transaction value and help to increase the security of details which the customer provides.

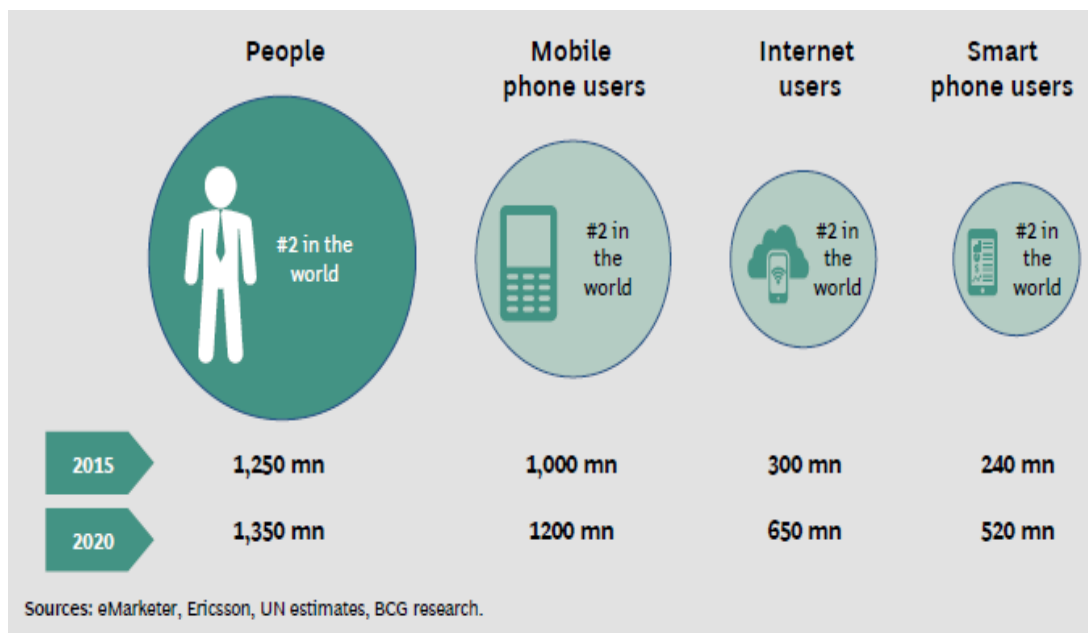


Figure 1: India is becoming a digital country

(Source: Shah *et al.* 2016)

- **Aadhaar Making KYC easier:** With the unique identification number is given by Aadhaar has made the KYC process very easy. By linking the mobile number with the Aadhaar card digitally this process now becomes very easy. Due to Jan Dhan Yojna initiative taken by the government near about 27 Corer accounts has been opened. This made the banking sector strong with high security and the biometric authentication a reality.
- **Unified Payments Interface (UPI):** The Unified Payments Interface is developed by NPCI (National Payments Corporation of India) is a system through which the customers can manage their payments and the transactions. The Unified Payments Interface changed the entire services pattern from the transaction like Immediate Payment Service (IMPS), Automated Clearing House (ACH) to RuPay into one stage. This allows the perfect interoperability and the possibility unlocking of multiple solutions. The built-in

software will provide the access to all the payment service providers; it can be banks, FinTechs, Payment bank etc. This provides the users with the flexible accessing bank account with any device and payment service providers which are connected to the UPI set-up. From which the customers will be able to choose the User-Id in any format like mobile number, Aadhaar ID, email ID etc. And they expect us to improve the service and the user experience and provide simple payment solutions. There is also the requirement of UPI payments for the peer payments, person to merchant payments and business to business payments.

- **Bharat Bill Payment System (BBOPS):** Bill payments are the important elements of retail payment transactions. Cash and cheque payments are now the main elements for the billers from their point of view. According to customers, the systems do not provide the proper access to the bill desk in the digital payment transactions. And they are owned and operated by NPCI, BBPS is expected to be as an 'Integrated Bill Payment System' that is able to make use of information, approachable, cost-effective and allowing multiple payment modes.

4.5. Emergence of nextgen payment service providers

It has been seen that significant transactions are done in India last 3-4 years. The competitive online payment landscape in India now reach Telco's, banks, wallet companies, e-commerce/tech firms and in the near future, payment banks.

- **Bank-led:** In the past, the banking sectors launched the mobile payments applications with the integrated bill payment solutions. However, the use of mobile application and wallets are unsafe or fearless for the customers for the bill payments. Now, the all banks have started their own mobile applications and wallets with high security in to the customers like, SBI – State Bank Anywhere, HDFC Bank – Mobile Banking, iMobile – ICICI Mobile Banking, BOI BTM – Bank of India Mobile Banking, Axis Mobile, CANMOBILE – Canara Bank, M-Connect – Bank of Baroda, PNB mBanking. All these applications and the wallets are not required to have a bank account they can be the existing users to log on using their internet/mobile banking identity. The banks have lots of existing customers as compared to independent m-wallet forms so need to do customer's acquisition.
- **Telco-led:** Vodafone and Airtel launched m-payments solutions, VODAFONE M-Pesa and Airtel Money respectively for their selected own customers. And the others like Idea Money form Idea Cellular, mRUPEE by TATA and Jio-Money by Reliance is some telco-led-payment solution launched to make the payments simultaneously as per the customer convenience. The solutions were initially Unstructured Supplementary Service Data (USSD) based on using non-digital savvy more than online payment. The main uses of such applications were largely for mobile recharges and payments.
- **Prepaid wallets:** In 2009-10, 26 prepaid payments instrument licensed (PPI) was issued RBI. PPI licensed issuers can now issue semi-closed wallets that validate payments without 2F Authentication. As the outcome, 2 types of PPI emerged.

- **Mobile wallets:** M-Wallets are mostly used for bill payments and recharges through their application based a stored value account, which is funded by credit/debit card or net-banking like Paytm, MobilKwik, Freecharge and Citrus Pay etc. The companies approved by VC funding spent in large amount on customer acquisitions through marketing initiatives. Shortly, the diversified existing business model to create on the customer base through expansion of service. There are tie-ups with radio cabs (Paytm-Uber, Paytm-Ola), offline POS payment such as (M-swip), payment at fuel stations and educational institutions etc.
- **Prepaid Cards:** The customers who are unaware of the online platform are provided with the solution by the companies' agents like Oxigen, Itz Cash, Suvidha and GI Tech. Payments and railway ticket booking is the main usage in this case. Some of PPI are obtained by tech firms like e-commerce, radio cabs, and entertainment booking to offer in-house wallet solutions. For example, Snapdeal acquired Freecharge, Flipkart acquired FxMart to offer Flipkart money and Amazon acquired Emvantage. While Ola offers Ola Money, Bookmyshow too has its own wallet app to service customers. By looking towards the growth, other companies have registered for such licenses with the total count of PPI licenses increasing to 46 licenses in 2016.
- **Payment Banks:** The activities of payment banks include approval of DD (Demand Draft) up to 1lakh rupees per customer, giving ATM/debit card, offering payment and payment service, performing as Business Correspondent (BC) to other banks and issuance of Mutual Funds, insurance services etc. These types of banks cannot accept any advance/ lone activities like credit card receives NRI deposits or become a "virtual" bank. As per RBI's announce of driving financial involvements and permits high & low-value transactions so that lessens the vulnerability of cash. RBI provided an approval to 11 organisations to set-up payment banks in 2015. These organisations include telecom Players like Airtel, Vodafone, Uninor, and Idea Reliance Jio, tech-centric payment players like Paytm, freecharge, next billion focused players like NSDL, Fino, India Post and NBFCs like Mahindra Finance, Cholamandalam. In addition to the economic model for payment banks are demanding, stated that they cannot earn a lending income of high rates of interest in launch because of demand of investing customer deposits in government securities. Some of the licenses such as Cholamandalalm. Uninor and Mahindra Finance have already repaid there in proposition consent to RBI.

4.6. Enhanced customer experience

In today's world, peoples in India are getting used to digital network, and are also demanding for providing the same facility of the digital network by their financial service providers. This includes fearless access to bank accounts and payments, coupled with rewards, loyalty, and offers.

- **Superior and Seamless customer experience:** In this year there is seen a huge trend of online shopping in India. The easy and convenient way of buying from e-commerce entrants like Amazon, Flipkart Snapdeal etc and get almost everything sitting online at

one place at home is too good to resist. Also, the youth are in favour of using Ola/Uber rides instead of normal cabs to avoid the inconvenience of paying the exact amount by cash. Paytm's alliance with Uber and Ola Money by Ola have performed "the get in-get out" circumstances in the taxi industry. Therefore, payments are the background activities while the center of attraction is on making users experience seamless. In the billing industry, there are multiple steps involved in payment applications i.e. logging into the app, registration of the user, payment registration, 2FA and the final payment. In addition to mobile banking and Net banking, they have high-security instructions in logging out if the user is inactive for long period, etc.

- **Attracting customers with offer and discounts:** The mobile wallets are still new to the customers in India, so the companies are offering great deals, discount and offer to customers and increasing awareness. Paytm offered 8000 Rs. as a discount on iPhones and iPads in 2015 and Freecharge offered cashback offer on minimum bill payments. Ola and Uber also have offered 50% cash back on the previous bill payments. In the meantime, MobiKwik and Paytm are also known for the offers giving their products, providing credit to the wallet and the discount coupons of partner merchant's outlets. All the offers and discounts given to the customers helps to encourage them in using the applications to buy the products and make payments.

4.7. Rise in adoption of online payments

The quantity of mobile transactions done in 2012-2013 is similar to the mobile wallets and Prepaid Payment Instrument (PPI) deals completed in the next 4 years span. Near about 747 million deals were occurred in the year 2015-2016 with the help of mobile wallets and prepaid cards combined, whereas the transactions made by mobile banking were about 390 million (Shah *et al.* 2016). So it is being said that, most of the transactions done through a mobile wallet, are less than average ticket size of INR 620 and on average mobile banking transactions are 10,400 Rs. pre transactions, notching up a total annual deals value is of 4000 million. In terms of how many customers do the transactions through online banking versus how many customers use mobile wallets, already the mobile wallet customer has exceeded the online banking users (60 Million). The amount of wallet users is tripled before the number of credit cards provided in the country (24 million in 2015-16) (Shah *et al.* 2016). If we check the growth rate in internet keyword search in the past six years from July 2010 to Jun 2016, we will see that keyword holds the word "pay" raise by 18X since July 2010. These were taken as substitutes for the requirement for digital payment. Search keywords for "pay/wallet/money transfer" increased much faster by 3 times speedily in last year, as compared to search keywords for industries like e-commerce, credit, and insurance.

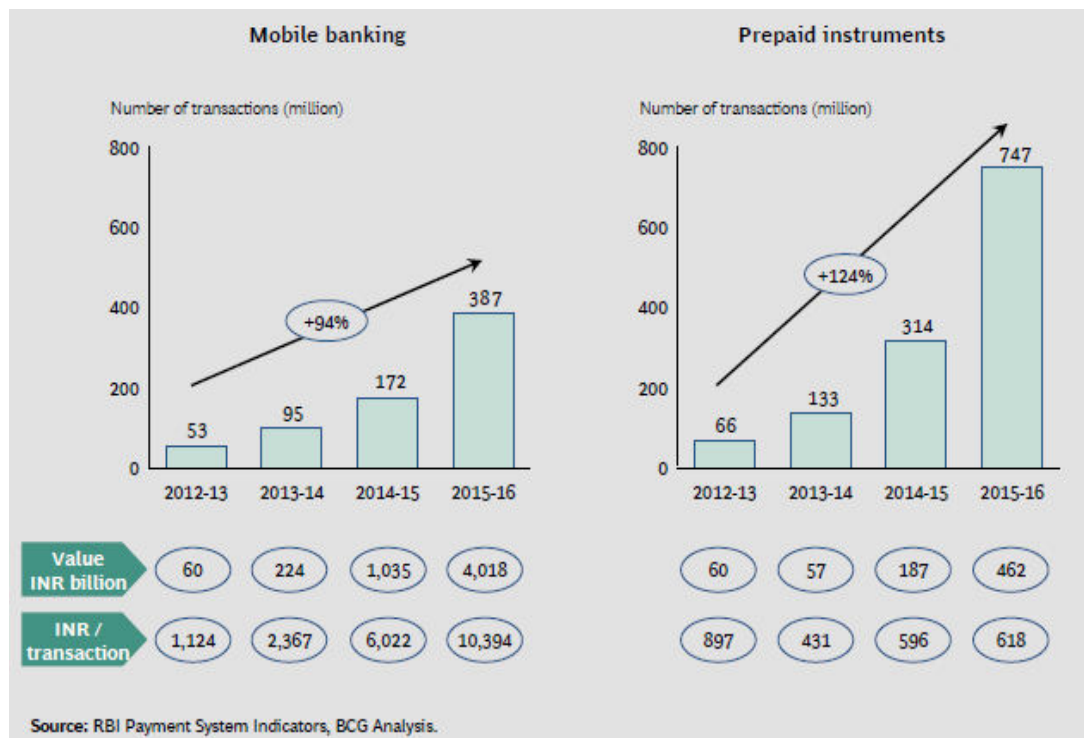


Figure 2: Comparative analysis of prepaid instrument transaction and m banking transaction

(Source: Shah *et al.* 2016)

5. Key barriers to adoption of e-payments

5.1. Habit to use cash

In today's world also the Indian peoples prefer to make cash payments instead of online payments. According to the survey, almost 68% of the population uses cash payments (Shah *et al.* 2016). Due to these, the national and international e-commerce industries included cash on delivery payments for the Indian customers. The cause behind this strategy is that people are having a problem to handle the cash, and the peoples are happy with the way it trades and are not excited about the change to handle money easily as it is fixed in their day to day life.

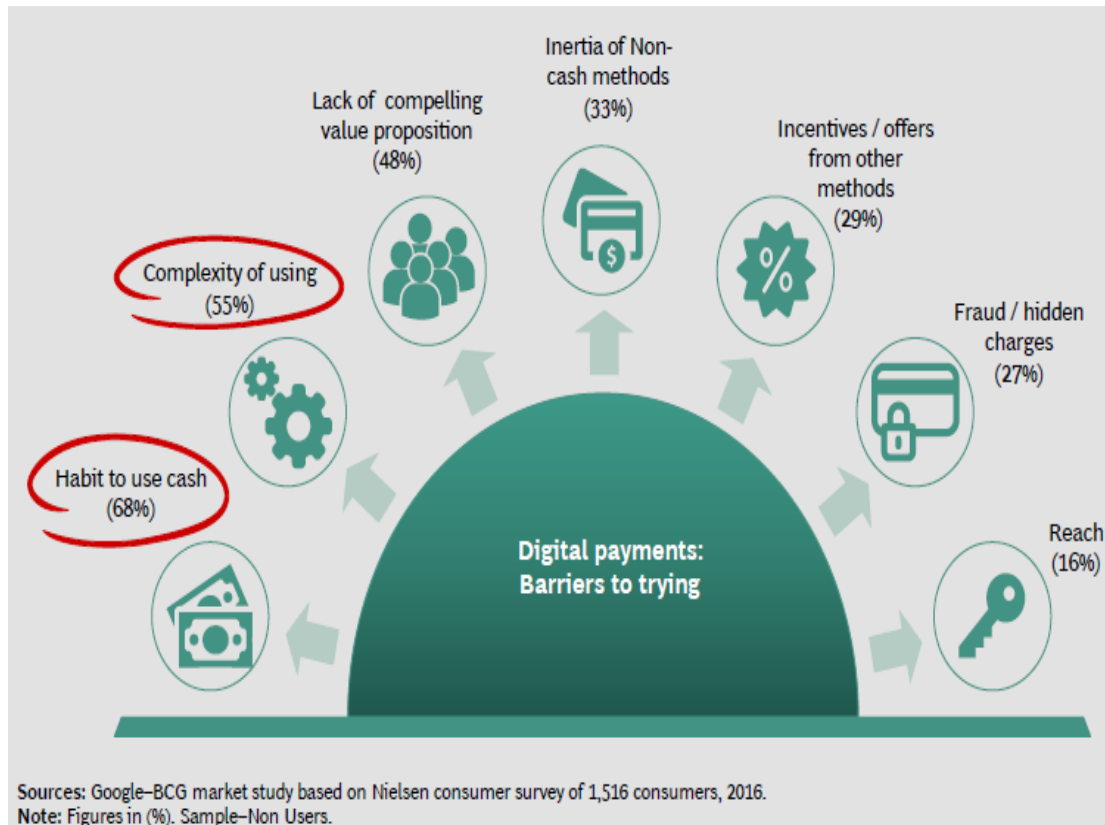


Figure 3: Key barriers to adoption of e-payments

(Source: Shah *et al.* 2016)

5.2. Complexity of usage

Out of total percentage, half the customers do not use the online transactions application due to; they find it too difficult for them. In fact, one-third of non-users didn't know how to use the application, while one-fifth of non-user think not to use as well it is useless to try because it's too complicated for them. As online transaction marks the miscellaneous users and merchant segments for across the value linked application blueprint need to evaluate that the solution must build for the base communicated judiciously. Actually, if we differentiate, the cash is always a satisfactory option for the transaction because it's more convenient and preferably and more acceptable to the people and easy to use. Revolution in transaction essentially raising day by day as it takes the simplicity of the application.

5.3. A perceived lack of compelling value proposition

Most of the people didn't use the online transaction because they could not find it safe either they do not understand the application, easily or in fact unknowingly they keep themselves away from the benefits they may have. Even consumer didn't hear or talk about the online transaction since they find themselves unsafe from it, and it lacks a ratio of digital payments. Since consumer has a tendency that they didn't find themselves safe for the application they use, so adoption ratio might get affected. Payment Service Providers shall provide the essential key points for an online transaction that consumer may captivate and use it. Rather than the customer may be beneficial for the use, so he could use the application without the hesitation. For that, Providers must interact with the customer as well as they have to educate and communicate the benefits clearly.

5.4. Inconvenience, low reach and possibility of making mistake arresting usage

The reasons behind which lacks the usage of online banking are that users may disrupt of remembering the password, insufficient balance, possibility of technical or human mistake during a transaction etc. To overcome all this difficulties customer service providers shall have been giving the details to customers, for the proper ways to use the online transaction whatever might be important to them. For example, implement biometric authentication instead of multiple username and password, acquisition and unification of under the system would increase the affirmation of people towards the online transaction they do. Furthermore, auto sweep feature can also help in addressing low account balance and the maintenance of required minimum balance in the online transaction account.

5.5. Security, identity theft, and fraud are big barriers in India

The primary research in India shows that the hidden charges and frauds are not genuine online transaction instruments. In facts, the two customers who have never used online transactions and afraid of the frauds happening.

- The dissimilar universal market, security, privacy, and fraud aren't head of mind related.
- 75% of merchants believe that digital will increase and accelerate future sales (Shah *et al.* 2016).

The research also remarked that most merchants have an obstacle with the small change, with some literally paying money to obtain the change to manage their day to day work.

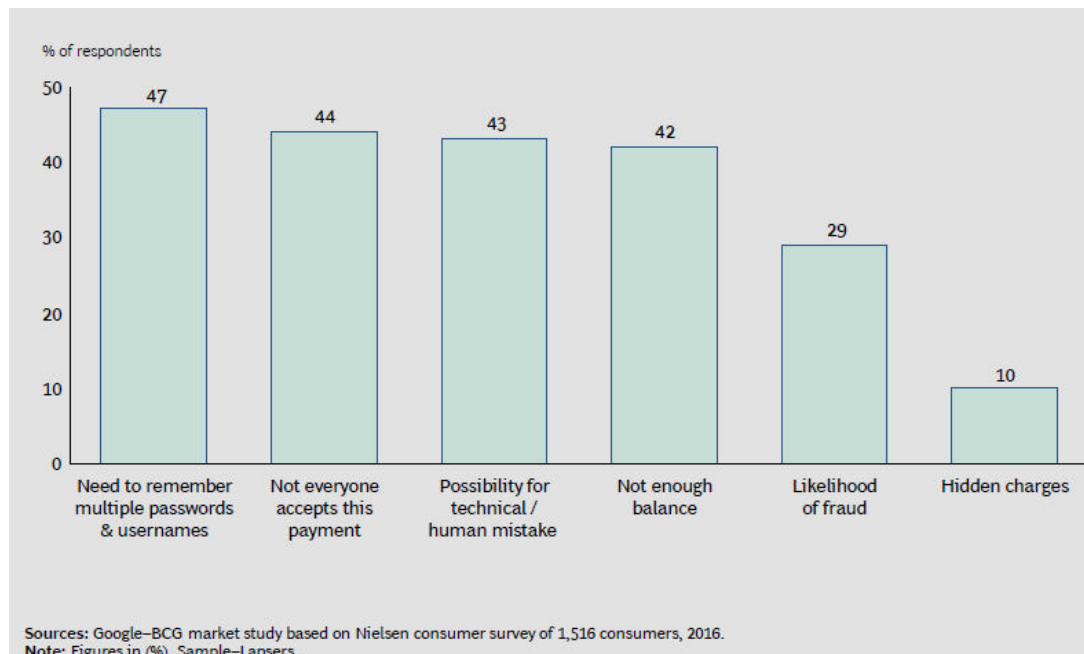


Figure 4: Reasons for stopping usage of e-payment

(Source: Shah *et al.* 2016)

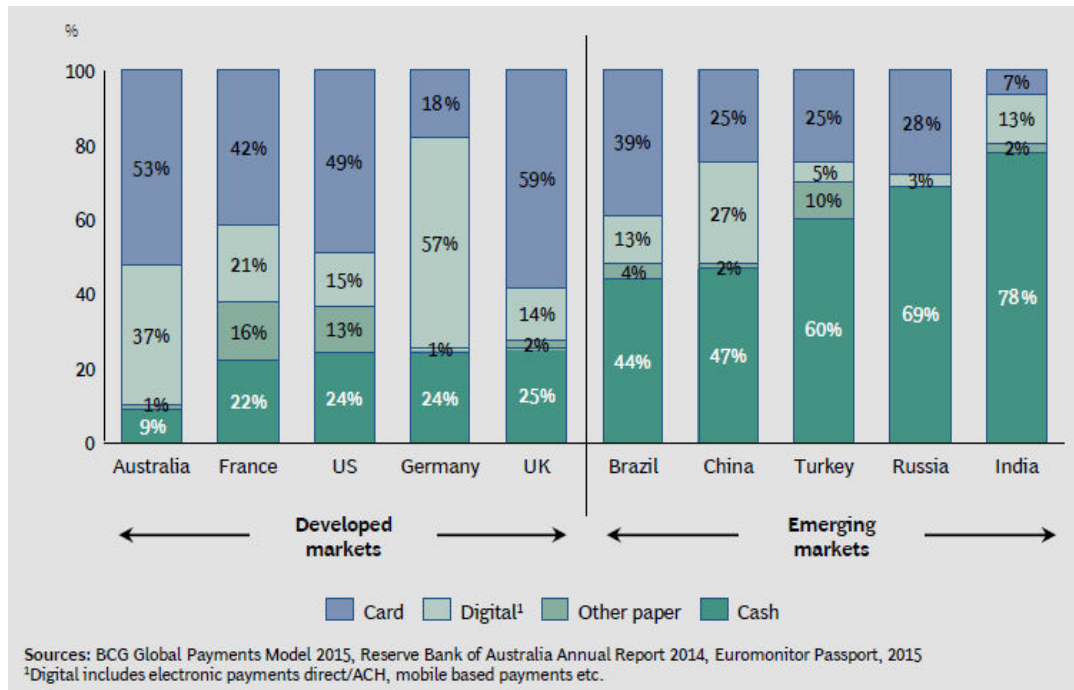


Figure 5: Payment instrument mix of countries

(Source: Shah *et al.* 2016)

1. Conclusion

The e-payments in India have witnessed an exponential growth in last few years, at the same time faced some challenges. Key drivers to the exponential growth of the e-payments in India are mobile trajectory, the online network, digital transformation in banking, supporting regulatory environment (e.g. KYC tranquility for teeny transactions, exemption from Two-Factor Authentication, Aadhaar making KYC easier, Unified Payments Interface, Bharat Bill Payment System), emergence of next generation payment service providers (e.g. bank-led, telco-led, prepaid wallets, mobile wallets, prepaid cards, payment banks), enhanced customer experience (e.g. superior and seamless customer experience, attracting customers with offer and discounts, rise in adoption of online payments).

Key barriers to adoption of e-payments are habit to use cash, complexity of usage of e-payment modes, a perceived lack of compelling value proposition, inconvenience in using e-payments, low reach and possibility of making mistake arresting usage, security, identity theft, and fraud.

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E-marketing and Its Operation on Firm's Promotion and Customer's Response

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Abstract

The purpose this paper is to discuss four main different tools which are: mobile marketing, E-mail marketing, web marketing and marketing through social networking sites, which use to distribute e-marketing promotion and understanding their different influence on consumers' perception. This study also highlighted the E-marketing, marketing through internet, mobile marketing, web marketing and role of social networks and their component. The paper contains some aspect of mobile marketing, terms like adaption, role of trust, and customers' satisfaction. Moreover some attributes of marketing through E-mail like Permission issue in Email in aim of using for marketing activity and key success factor base on previous literatures.

Keywords: E-marketing, internet marketing, mobile marketing, E-mail marketing, web marketing

1. Introduction

As we move into the twenty-first century, the way that firms and companies are doing business has changed, furthermore, it is observed that changes are attributable to the advent of the Internet. The speed of innovation increases day-by-day, and this era has the highest rate in the speed of the enhancement of technology in comparison with any previous era. Undoubtedly, usage of the Internet and computer has an important influence on this issue. Nowadays, we can easily see that for many people use of the Internet and computer devices, smart phones as well as emails and even logging on to social media sites like Face book, LinkedIn or twitter has become an essential daily need .

In global view, Electronic Marketing (E-marketing) mostly defines as new attitude and modern realistic involvement with marketing of goods, services, information and even ideas via internet and other electronic means. By reviewing literatures about this subject one of the main impediments is unclear definition from the researcher and authors about E-marketing, -commerce, E-business and internet marketing, Most of the researcher misused the meaning of these four and may use E-marketing E-commerce, E-business, and internet marketing as equal meaning with different wording which is not correct. E-marketing has broader scope while internet marketing just refers to internet thing like world wide web (www) and electronic mail, while E-marketing include all above plus tools like mobile phones, intranet and extranet and etc.

To make story short E-marketing is very similar to marketing in agriculture era but with much more decreases in cost (Sheth and Sharma 2005). E-marketing involves using information

technology which applied to traditional marketing practice. E-marketing tries to hasten the marketing efficiency and its effectiveness in way of traditional marketing was undeveloped in them.

2. Internet Marketing

From April 1995 to ending April 2000, was known as dot.com boom. During this 5 year period hundreds of businesses tend to use internet as a primary means of doing their transaction with their consumers and declare themselves in public offering, Consequently many of the firms terminated their operation and many others try to exist with adequate business change. This subject focused by so many researchers as considerable attention issue in business world and obviously creates scholarly activity as well as other research. Meanwhile e-tailers develop and introduce new internet base marketing aspect and as a result new world for marketing. Internet marketing as a part of e-marketing developed about websites for business to robust and rescale their traffic, advertisement industry ,auction oriented site like eBay have been grown through word of mouth, beside customer relation management (CRM) also gets better situation and its emphasizes gets more on personalization much more easy than before, unless the unite concept of E-marketing has not appeared .

Reviewing literature about E-commerce shows advantages of internet as a platform to sell the product which can be classified into three major functions:

- ❖ As a channel for communicating
- ❖ As a channel for doing the transactions
- ❖ As a channel for distributing

Moreover; ability of serving transaction and physical distribution can be notice as a unique ability that firms can find in this phenomenon (Kiang, Raghu et al. 2000).

Marketing over the internet create a basic changes not only in business but also in customers` behavior. Marketing provide a unique platform for the firms to understand the need of the customers and make the customers free from the time and place. It also reduces cost by omitting unnecessary transaction cost. (Sheth and Sharma 2005).

Integrating competitive strategies and internet is progressively becoming crucial factor for firms only in physical market place but also in electronic environment. Recruiting internet in this competitive environment creates some changes that illustrated in below:

Changes on development of relative emphasis on traditional channel:

- ❖ Providing a lot of information for the customers about any product
- ❖ Create communication between firms and customers

- ❖ Create customer promoting awareness
- ❖ Create facilities in doing transactions
- ❖ Helping in distributing product and service
- ❖ Digitalizing product

Direct marketing, Strategic association and Leading marketing are three main parameters which have greater changes in marketing development.

Development in leverage of:

- ❖ Innovation
- ❖ Customization
- ❖ expansion

Development of potential that internet contains to follow new business model and strategies which firm may apply on their business to compete in competitive environment (Varadarajan and Yadav 2002). Below four tools which are mostly use for electronic marketing describe in detail and discuss about their componends:

3. Mobile Marketing

Mobile phone nowadays have become a product that every generation and mostly in any age people have on the other word this product became one of a handful of customers production and have majority of global acceptance in short period of time. Mobile phone became a central utility that customers need in their lives and youth and teen agers are not exception. In this among the widespread of adaption on this device create significant opportunities for marketer to use and increase their awareness and build connection between them and customers. This ability makes mobile as huge marketing tool for firms to serve and reach to customers anytime and anywhere (Persaud and Azhar 2012). Mobile marketing have become a two way or multi way communication device for the firms to build connection with their customers. Beside in such surge of usage of mobile devices in these days and the speedy growth of mobile application in market, the set of using this device to increase market profit and increase core competency for the firms has been become initiative way for both marketers and also firms which want to use this device in their marketing attributes(Shankar and Balasubramanian 2009).

Barnes and Scornavacca (2004), noted this issue that majority of research and most of the marketing techniques that in term of mobile marketing would be use to reach to customer are SMS base marketing or use push base practice, on the other hand technology of smart phones

can open a wide range of marketing aspect for marketers to use it in beneficial way. E-wallet and RFID integrated to smart phones and marketers can use huge marketing innovation by considering this integration which was not available in classic type of mobile phones. There are so many applications like Amazon price check list or many similar applications that can enhance quality of delivering information to customer and also rise up customers` awareness .

3.1 Value of Customers in Mobile Context

Value of customer in every business is a vital factor beside businesses always seeks ultimately to understand needs and want of their consumers better. Mobile medium base on its ability provides value in consumers` perceptions. Issues like “always be with the customers” or “always on device” are subject that investigate relationship in perceiving value and precursor in mobile context (Varnali and Toker 2010). Other literature mentioned mobile service formerly use for convenience and usefulness is not the main concern (Kim, Chan et al. 2007). More over its found that influence of fun aspect of mobile is much more stronger than utility attribute of this device. This subject is much more visible among mobile users who have lower internet experience and lower trust of mobile technology (Bauer, Barnes et al. 2005).

3.2 Mobile Marketing Attitude

Although adoption determinant the attitudes toward mobile advertisement and promotions which declared by them but several examples and articles demonstrate the strength aspect of mobile in entertainment and delivering information value (Bauer, Barnes et al. 2005). Haghirian and Inoue (2007) investigated in Japanese consumers` attitude towards advertisement in mobile device and found out credibility of information have the greatest impact in Japanese attitude (Haghirian and Inoue 2007).

3.3 Adoption and Acceptance

Articles which can be classified under this category generally focus on mobile marketing acceptance determinant. These articles mostly argued about acceptance of mobile marketing message in dependant of some factors like customers` predisposition, inclinations, individual perception and attitudes. Moreover some articles discuss about demographic factor in accepting Mobile marketing message .Beside factors like social influenceand cultural dimension plays important role in this aim. Television was the first screen that people used to get information which has been provided for consumers by marketers, after that internet became another screen to fulfill this need. E-commerce brought another screen which calls the third screen for getting information in tem of increasing information and awareness of the customers which is Mobile marketing. Mobile medium as new marketing channel that mostly in literatures known as m-marketing creates a mean for companies to expand their market share with using this device. Target message also is another capability of mobile marketing to target more effectively in compare of present mass media.

3.4 Role of Trust in Mobile Marketing

Despite the incomparable abilities of mobile service and facilities that it has provided for business world, trust issue is a major complication in mobile loyalty and service development. Researched shows that many customers are not feel comfortable with the massages and idea with declared by mobile or wireless device .

3.5 Mobile Marketing and Satisfaction

According to Kaan vernali and Toker, in compare of adaption and acceptance of mobile service context, satisfaction and loyalty not often been studied .Recent recent research shows relationship between value perception among customers and multimedia service which has been added to mobile service. Commitment to use same provider directly creates influence on commitment among customers; on the other hand emotional and value which perceived by MMS content indirectly enhance satisfaction and commitment. In addition quality of information which declared by mobile device (factors like quality of connection, context, interaction and content) have significant impact in customers` satisfaction .

Surprisingly, design and aesthetic in mobile interface are focused lesser than other factors and few articles discuss about impact of beauty and design of the massage in mobile marketing . Conversely this factor in web sites has significant impact in E-commerce. Loyalty among internet user strongly depends on design and web content and this factor has important role in visiting particular website again and again by online customers.

4. E-Mail Marketing

Internet users send and receive a majority of emails daily or log to chat with their friends or with selected group of people with common interest over internet. People also use internet to web surfing or gathering information but the issue that all managers should know is that e-mail is the most usable media in the internet environment.

E-mail marketing as the most cost effective tool in internet marketing has been mention in so many studies; in addition high rate of response from this tool has made this tools and tactic as interested criteria of so many studies and researches. In year 2000, 61% of united state company use email as a tool in term of marketing tactic and estimated this amount gets higher day by day .Email marketing base on the definition is one kind of direct marketing tactic in term of using electronic devices to enhance the quality of service also increase customers attention and awareness which with no doubt brings more return for the firms and businesses in gaining profit. Email marketing can be considering as an electronic mails which deliver commercial massages to Email users and customersRising sale communications and conversations between firms and customers, in that mostly customers would not do their purchase in the first web visiting.

4.1 E-mail Marketing and Permission Issue

By review relevant literature about permission marketing this issue is the followed subject to

opt-in issue in E-mail marketing and its differences to spam E-mails . Spam messages named as messages which are not targeted, unwanted and consequently have negative insight among customers Other research defines spam messages to those messages which are not considering receivers wants and therefore these messages are inappropriate also some believe that spam messages enter to the privacy of the people and this invasion of privacy will hurt the marketing body of firms there for many researches clarified that marketers should get the recipients` permission before doing any marketing activity which uses email as a medium .

4.2 E-mail Marketing Success Factors

Email marketing in term of cost effective tool and cheap instrument of doing marketing via internet is the main factor mentioned before in this study, on the other hand high number of responses in compare of other tools in internet marketing also argued by researchers. Short turnaround means send E-mail from firms and receive response from customers has been also mentioned by researcher(s). Advent of web pages, HTML, combination of video and audio together in web service and using them in marketing all are the scope of creativity and source of new idea in marketing aspect via internet that provided for the firms have created factors that push this medium as successful one (Rettie 2002).Email in year 2000 mentioned as new medium and customers reply to marketing activities is likely to be unfavorably affected by rising traffic volume.

❖ **Web Marketing**

History of using web in commercial and use of digital technology to enhance and develop marketing attributes refers to 1994. There are so many evidences available that various organization attempt to recruit this phenomena to increase their core competency among other companies (Adam, Bednall et al. 2011). Another research mentioned, Since 1997 that internet commercialize in the world, marketers tend to use internet as medium which was cheaper and has greater capability in compare of other tools and platforms which they were using priority to distribute information and media in terms of global market. Argue about use of internet not only because of its ability but also because of some facilities that in managerial attributes in digital customers` data and electronic .

5.1 Banner Ads

A banner is a graphic kind of advertisement that shows on the web pages. Due to the literatures banner ads are the most popular and commonly used for advertisement though their use in united state from 56% in 1998 to 19% in 2004.mostly banners are hyperlinked to an advertisement website. Scholars classified them into different type by considering their size of concerning, position and dynamic aspect e.g. animated rotated or static banners (Hamborg, Bruns et al. 2011). Banners effectiveness have been studied and described by different models previously (Rossiter and Bellman 1999; Vakratsas and Ambler 1999) and generally advertisement models for banners effectiveness shows below principals for advertisement subject:

- ❖ Advertiser provide and built structure and content of advertisement
- ❖ Consumers processes some or all the advertisement content

- ❖ Long lasting communication effect is the role of advertisement which contains mind-set of advertisement or communication effect of issues like brand awareness, buying facilitation and belief attitudes intention

Banner base on the literature has barely positive effect, Observations shows that when people are looking for something in webs even the large, colorful banners ignore by them. In literature this negative effect named as “banner blindness” that people ignore banners and are not motivated to follow banner in the web pages.

5.2 Pop up Ads

G. Susanne Bahr and Richard A. Ford stated that Pop up consumption is a standard operating procedure in HCI (Human Computer interaction) and used for non expert online users promoted to make a decision. These two authors also mentioned that most industries has engendered huge range of commercial products in Pop up format which can help customers to either block or allow these verity of pop up communication .Base on their research pop up size is not matter and pop up size can be removed from their artifacts (Bahr and Ford 2011).

Kim et al, 2009 and argued about pop up store, she said that a pop up store is temporary opportunity for brands and also designers to display their products in a limited time in a box which called as pop up store. She introduce that as efficient pattern for doing the marketing in web and even a special way to create demand for those product which has not been sold in the store (Kim, Fiore et al. 2010). Manchanda et al 2006 investigated on pop up promotion and her findings shows that pop up have some characteristic that can utilize to improve customer response over the internet.

6. Social Network and Social Media Marketing

Social media and doing marketing activities according to Berthon et al (2012), is an opportunities that comprises text, Images pictures, video and networks for both customers to customer and firm to customer. Base on that research text was the first social media that initially mentioned in blog. In addition, to illustrate some of these social networks and Micro-blogs, Twitter can be named as one of social networking site that make this option for user to read and write short massages that are limited to specific character to write or Flickr as a site which allow users to share their photo and their massaged in image format .Kaplan and Haenlein (2010), defines social media as “a group of internet-based application that build on the ideological and technological foundations of web 2.0, and that allow the creation and exchange of user-generated content”(Kaplan and Haenlein 2010). Social media are very popular and very easy to access that push the ability of businesses to interact, reach and create relationship with large number of customers (Brogan 2010).\

Social media are some online application which aim is to facilitate interaction between users create collaboration and share content.

7. Conclusion

This research presented a conceptual underpinning of four different tools that firms may use in their marketing aspect to enhance their service and quality for their customers. Synthesis of relevant literature in aim of summarizing the key success factor of each parameter which presented in this paper is the target of this research. This review reveals advantages and issues related to each of the tools which were mobile marketing, e-mail marketing, web marketing and marketing through social network sites (SNS).By reviewing variety of relevant literatures, this research can conclude that there are many tools that firms can use to distribute their promotional messages and create awareness for their customers.

Mobile devices and marketing through mobile recently by introducing smart phone have changed and these enhancements in technologies especially in mobile devices brings so many advantages that most of the firms have used moreover issues like acceptance and adoption, role of trust in this phenomenon and customer satisfaction are mostly discussed in relevant literatures, also considering this issue that study about aesthetic, beauty and design in mobile content also level of research related to this issue is still inadequate and future studies will be valuable (Varnali and Toker 2010).

E-mail marketing according to literature is the most useful tool in internet and also the most cost effective phenomenon in electronic marketing for firm and businesses. Permission issue as a important factor in scholories declared that responses to those messages that already got admission from the receiver have better result in compare of those which will be considered as spam messages (Jackson and DeCormier 1999). E-mail marketing because of cheap instrument, being cost effective and majority of respondent is consider as a unique way of distributing promotional messages and creates value for firms' customers.

Marketing through web because of some capacities of nature of this phenomenon has become a essential need of firms. History of using this option goes back to 1994 base on the literatures (Adam, Bednall et al. 2011). Marketing through web in term of commercial and advertisement to bring traffic for the companies and firms was always a vital issue that web pages can fulfill the need of business owners. In this issue banner ads and pop ups play a very important role to catch attraction of online customer. Weblogs, wikis, podcasts, videos, pictures or etc are some examples of social networks, combination of text, image video and etc all and all can help the firms to enhance their productivity and by using this capable option they can create value for their customers.

Social network sites also facilitate the relationship between firms and customers and by using this phenomenon companies can understand needs of their customers and also figure out the weakness and strength of their product in electronic world of mouth or customers comment and ideas (Berthon, Pitt et al. 2012).

According to literature many firms using so many tools to create relationship with customers moreover understanding which type and tool is more effective can be very important factors to help firms in enhancing their sale profitability and using which type in their marketing strategy.

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TRADE PROTECTIONISM: OVERVIEW

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Abstract

Trade protection is the deliberate attempt to limit imports or promote exports by putting up barriers to trade. Despite the arguments in favour of free trade and increasing trade openness, protectionism is still widely practiced.

Purpose:-To know and understand the trade protectionism. To establish the benefits of free trade, examine the reasons and outcomes of protectionist policies, and to evaluate the rationale behind trade protectionism.

Keywords: *Free trade, Protectionism, Economics, Employment, Politics*

Introduction

Trade protection is the deliberate attempt to limit imports or promote exports by putting up barriers to trade. Despite the arguments in favour of free trade and increasing trade openness, protectionism is still widely practiced.

The motives for protection

The main arguments for protection are:

➤ **Protect sunrise industries**

Barriers to trade can be used to protect *sunrise industries*, also known as *infant industries*, such as those involving new technologies. This gives new firms the chance to develop, grow, and become globally competitive.

Protection of domestic industries may allow them to develop a comparative advantage. For example, domestic firms may expand when protected from competition and benefit from economies of scale. As firms grow they may invest in real and human capital and develop new capabilities and skills. Once these skills and capabilities are developed there is less need for trade protection, and barriers may be eventually removed.

➤ **Protect sunset industries**

At the other end of scale are *sunset industries*, also known as *declining industries*, which might need some support to enable them to decline slowly, and avoid some of the negative effects of such decline. For the UK, each generation throws up its own declining industries, such as ship building in the 1950s, car production in the 1970s, and steel production in the 1990s.

➤ **Protect strategic industries**

Barriers may also be erected to protect *strategic industries*, such as energy, water, steel, armaments, and food. The implicit aim of the EU's Common Agricultural Policy is to create *food security* for Europe by protecting its agricultural sector.

➤ **Protect non-renewable resources**

Non-renewable resources, including oil, are regarded as a special case where the normal rules of free trade are often abandoned. For countries aiming to rely on oil exports lasting into the long term, such as the oil-rich Middle Eastern economies, limiting output in the short term through production quotas is one method employed to conserve resources.

➤ **Deter unfair competition**

Barriers may be erected to deter *unfair competition*, such as *dumping* by foreign firms at prices below cost.

➤ **Save jobs**

Protecting an industry may, in the short run, protect jobs, though in the long run it is unlikely that jobs can be protected indefinitely.

➤ **Help the environment**

Some countries may protect themselves from trade to help limit damage to their environment, such as that arising from CO₂ emissions caused by increased production and transportation.

➤ **Limit over-specialization**

Many economists point to the dangers of over-specialisation, which might occur as a result of taking the theory of *comparative advantage* to its extreme. Retaining some self-sufficiency is seen as a sensible economic strategy given the risks of global downturns, and an over-reliance on international trade.

In addition to the economic arguments for protection, some protection may be for political reasons.

For methods of protection, see tariffs and quotas

trade protectionism is a type of policy that limits unfair competition from foreign industries. It's a politically motivated defensive measure. In the short run, it works. But it is very destructive in the long term. It makes the country and its industries less competitive in international trade.

Four Methods with Examples

3. Countries use a variety of strategies to protect their trade. One way is to enact tariffs that tax imports.

That immediately raises the price of the imported goods. They become less competitive when compared to local goods. This method works the best for countries with a lot of imports, such as the United States.

The most famous example is the Smoot-Hawley Tariff of 1930. It was designed to protect farmers from agricultural imports from Europe, which was stepping up farming after the destruction of World War I. But by the time the bill made it through Congress, it had slapped tariffs on many more imports. Other countries retaliated. The resultant competitive trade war restricted global trade. It was one reason for the extended severity of the Great Depression.

4. A second way of protecting trade is when the government subsidizes local industries. Subsidies come in the form of tax credits or even direct payments. That allows producers to lower the price of local goods and services. This makes the products cheaper even when shipped overseas.

That means subsidies work even better than tariffs. This method works best for countries that rely mainly on exports.

But sometimes subsidies can have the opposite effect. A good example of this is, once again, in the U.S. agricultural industry. The Agricultural Adjustment Act of 1933 allowed the government to pay farmers *not* to grow crops or livestock.

That would allow their fields to rest and regain nutrients. It also restricted supply. That increased prices. It helped farmers devastated by the Dust Bowl, but made food even more expensive for consumers.

5. A third method is to impose quotas on imported goods. This method is more effective than the first two. No matter how low a foreign country sets the price through subsidies, it can't ship more goods.
6. Most textbooks omit the fourth type of trade protectionism because it is subtle. It is a deliberate attempt by a country to lower its currency value. This would make its exports cheaper and more competitive. This method can result in retaliation and start a currency war. One way countries can lower their currency's value through a fixed exchange rate. This is like China's yuan. Another way is by creating so much national debt that it has the same effect, like the U.S. dollar decline.

Objectives

- To know and understand the trade protectionism.
- To establish the benefits of free trade,
- To examine the reasons and outcomes of protectionist policies, and
- To evaluate the rationale behind trade protectionism.

Design/methodology/approach

The methodology used in this paper includes review of the literature and empirical studies published from 1967 to 2017.

Originality/value

This paper establishes the benefits of free trade, the harms of trade restrictions, and challenges the popular rationale for protectionism.

INDIA still features amongst the four countries with the highest number of new Relevant Measures.

Tariffs: It raised duties on many products including ICT, steel and motor vehicles. Regarding ICT, India effectively imposes a 10% customs duty on four groups of ICT products, claiming that they do not fall under the Information Technology Agreement 1 (ITA1). The Commission has raised the issue regularly with India, including in the context of the EU-India ICT Working Group and the Sub-Committee on Trade, and a Market Access Team has been set up at the EU Delegation in Delhi (bringing together the EU, Member States and stakeholders) to closely follow up on ICT issues. Relating to steel, in a possible attempt to limit the negative effects of global overcapacities, India imposed a provisional safeguard duty of 20%, increased customs

duties for certain steel products and extended mandatory BIS certification (cf. TBT below). SPS: Indian requirements appear disproportionate and often diverge from international standards. EU exports affected include animal and animal products (particularly bovine semen, pork), plant and plant products, processed food and alcoholic beverages. India is reviewing comments submitted by EU companies and authorities to its Draft 2015 Regulation on alcoholic beverages and the competent authority (FSSAI) accepted a dialogue with the EU and to meet European industry. Further, in September 2015 India restricted imports of apples exclusively to the port of Mumbai, causing an increase of cost for EU exporters in reaching the final destination. India eventually withdrew the measure in January 2016, after the EU raised this issue bilaterally and in WTO Committees. TBT: ICT and steel products as well as tyres continued to be affected by disproportionate conformity assessment requirements that do not seem in line with the WTO TBT Agreement. In particular, the proposed mandatory in-country security testing and certification of telecom network elements (postponed until April 2016) raises questions about test methods, costs and delays. Further, the Bureau of Indian Standards' (BIS) mandatory certification regime for 15 steel products was extended to 21 additional steel products and to three stainless steel products, placing an additional strain on EU steel industry in the form of burdensome and lengthy conformity assessment procedures and factory inspections. With regard to tyres, marking fees and bank guarantee requirements continue to be key barriers for EU exporters. Also the new BIS scheme for testing and inspection for certification of cars and pneumatic tyres for passenger cars introduces the concept of 'control unit' (5,000 tyres of the same family) and requires testing of every tenth control unit. This is an improvement compared to the previous requirement of 3-monthly Conformity of Production (COP) tests on all sizes of tyres imported to India, but is still very burdensome. The EU addressed this with India and 14 requested notification of the measure to the WTO. In 2015 EU companies also experienced TBTs in the implementation of the Indian liberalization reform in retail and insurance services and relating to the marketing and labeling of alcoholic beverages. The Commission raises these NTMs regularly in the WTO TBT and SPS Committees, bilaterally in the relevant EU-India Working Groups and at the EU-India Sub-Commission on Trade. Also close interaction is maintained with EU Member States and stakeholders both in Delhi and in Brussels. Procurement: no further substantial progress can be reported with regard to the implementation of the Preferential Market Access policy for domestically manufactured electronic goods in public procurement. Intellectual Property: effective patent protection in India remains difficult. The reasons include restrictive patentability criteria, such as the overly restrictive definition of "inventive step" to deny patent protection for innovative pharmaceuticals that build upon pre-existing products, combined with difficulties in enforcing patents and extremely broad criteria for granting compulsory licenses or for the revocation of patents. This affects pharmaceuticals, chemicals and other sectors where local innovation is being promoted. India has so far declined the EU's calls for a regular IP-dialogue (in accordance with a specific 2005 agreement), but the Commission continues to channel its concerns through other bilateral contacts, including the EU-India Sub-Committee on Trade. Investment: on multi-brand retail, the new Indian government did not withdraw the existing 51% FDI cap (despite announcement during elections that it would close this part of retail from FDI), but left its implementation up to the discretion of each single Indian State, without ensuring enforcement from the centre. This de facto restricts EU investments in the majority of Indian States. On the positive side, the 30% LCR for FDI in

single brand retail (to be achieved within five years from receipt of the first FDI tranche) was relaxed in November 2015 and the applicable condition should be 30% LCR in five years as of the start of business operation. The current text of the notification states that the 30% LCR should be achieved immediately upon start of business operations, but the competent ministry has promised to correct this. Also, following regular discussions between the EU and relevant Indian authorities, single brand retailers are allowed to sell online since November 2015.

Pros of Tariffs and Protectionism

- Although globalized free trade promises benefits for all, the truth is that the benefits are actually spread very unevenly with some individuals making a fortune but many losing out. Tariffs and protectionist policies can help to close the gap in income inequality.
- Tariffs and quotas mean that jobs in first world countries can be protected from cheaper labor costs in poorer countries such as Mexico and India, where workers also have worse working and safety conditions. Generally speaking, protectionism creates more jobs and higher wages at home. Free trade outsources jobs abroad and lowers wages.
- Newer industries can be guarded from competition in their formative stages, allowing them to grow.
- Protectionism can bring people together and create social coherency and a sense of patriotism. Local people working together take more pride in what they are doing, rather than feeling like a cog in some big multinational machine.
- Free trade can create enormous national deficits. Protectionism can rein them in.
- For a variety of reasons including national security, there are a number of industries that should always be owned domestically and never be foreign-owned or outsourced, examples might be industries involved in military defense, water supply, hospitals, prisons, car manufacturing.
- Although free trade may have made cheaper foreign goods more available, there is no advantage for many people as their wages have stagnated or even dropped since the 1980's.
- Free trade can lead to a nation's technology heading overseas to take advantage of lower labor costs. As well as this leads to the domestic market becoming increasingly dependent on foreign suppliers, it can also mean a decline in domestic labor skills.
- Tariffs increase revenue for the government imposing them.
- Tariffs can correct an imbalance in production price. For instance when one country subsidizes its motor industry and another does not, a tariff can be used to correct the imbalance.

Cons of Protectionism

- Global competition keeps the price of many goods down. Removing that competition results in inflation. Even if wages increase, they are outstripped by the price rises.
- Free trade allows access to a much wider range of services and goods, creating more consumer choice, because a lot of goods are not supplied or made by the domestic market. Tariffs and protectionism limit customer choice. This can include customers may

have to make do with inferior products, and certain foods being only available at certain times of year.

- Many of the gains of protectionism tend to be short-lived and counter-productive. If you introduce or raise import tariffs on another country's goods, then it is normally only a matter of time before they retaliate and raise tariffs on your exports. Many jobs will be lost that rely on exports. If you close your border to other countries' products, they will close theirs.
- Jobs that rely on the internet will also disappear, as the barriers to the free movement of capital and labor go up.
- Job outsourcing is a direct result of failure to invest in education and skills in many cases. The US, for instance, has shortages in high-tech, engineering, and science workers, because it fails to educate enough of its own people.
- Companies that are protected from outside competition may flourish in the short term, but in the longer term they will tend to become less efficient. Innovation and quality will decline over time, as there is less incentive to improve without competition.
- Foreign importers may cut costs to allow for tariffs and lower the quality of their products.
- Free trade advocates have argued, with some justification, that countries with inter-meshed economies are less likely to go to war with one another. Protectionism, on the other hand, can stir up tensions between nations.
- Periods of protectionism have a historical habit of ending in economic slump, most notably the Great Depression of the 1930's.
- The effects of tariffs can be much wider than in just the specific industry targeted. For instance, a tariff on steel production will push up the prices of all the products and processes that use steel, as well as in the steel industry itself.

Advantages

If a country is trying to grow strong in a new industry, tariffs will protect it from foreign competitors. That gives the new industry's companies time to develop their own competitive advantages.

Protectionism also temporarily creates jobs for domestic workers. The protection of tariffs, quotas or subsidies allows domestic companies to hire locally.

This benefit ends once other countries retaliate by erecting their own protectionism.

Disadvantages

In the long term, trade protectionism weakens the industry. Without competition, companies within the industry have no need to innovate. Eventually, the domestic product will decline in quality. It will be lower quality and more expensive than what foreign competitors produce.

Job outsourcing is a result of declining U.S. competitiveness. Competition has declined from decades of the United States not investing in education. This is particularly true for high-tech, engineering and science. Increased trade opens new markets for businesses to sell their products. The Peterson Institute for International Economics estimates that ending all trade barriers would increase U.S. income by \$500 billion.

Increasing U.S. protectionism will further slow economic growth. It would cause more layoffs, not fewer. If the United States closes its borders, other countries will do the same. This could cause layoffs among the 12 million U.S. workers who owe their jobs to exports.

Free Trade Agreements

Free trade agreements reduce or eliminate tariffs and quotas between trading partners. The largest agreement is the NAFTA. It is between the United States, Canada, and Mexico. The Trans-Pacific Partnership would have been larger. But President Trump withdrew the United States from that agreement. As a result, the other involved countries are forming their own accord. If China decides to join them, it would replace NAFTA as the world's largest trade pact.

Also in the running for the world's largest trade agreement would have been the Transatlantic Trade and Investment Partnership. It was between the European Union and the United States. But the Trump administration has not pursued it.

A large multilateral trade pact is the Dominican Republic-Central America Free Trade Agreement, which is between the United States and Central America. There are also bilateral agreements with Chile, Colombia, Panama, Peru, Uruguay and most countries in Southeast Asia. The United States also has agreements with the Middle Eastern countries of Israel, Jordan, Morocco, Bahrain and Oman.

But FTAs don't eliminate protectionist measures like subsidies or currency wars. One of the disadvantages of NAFTA was that subsidized U.S. farm products put Mexican farmers out of business. Despite their disadvantages for some, free trade agreements have more pros than cons.

Findings

International trade has been growing faster than growth of world gross domestic product, and countries with freer trade policies benefit more than countries with restricted policies. Yet, trade protectionism continues to be exercised in response to pressure from select industries and political constituencies. The paper also establishes that trade restrictions are harmful to the economies of the trading partners.

Conclusion

The slight slowdown of world economy and relatively weak global trade activity in 2015 were accompanied by an increased resort to potentially trade restrictive measures during the Reference Period July 2014-December 2015 and by a very limited roll back of previously introduced measures. The stock of trade restrictive measures enacted since 2008 thus continues to grow. As in previous years, emerging countries have resorted to restrictive measures to the greatest extent, but also developed countries, including G20 members, continue to apply such practices, despite their repeated pledge not to adopt trade-protectionist measures and to roll back existing ones.

For India progress remains difficult and market access barrier removal remains most challenging in China and Russia, with only limited successes in the Reporting Period.

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ANALYSIS OF CASH FLOW STATEMENT OF HINDUSTAN UNILEVER LTD. AND BRITANNIA INDUSTRIES LTD.: A COMPARATIVE STUDY

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Abstract:

Cash Flow analysis is thought to be more effective in determining enterprise effectiveness and competitiveness in the market because it is a more dynamic examination of actual return on assets and equity. Additionally, this unique use of cash flow analysis is applied to the concept of emerging markets and the proposal that cash flow analysis is a better measure of performance and competitiveness for firms that are competing in emerging markets. This project is a sincere effort study and analyzes the cash flow statement of Hindustan Unilever Ltd. and Britannia Industries Ltd. The project focused on making a financial overview of the company by conducting a cash flow analysis of Hindustan Unilever Ltd. and Britannia Industries Ltd. ratio, various activities of Cash Flow .i.e. Operating, Financing and Investing activities.

Keywords: Cash Flow Analysis, Ratios.

Introduction

Cash flow analysis is often used to analyze the liquidity position of the company. It gives a snapshot of the amount of cash coming into the business, from where, and amount flowing out. The amount of cash or cash equivalent which the company receives or gives out by the way of payments to creditors is known as cash flow. The cash flow can either be positive or negative. It is calculated by subtracting opening balance of cash from closing balance at the end of the period (could be a month, quarter or a year). If the difference is positive it means you have more cash at the end of a given period. If the difference is negative it means that you have less amount of cash at the end of a given period when compared with the opening balance at the starting of a period.

To analyze where the cash is coming from and going out, cash flow statements are prepared. It has three main categories –

- Operating cash flow (which includes day – to – day transactions)
- Investing cash flow (which includes transaction done for expansion purpose)
- Financing cash flow (which includes transactions relating to the amount of dividend paid out to stockholders.)

What is Cash Flow?

Cash flow is the money that is moving (flowing) in and out of your business in a month. Although it does seem sometimes that cash flow only goes one way - out of the business - it does flow both ways.

Cash is coming in from customers or clients who are buying your products or services. If customers don't pay at the time of purchase, some of your cash flow is coming from collections of accounts receivable.

Cash is going out of your business in the form of payments for expenses, like rent or a mortgage, in monthly loan payments, and in payments for taxes and other accounts payable.

Think of 'cash flow' as a picture of your business checking account. If more money is coming in than is going out, you are in a "positive cash flow" situation and you have enough to pay your bills. If more cash is going out than coming in, you are in danger of being overdrawn, and you will need to find money to cover your overdrafts. This is why new businesses typically need working capital, in the form of a loan or line of credit, to cover shortages in cash flow.

Review of Literature

- 1. A comparative study on cash flow statements of State Bank of India and ICICI Bank, ISSN: 2455 – 1627, Volume 2, Issue 9, September 2016, Kulbir Singh:** Cash flow statement is a statement which states the inflows and outflows of cash and cash equivalents in an organization during a specified period of time. According to AS-3, an enterprise should prepare cash flow statement and should present it for each period for which financial statements are prepared. A statement of cash flow reports cash receipts and payments classified according to the entities, major activities-operating, investing and financing during the period. It explains the causes for the changes in the cash balance. Cash flow statement helps in cash control, cash management and helps the investor in analyzing the cash flow statement. In Present paper, a comparative study has been undertaken between two banks: state Bank of India and ICICI Bank.
- 2. Cash Flow statement of Punjab National Bank and ICICI Bank: A Comparative Analysis, Volume 1, Issue 1, December 2017, Dr. Abhishek Maheshwari; Dr. Vipul Yadav:** The main objective of a commercial organization is to earn profit. But there are many instances that the firm is earning huge profits but does not have cash to pay its liabilities on time and get bankrupt. So Cash flow statement has become more important because it describes about the cash profit generation capacity of the firm. In this paper the cash flow statement of two banks one from the public sector (PNB) and other from the private sector (ICICI) are analyzed. Different statistical tools are used in the analysis. Performance wise ICICI is better than the PNB but on consistency grounds PNB is better than ICICI.
- 3. A Comparative study on Cash flow statement of ICICI Bank and Axis Bank, ISSN: 2249 – 555X, Volume 4, and Issue: 4, April 2014, Dr. Bhavsinh M.Dodiya:** A cash flow statement is required as part of a complete set of financial statements prepared in conformity with Indian Accounting Standards. AS-3 lays down a for-mal structure for the cash flow statement. Cash flows should be classified under the following three standard headings: "Operating activities", "Investing activities", and "Financing activities". The classification of cash flows among operating, in-vesting and financing activities is essential to the analysis of cash flow data. Net cash flow (the change in cash and equivalents during the period) has

little informational content by itself; it is the classification and individual components that are informative. Although the classification of cash flows into the three main categories is important, it should be mentioned that classification guidelines are arbitrary.

4. **Cash Flow Statement of Bank of Baroda and Syndicate Bank: A Comparative Analysis of Operating, Financing, and Investing Activities, ISSN 2277 – 7733, Issue 2, Volume 5, September 2016, Nidhi Varshney, Manjula Jain:** The statement of cash flows reports the sources and uses of cash by operating activities, investing activities, financing activities. It shows movement of cash between two balance sheet dates and also discloses the reasons for differences among net income, cash receipts and cash payments. From the financial year 2004-05, it has become obligatory for all the Indian companies to present Cash Flow Statement in their Annual Reports. Institute of Chartered Accounts of India (ICAI) has issued Accounting Standard-3 (AS-3) for the cash flow statement. In this paper, a comparative study has been undertaken between two banks: Bank of Baroda and Syndicate Bank.
5. **A Study and Comparative Analysis of HUL and ITC, ISSN 2321 – 8169; 407 – 417, Volume 5, Issue 3, Habiba Abbasi:** In India FMCG is the fourth largest sector and provides employment to around three million people accounting for approximately five per cent of the total factory employment in the country. India's market for fast moving consumer goods (FMCG) is expected to more than double to \$104 billion by 2020 from the present level of \$49 billion. The Ratio analysis which plays a very important role and is an essential part of financial statements of any company, has been used to evaluate various aspects of an FMCG's operating and financial performance such as its efficiency, liquidity, profitability. The present study focuses on comparative analysis of HUL and ITC on various grounds.
6. **A Comparative Study on Cash Flow statements of Tata Chemicals Ltd. and Pidilite Chemicals Ltd., ISSN 2250 – 1991, Volume 3, Issue 6, Volume 3, June 2014, Kalpesh B. Gelda, Dr. Bhavsinh M. Dodiya:** A cash flow statement is required as part of a complete set of financial statements prepared in conformity with Indian Accounting Standards. AS-3 lays down a formal structure for the cash flow statement. Cash flows should be classified under the following three standard headings: "Operating activities", "Investing activities", and "Financing activities". The classification of cash flows among operating, investing and financing activities is essential to the analysis of cash flow data. Net cash flow (the change in cash and equivalents during the period) has little informational content by itself; it is the classification and individual components that are informative. Although the classification of cash flows into the three main categories is important, it should be mentioned that classification guidelines are arbitrary.
7. **Cash Flow Statement: Comparative Analysis of Financing, Operating and Investing Activities, ISSN 2277 – 7261, Volume 3 Issue 2, June 2015, Ajay G. Paliwal, Mukesh B. Ahirrao and Dr. V.S. Rana:** Cash flow statement is an important tool to analyze the cash

position of business firm. It can denote changes in cash position during two financial years. Concern is the world's second largest manufacturer of micro irrigation system and the business model of concern is loaded with heavy working capital as huge fund is blocked in trade receivables. Recently, the concern has reported fluctuating turnover for last three years in its annual reports. Hence it is necessary to judge the sufficiency of the cash position to support the success story of company. This study is based on financial figures disclosed by company in three consecutive years. Study involves comparative analysis of cash flow from three business activities i.e. operating, financing and investing. Accordingly the sufficiency of cash position is concluded and some recommendation is made to overcome the scenario.

Objectives of the Study

1. To ascertain the sources of cash and cash equivalents under operating, investing and financing activities of the selected FMCGs.
2. To ascertain the applications of cash and cash equivalents under operating, investing and financing activities of the selected FMCGs.
3. To study the variation among the three activities i.e. Operating, investing and financing activities of selected FMCGs.

Research Methodology

Research Design: Descriptive, Quantitative

Universe: FMCGs Industries

Sample Unit: Hindustan Unilever Limited and Britannia Industries Ltd

Data Type Collected: Secondary Data

Tools used for Analysis of Data: The data were analyzed using the following financial tools. They are:

- Ratio Analysis
- Calculation of Cash Flow Activities (i.e. Operating, Investing and Financing Activities)

Secondary Data:

External data collected from the websites, annual reports of the selected FMCGs.

Data Collection: -Data means collection of raw facts and figures collected for the research work.

Data Analysis and Interpretation

- **Current Ratio**

$$\frac{\text{Current Asset}}{\text{Current Liabilities}} \times 100$$

Particulars	Hindustan Unilever Ltd			Britannia Industries Ltd		
	2014 – 15	2015 – 16	2016 – 17	2014 – 15	2015 – 16	2016 – 17
Current Asset	9263.55	9384.97	9411	1433.97	1432.23	2004.88
Current Liabilities	8722.82	9137.15	7202	1089.42	1060.21	976.81
Ratio	1.06	1.03	1.31	1.32	1.35	2.05

Table 1 Current Ratio

Interpretation: Above graph show the current ratio of Hindustan Unilever Ltd. and Britannia Industries Ltd. don't have so much difference in current ratio. The current ratio of Hindustan Unilever Ltd. increases every year, and current ratio of Britannia Industries Ltd. increases from 1.32 to 1.35 from the year 2014 – 15 to 2015 – 16 and from 1.35 to 2.05 from the year 2015 – 16 to 2016 – 17. Which shows that the companies are enough liable to pay their liabilities

- **Cash Flow Ratio**

$$\frac{\text{Net Operating Cash Flow}}{\text{Total Current Liabilities}}$$

Particulars	Hindustan Unilever Ltd			Britannia Industries Ltd		
	2014 – 15	2015 – 16	2016 – 17	2014 – 15	2015 – 16	2016 – 17
Net Operating Cash Flow	3103.76	3965.21	4953.00	515.33	877.69	401.94
Total Current Liabilities	8782.82	9137.15	7202.00	1202.45	1342.70	1089.42
Ratio	0.35	0.43	0.69	0.43	0.65	0.37

Table 2 Operating Cash Flow Ratio

Interpretation: Operating Cash Flow Ratio is calculated to measure of how well the current liabilities are covered by the Cashflow generated by the company. A higher number means a company can cover its current debts more time. In the above graph it is shown that the operating ratio of both the companies are poor which indicates that the liabilities are not properly covered by the cash flow generated by Hindustan Unilever Ltd. and Britannia Industries Ltd.

- **Critical Needs Cash Coverage Ratio**

$$\frac{\text{Net Operating Cash Flow} + \text{Interest Paid}}{\text{Total Current Liabilities} + \text{Interest Paid}}$$

Particulars	Hindustan Unilever Ltd			Britannia Industries Ltd		
	2014 – 15	2015 – 16	2016 – 17	2014 – 15	2015 – 16	2016 – 17
Net Operating Cash Flow + Interest Paid	3120.58	3965.39	4953.00	515.76	879.22	403.08
Total Current Liabilities + Interest Paid	8799.64	9137.33	7202.00	1202.88	1344.23	1090.56
Ratio	0.35	0.43	0.69	0.43	0.65	0.37

Table 3 Critical Needs Cash Coverage Ratio

Interpretation: This ratio is used to measure the company's ability to meet its obligations and pay dividends. In the above graph the ratio of Hindustan Unilever Ltd. and Britannia Industries Ltd. are critically low which indicates that the company are not properly covering its obligations and pay dividends

- **Cash Interest Coverage**

$$\frac{\text{Net Operating Cash Flow + Interest + Tax}}{\text{Annual Interest}}$$

Particulars	Hindustan Unilever Ltd			Britannia Industries Ltd		
	2014 – 15	2015 – 16	2016 – 17	2014 – 15	2015 – 16	2016 – 17
Net Operating Cash Flow + Interest + Tax	5022.91	5788.51	6818.00	775.96	1261.69	810.55
Annual Interest	205.78	234.06	0.00	45.84	75.30	92.86
Ratio	24.41	24.73	0.00	16.93	16.76	8.73

Table 4 Cash Interest Coverage

Interpretation: It is used to measure the company's ability to meet interest payment on its entire debts. If the company run less than 1 then immediate risk of potential de-fault. Hindustan Unilever Ltd. Britannia Industries Ltd. are having the ability to meet interest payment on its entire debts

- **Operating Cash Margin**

$$\frac{\text{Net Operating Cash Flow}}{\text{Net Sales}}$$

Particulars	Hindustan Unilever Ltd			Britannia Industries Ltd		
	2014 – 15	2015 – 16	2016 – 17	2014 – 15	2015 – 16	2016 – 17
Net Operating Cash Flow	3103.76	3965.21	4953.00	515.33	877.69	401.94
Net Sales	32721.44	34417.48	34487.00	7100.46	7868.89	8684.00
Ratio	0.09	0.12	0.14	0.07	0.11	0.05

Table 5 Operating Cash Margin

Interpretation: The operating cash flow can be found on the company's cash flow statement, and the revenue can be found on the income statement. A high operating cash flow margin can indicate that a company is efficient at converting sales to cash, and may also be an indication of high earnings quality. In the above graph Operating Cash Margin of Hindustan Unilever Ltd. is fluctuating from year to year it keeps in-creases from 0.09 in the year 2014 – 15 to 0.12 in the year 2015 – 16 and form 0.12 in the year 2015 – 16 to 0.14 in the year 2016 – 17. But the ratio of Britannia Industries Ltd. is increases from 0.07 to 0.11 in the year 2014 – 15 to 2015 – 16, but it is de-creasing rapidly in the year 2015 – 16 to 2016 – 17 from 0.11 to 0.05.

- **Net Operating Activities**

Particulars	2014 – 15	2015 – 16	2016 – 17
Hindustan Unilever Ltd.	3103.76	3965.21	4953.00
Britannia Industries Ltd.	515.33	877.69	401.94

Table 6 Net Operating Activities

Interpretation: The Net operating activities of Hindustan Unilever Ltd. show the uptrend year by year. It keeps increasing from 3103.76 to 3965.21 and from 3965.21 to 4953.00 in the year 2014 – 15, 2015 -16, 2016 -17 respectively. Whereas net operating activities of Britannia Industries Ltd. are fluctuating, it increases in the year 2014 – 15 to 2015 -16 from 515.33 to 877.69 and decreases from the year 2015 – 16 to 2016 – 17 i.e. from 877.69 to 401.94.

- **Net Financing Activities**

Particulars	2014 – 15	2015 – 16	2016 – 17
Hindustan Unilever Ltd.	3450.44	4008.98	4264.00
Britannia Industries Ltd.	325.46	228.29	283.80

Table 7 Net Financing Activities

Interpretation: The Net Financing Activities of Hindustan Unilever Ltd. shows the uptrend year by year. It keeps increasing from 3450.44 to 4008.98 and from 4008.98 to 4264 in the year 2014 – 15, 2015 -16, 2016 -17 respectively. Whereas net operating activities of Britannia Industries Ltd. are fluctuating, it decreases in the year 2014 – 15 to 2015 -16 from 325.46 to 228.29 and increases from the year 2015 – 16 to 2016 – 17 i.e. from 228.29 to 283.80.

• **Net Investing Activities**

Particulars	2014-15	2015-16	2016-17
Hindustan Unilever Ltd.	448.04	-43.65	-752
Britannia Industries Ltd.	-384.29	-659.37	-115.49

Table 8 Net Investing Activities

Interpretation: A company's cash flow from investing activities is the part of that company's cash flow statement where the total sums of changes in regard to its investment gains and losses over a specified time period. Items in a company's cash flow from investing activities include the purchase or sale of assets, the purchase or sale of investment products, and the lending of money or collection of loans. The Net investing Activities of Hindustan Unilever Ltd. fluctuating year by year. It keeps de-creased from 448.04 to (43.65) and from (43.65) to (752) in the year 2014 – 15, 2015 -16, 2016 -17 respectively. Whereas net investing activities of Britannia Industries Ltd. are fluctuating, it decreases in the year 2014 – 15 to 2015 -16 from (384.29) to (659.37) and decreased from the year 2015 – 16 to 2016 – 17 i.e. from (659.37) to (115.49), having a negative cash flow from investing activities is not always bad and needs further evaluation before decisions are made on a company's investing activities.

Findings

- i. The current ratio of both the Hindustan Unilever Ltd. and Britannia Industries Ltd. indicates that the company is well places to pay its debts
- ii. The operating ratio of Hindustan Unilever Ltd. and Britannia Industries Ltd. is poor which shows that the liabilities are not properly covered by the generated cash flow.
- iii. The critical needs cash coverage ratio indicates are critically low that both the companies are not properly covering its obligation and pay dividends
- iv. Cash Interest Coverage Ratio of Hindustan Unilever Ltd. and Britannia Industries Ltd. indicate that both the companies are having the ability to meet interest payment on its entire debts.
- v. The net operating activities of Hindustan Unilever Ltd. is in increase trend where-as, the net operating activities of Britannia Industries Ltd. is fluctuating.
- vi. The net financing activities of Hindustan Unilever Ltd. is in increase trend where-as, the net financing activities of Britannia Industries Ltd. is fluctuating.
- vii. The net investing activities of Hindustan Unilever Ltd. and Britannia Industries Ltd. is fluctuating, having a negative cash flow from investing activities is not al-ways bad and needs further evaluation before decisions are made on a company's investing activities
- viii. The debt to assets ratio of Hindustan Unilever Ltd. and Britannia Industries Ltd. are less than the ideal ratio which indicates bulks of asset funding is coming from equity.

Suggestions

- Company should adopt different methods of dealing with cash and cash equivalents and receivables
- The company should maintain its liquidity position to attain the level of maximum efficiency.
- To measure the financial soundness, company can analyze the ratio of various years
- As the study shows that operating financing and investing is fluctuating with the time span. Organization need to focus on the fluctuation of operating, financing and investing which keeps changes
- Hindustan Unilever Ltd. and Britannia Industries Ltd. need to look after their cash ratio to pay their liabilities on immediate short term.

Conclusions

Cash Flow Statement analysis is in depth analysis. The Hindustan Unilever Ltd. and Britannia Industries Ltd. is a company, which give preference to the common man's privilege. The cash flow is mainly a combination of three activities operating, financing and investing activities. The most mutual pattern is a progressive operating activities cash flow and negative cash flow from investing and financing activities. However, this is expected because the preparation of cash flow statement does not allow for many choices, differences of interpretation or different accounting treatments. The study showed that the liquidity position of the Hindustan Unilever Ltd. is better than Britannia Industries Ltd.

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A CRITICAL ANALYSIS OF HR SERVICES AND EXPECTATIONS OF EMPLOYEES

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Abstract

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets — the people working there who individually and collectively contribute to the achievement of the objectives of the business. HRM means employing people, developing their capacities, utilizing, maintaining and compensating their services in tune with the job and organizational requirement. This research paper discusses the concepts of HR services focusing the expectations of the employees of the concerned organization such as promotion of knowledge participation, effective n efficient communication, friendly behavior of HR, proper feedback system etc. paper also discusses the need to be more human in dealing with the internal customers i.e., employees.

Keywords: *HR services, employee, strategic approach, Human resource management.*

Introduction

Human Resource Services means the services which are provided by HR department to its internal customers meant by employees of the organization and to other departments as HR department is administrative as well as a service department. Human resource department is one of several departments which are vying for input of the strategic level at the decision making process within organization. Human resource departments are the entities organizations form to organize people, reporting relationships, and work in a way that best supports the accomplishment of the organization's goals. Human resource department is devoted to providing effective policies, procedures, and people-friendly guidelines and support within companies. Additionally, the human resource function serves to make sure that the company mission, vision, values or guiding principles, the company metrics, and the factors that keep the company guided toward success are optimized.

The Human Resource Services/Department deals with management of people within the organization. There are a number of responsibilities that come with this title. First of all, the Department is responsible for hiring members of staff; this will involve attracting employees, keeping them in their positions and ensuring that they perform to expectation. Besides, the Human Resource Department also clarifies and sets day to day goals for the organization. It is responsible for organization of people in the entire Company and plans for future ventures and objectives involving people in the Company.

Research has shown that the human aspect of resources within an organization contributes approximately eighty percent of the organization's value. This implies that if

people are not managed properly, the organization faces a serious chance of falling apart. The Human Resource Department's main objective is to bring out the best in their employees and thus contribute to the success of the Company. Organization subscribes to the belief that efficiency, effectiveness and success of the organization depends largely on the skills, abilities and commitment of the employees who constitute the most important asset of the organization.

Objective of the study

1. To understand the basic needs and wants of employee from Services of HR.
2. To measure internal customer's (Employees) satisfaction with service effectiveness of various service function.
3. To collect best possible suggestions in order to make services more effective.

Research Methodology

Keeping in view the research evidence and objective it is found suitable to go through descriptive study method.

The present study is based on primary data. Primary data has been collected from respondents through questionnaires. In order to elicit the expectations of employees from HR services, a structured questionnaire having open as well as closed ended questions has been administered among a sample size of 150 respondents in an organization.

Simple percentage analysis has been used as the tool of analysis.

Need of the study

It is very important to understand the importance of Human Resource Management's functions and its services in a big public sector organization. The nature of job and the information obtained would help to relate data and find efficiency and correlation about sharing best practices. The parameters undertaken in the study are the most needed element for the effectiveness of each of the section of HR department; This would help to identify the privilege and shortcoming that may exist in the organization. This study would also help in knowing the expectations and problems of employee with reference of HR Services and also help to enhance the effectiveness of HR Services and to improve them by going through the suggestions of employees.

Limitations of Study

- i) The sample was confined to 150 respondents. So this study cannot be regarded as "full - proof" one.
- ii) Some respondents hesitated to give the actual situation; they feared that management would take any action against them.
- iii) There was a fear of reprisal among the employees to reveal their personal feelings and the result may not reflect the actual satisfactions.
- iv) The findings and conclusions are based on knowledge and experience of the respondents sometime may be subject to bias.

Concept

HR department is one of the major parts of any organization. Its goal is to maximize the productivity of an organization by optimum utilization & improving effectiveness of its employees while simultaneously improving the work life of employees and treating employees as valuable resources. Human resource managers attempt to determine future HRM activities and plan for the implementation of HRM procedures to help companies realize their goals.

During research there was a questionnaire provided to a number of employees to analyze my topic which was EFFECTIVENESS OF HR SERVICES after going through the responses given by the employees and their analysis the following is concluded-

- i) Behavior of HR employees is friendly and they are patient in dealing with employee and in clarifying their doubts and queries and helping as far as they can.
- ii) They are competent and well trained in performing their duties.
- iii) They take regular feedback and conduct surveys to know about employees' needs and problems to overcome with them.

Attention Towards

- i) The concerned officer must inform all the employees about what's going on in the company regarding up-coming facility which is provided by the organization.
- ii) Share Knowledge, Information and expertise with others and respect knowledge and expertise of others.
- iii) Communicate about anything going wrong or getting delayed to all concerned. Especially regarding HR issues.

Conclusion & Suggestions

1. HR Executives should try to be friendlier with the employees of other department so that they can have a better mutual relationship with them and also enable employees to know the Responsibilities & Challenges of their job. It would also be very beneficial to develop a positive attitude of employees towards HR Department.
2. HR-Department needs to be more human in dealing with the employees as it's not the services but the mode of delivery of the service that matters.
3. Some employees have also stated that many of their queries aren't answered, so management needs to be more patient and active to correct the above problem.
4. As most of the transactions are through SAP, one needs to have proper knowledge about the way it is operated for leaves purposes and for this regular awareness programs are to be conducted.
5. Lastly, the management should always keep in mind that they are actually for the employees and their services.
6. Communication meeting at departmental level should be done on regular basis in the presence of HR representative for sharing company's information etc.
7. HR Department may take employees suggestions if required in order to make their

- services more effective & to improve their weak areas.
8. More positive alterations in future will make HR Services more effective.

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A STUDY OF IMPACT OF GOODS AND SERVICES TAX (GST) ON INDIAN ECONOMY

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Abstract

Goods and Services Tax (GST) is the buzz word of today's generation. In the present day context, the introduction of the GST is a very important step in the area of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, GST will mitigate ill effects of cascading or double taxation in a major way and pave the way for a common national market. The biggest advantage would be in terms of fall in the overall tax burden on goods, which is currently estimated to be around 25% to 30%. It means that the actual burden of indirect taxes on goods and services would be much more transparent to the consumer. Introduction of GST would also make Indian products competitive in the domestic and international markets owing to the full neutralization of input taxes across the value chain of production and distribution.

This paper attempts to analyse the concepts of Goods and Services Tax. In this paper the researcher has discussed the background, benefits and impact of GST in Indian economy.

Keywords: Goods and Services Tax (GST), Indirect Tax, Central and State taxes.

Introduction

Goods and Services Tax (GST) is considered as an indirect tax for the entire nation that would make India one unified common market. It is a tax which is levied on the sale, manufacturing and the usage of the goods and services. It is a single tax that is imposed on the supply of the goods and services, right from the manufacturer to the customer. The credits of the input taxes that are paid at each stage will be available in the subsequent stage of value addition which makes GST essentially a tax only on the value addition on each stage. The final consumers will bear only the tax charged by the last dealer in the supply chain with the set of benefits that are at all the previous stages.

It is charged at the national and state level at similar rates for the same products and it also replaces almost all the current indirect taxes that are imposed separately by the Centre and the States. Goods & Services Tax is a destination based tax which means that the tax is paid at the place of supply.

In present socio-economic as well as in political parlance, GST has become a buzz word and the government officials, policy makers and laymen are skeptic about its implications on the economy.

Objectives of the study

The following are the objectives of the study:

1. To study the concepts of Goods and Services Tax (GST).
2. To study the benefits of GST implementation on Indian Economy
3. To derive a clear understanding of impact of GST on Indian economy.

Research Methodology

Present study is done with help of the information from secondary sources that are from various websites, research articles related to Goods and Service Tax.

What is Goods and Services Tax?

1. GST is a destination based tax levied on supply of goods and services.
2. Proposed Dual GST in India is to be levied at the same time by states and central government on a common tax base.
3. It will be imposed on all stages of the supply chain till the final sale to consumers, providing Input Tax Credit (ITC) benefits on the basis of invoices issued at the previous stage of the supply chain.

Type of Taxes under GST

There are three taxes applicable under GST:

1. **CGST:** Collected by the Central Government on an intra-state sale (Eg: Within Maharashtra)
2. **SGST:** Collected by the State Government on an intra-state sale (Eg: Within Maharashtra)
3. **IGST:** Collected by the Central Government for inter-state sale (Eg: Maharashtra to Gujarat)

In most cases, the tax structure under the new regime will be as follows:

Transaction	New Regime	Old Regime	

Intrastate (Sale within the State)	CGST + SGST	VAT + Central Excise/Service tax	Revenue will be shared equally between the Centre and the State
Interstate (Sale to another State)	IGST	Central Sales Tax + Excise/Service Tax	There will only be one type of tax (central) in case of inter-state sales. The Center will then share the IGST revenue based on the destination of goods.

Benefits of the GST

The following are the benefits of Goods and Services tax:

- One Nation One Tax.
- Removal of bundled indirect taxes such as VAT, CST, Service tax, CAD, SAD, and Excise.
- Removal of cascading effect of taxes i.e. removes tax on tax.
- Increased ease of doing business.
- Lower cost of production, increases demand will lead to increase supply. Hence, this will ultimately lead to rise in the production of goods. Resulting to boost make in India initiative.
- It will boost export and manufacturing activity, generate more employment and thus increase GDP with gainful employment leading to substantive economic growth

Impact of GST on Prices of Goods and Services in India

Tax experts claimed that the previous practice of tax on tax. The prices of consumer durables, electronic products and ready-made garments will be available at low price after rolled out GST. In other aspects, for goods which were taxed at low rate, the impact of GST brings price increment. Services bearing essential ones like ambulance, cultural activities, pilgrimages etc. were exempted from levy are same. India has seen the strongest tax reform that aims to do away with various tax systems on goods and services and bring them under one rate.

The GST Council has fixed the tax rates, keeping a view on all goods and services; they are classified under tax slabs 0 % (exempted ones), 5%, 12%, 18% & 28%.

Following is a list of some items which are fully exempted from the GST:

- The unprocessed cereals, rice & wheat etc.
- The unprocessed vegetables (fresh), milk, fish, meat etc.
- Unbranded Atta, Besan or Maida.
- Kid's coloring book or drawing books.
- Sindoor or Bindis, bangles, etc

Following is a list of the sectors which are negatively or positively affected by GST.

Sector- wise positive impact of GST

Sectors	Tax Implications under GST
Auto (Commercial Vehicle or Two wheelers)	Reduce by 1% compared to the existing tax structure. Positive
Auto (small cars)	Reduce by 2-2.5% tax rates for small cars having less than 4 meter length and more than 1500 cc engine as compared to the existing tax structure. Positive
Auto (Midsized cars and SUV)	Midsized cars more than 1500 cc & 4 meters in length and SUV rates would reduce by 8% and 12% respectively. Positive
Consumer goods (essential items)	Effective tax rate is applicable in essential goods (soaps, toothpaste, edible oil and hair oils) under various tax slabs – Positive
Consumer goods (Footwear)	Footwear tax rates (less than Rs. 500) to reduce to 5% from 9.5% and more than Rs.500 to reduce to 18% from 24-30%– Positive
Consumer goods (Cigarettes)	Effective tax under GST applicable to be 28% along with additional cess and other taxes. GST rate in cigarettes according to the current rate will gradually increase over the next 5 to 6 years – Positive
Building Materials	Organised players to benefit from higher tax rate in the long term, as they gain market share on reduced pricing spread between organised and unorganised players. However, higher tax rate may lead to tax evasion through loopholes, which is a concern from organised players.
Logistics	In Consolidation of warehouses across the country with free movement of goods will lead to higher volumes for logistic companies. Implementation of the same, however, might take some period as unorganised players will have to adjust to new systems under GST.
Restaurants	Tax decreased to 5% from 15%. This tax revision will affect the fine dining restaurant industry – Positive

Sectors which having negative impact of GST

Sectors	Tax Implications under GST
Hotel (room rent more than Rs. 7500)	Tax rate on fine dining restaurants increased to 28% from 15%. This will result in room rentals hikes, with consequent impact on hotel occupancies.- Negative
Branded Apparels	Garments more than Rs 1000 will be taxed at 12%. This will adversely impact business as price hikes would lead to late recovery in sales.

Conclusion

GST implementation is to going to provide impetus to various reforms and polices introduced by the Government for the ease of doing business and to push India to a more simple, transparent and tax friendly regime.

GST is also beneficial for consumers as there would be only one tax from the manufacturers and service providers to the consumer leading to transparency and efficiency. It will prevent leakages from the system and provide relief in terms of reduced tax burden on most of the commodities. GST is definitely a good move to reform indirect taxation in India and will have positive effects on GDP growth, Tax revenue, exports, employment and so many. The need of the hour is to spread awareness at a larger scale about the implementation procedure and advantages of GST to every citizen of the country.

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INTENSIFICATION OF RESOURCES MOBILIZED BY MUTUAL FUND INVESTMENTS IN INDIA

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Abstract

Mutual fund is a special type of institution which acts as an investment tool. Mutual fund is based on concept of pooling of funds. It is a mechanism of pooling together wide spread savings from large number of investors. Mutual funds provide an alternative to all those investors who are doubtful of directly entering into capital market by investing through shares, debentures, bonds, etc. Mutual funds are those investment intermediaries which assemble investors' funds and transfers for projects and ventures required by corporates. Even after several years of its establishment in India, unfortunately mutual fund investments are not able to establish its worth among individual investors as preferred vehicle of investment for their savings. The penetration and awareness in Tier II and III cities and in rural markets are expected to increase in coming future. Present study is an exploratory (quantitative) research which is mainly based on secondary data. Research pointed out financial resources generated through mutual fund investments in India over period of more than four & half decades (from 1970-71 to 2016-17). Paper highlighted vital role played by public sector and private sector mutual funds in contributing towards capital formation process in capital scare economy like India.

Key Words: Mutual Funds, Resources generated, UTI, Public, Private, Growth.

1) Introduction

Mutual funds are considered as best investment vehicle for small individual investors. According to *Indian Mutual Fund Industry—The Future in a Dynamic Environment Outlook for 2015 report*, published by Confederation of Indian Industries and the KPMG in June 2009, global mutual fund industry had grown at an average rate of 4% CAGR from 2004 to 2008. Whereas, Indian mutual fund industry was one of the fastest growing avenue with CAGR of 29% during same period. Still India accounted merely 0.32% share in global AUM of US Dollar 18.97 trillion as of December 2008. Further the retail investors comprising of 97% in number held nearly 37% of total Assets Under Management (AUM) in mutual fund industry by the end of March 2008. This proportion was significantly lower than retail investors' participation in U.S.A. at about 82% of AUM as of December 2008. According to ICI Fact Book 2012, World Bank data, AMFI, share of Assets Under Management (AUM) of India as a percentage of GDP was merely 5 to 6%. In comparison to various global financial markets, AUM as a percentage of GDP accounted to 77% for USA, 40% for Brazil and 31% for South Africa. This highlights that mutual fund industry has

not able to win the confidence and faith of investors in attracting larger volume of savings from household sectors. Even after several years of its establishment, still mutual fund units are not able to establish its worth among individual investors as a preferred vehicle of investment for their savings. According to 'Indian Mutual Fund Industry–Distribution Continuum: Key to Success Report 2014', the penetration and awareness in Tier II and Tier III cities and in rural markets are expected to increase in coming future. This shall lead to expansion of retail investor base and thereby greater share of AUM from retail segments.

2) Research Methodology

Present research is quantitative research that attempt to investigate and point out the financial resources generated through mutual fund investments in India. Present study is an exploratory (investigative) research mainly based on secondary data.

A) Objective of study:

- The prime objective of present research to study and analyze the trend of financial resources mobilized by Mutual Fund Investments in India

B) Scope of Research:

Present research is mainly based on secondary data that attempt to investigate and highlight the significant and remarkable growth in financial resources mobilized with the help of mutual fund investments in India over a period of more than four & half decades (from 1970-71 to 2016-17).

- Type of Data:** Secondary data has been collected and used for the present study.
- Sources of Data:** Secondary data was collected from internet, reference books, publications, etc. related to resources mobilized by mutual funds.
- Data Analysis:** Data collected from different sources is properly edited, summarized and presented through tabulation. CAGR was calculated to determine the rate of growth.

3) Resourced generated by Mutual Fund Investments in India

Table 1: Table showing net resources generated by mutual funds in India (Rs. in Billions)

Financial Year	UTI	Bank-sponsored mutual funds	FI-sponsored mutual funds	Private sector mutual funds	Total Financial Resources
1970-71	0.18	N. A.	N. A.	N. A.	0.18
1971-72	0.15	N. A.	N. A.	N. A.	0.15
1972-73	0.23	N. A.	N. A.	N. A.	0.23

1973-74	0.31	N. A.	N. A.	N. A.	0.31
1974-75	0.17	N. A.	N. A.	N. A.	0.17
1975-76	0.29	N. A.	N. A.	N. A.	0.29
1976-77	0.35	N. A.	N. A.	N. A.	0.35
1977-78	0.73	N. A.	N. A.	N. A.	0.73
1978-79	1.02	N. A.	N. A.	N. A.	1.02
1979-80	0.58	N. A.	N. A.	N. A.	0.58
1980-81	0.52	N. A.	N. A.	N. A.	0.52
1981-82	1.57	N. A.	N. A.	N. A.	1.57
1982-83	1.67	N. A.	N. A.	N. A.	1.67
1983-84	3.30	N. A.	N. A.	N. A.	3.30
1984-85	7.56	N. A.	N. A.	N. A.	7.56
1985-86	8.92	N. A.	N. A.	N. A.	8.92
1986-87	12.61	N. A.	N. A.	N. A.	12.61
1987-88	20.59	2.50	N. A.	N. A.	23.09
1988-89	38.55	3.20	N. A.	N. A.	41.75
1989-90	55.84	8.89	3.15	N. A.	67.88
1990-91	45.53	23.52	6.04	N. A.	75.09
1991-92	86.85	21.40	4.28	N. A.	112.53
1992-93	110.57	12.04	7.60	N. A.	130.21
1993-94	92.97	1.48	2.38	15.60	112.43
1994-95	86.11	7.66	5.76	13.22	112.75
1995-96	-(63.14)	1.13	2.35	1.33	-(58.33)
1996-97	-(30.43)	0.07	1.37	8.64	-(20.35)
1997-98	28.75	2.37	2.04	7.49	40.65
1998-99	1.70	-0.89	5.47	20.67	26.95
1999-00	45.48	3.36	2.96	169.38	221.18
2000-01	3.22	2.49	12.73	92.92	111.36
2001-02	-(72.84)	8.63	4.06	161.34	101.19
2002-03	-(94.34)	10.33	8.61	121.22	45.82
2003-04	10.50	45.26	7.87	415.10	478.73
2004-05	-(24.67)	7.06	-33.84	79.33	27.88
2005-06	34.24	53.65	21.12	415.81	524.82
2006-07	73.26	30.33	42.26	794.77	940.62
2007-08	106.78	75.97	21.78	1382.24	1586.77
2008-09	-(41.12)	44.89	59.54	-(305.38)	-(242.08)
2009-10	156.53	98.55	48.71	479.68	783.47
2010-11	-(166.36)	13.04	-(169.88)	-(162.81)	-(486.00)
2011-12	-(31.79)	3.89	-(30.98)	-(395.25)	-(454.13)

2012-13	46.29	67.08	22.41	652.84	788.62
2013-14	4.01	48.45	25.72	467.61	545.79
2014-15	- (12.78)	- (11.48)	- (9.94)	1063	1028.80
2015-16	154.16	274.21	13.88	875.33	1317.58
2016-17	201.46	425.77	64.06	2742.89	3434.18

Source: Compiled from Handbook of Statistics on Indian Economy, RBI, AMFI and SEBI

Above table exhibited year-wise net resources mobilised by mutual fund investments in India for more than four and half decades i.e. from 1970-71 to 2016-17 Table further classifies these financial resources generated into four components including Unit Trust of India (UTI), bank sponsored mutual funds, financial institutions sponsored mutual funds and private sector mutual funds. It can be seen that in the initial period, UTI had sole monopoly in mutual fund industry in India. Fund generation kept on rising progressively during era of UTI which continued for about one and half decade. UTI was one of the few organisations that were fully prepared and competent enough to face these emerging challenges. In later years, UTI launched all-round diversification programmes through backward and forward integration in order to continue its position as a definite market leader.

After 1987-88, public sector mutual funds including bank sponsored mutual funds and financial institutions sponsored mutual funds entered in financial market. These entries however fasten overall process of fund generation. Of these two, public banks were able to collect substantial assets as compare to that collected by financial institutions. With opening up of Indian economy in early 1990s, many public sector financial institutions established their mutual fund schemes in India. However, the industry still remained exclusive domain of public sector during this period. In this phase, eight mutual funds were established, out of which six funds were formed by LIC, GIC and four different public banks. SBI mutual fund was the first non UTI mutual fund which was established in June 1987. Further, entry of public sector mutual funds created influence in market and helped in attracting small and retail investors. A period of two financial years i.e. 1992-93 and 1993-94 observed decline in collection of funds made by public sector mutual funds. This decline was mainly because of two factors. First, SEBI had prohibited mutual funds from launching any scheme with an assured income (guaranteed returns) which was definitely most popular among Indian investors. Another reason was Indian mutual funds were required to form Asset Management Companies (AMCs) according to Mutual Funds Regulations 1993. If mutual fund does form AMC, then they could not launch any scheme. Majority of funds launched during this phase were growth oriented, closed ended funds.

However, with emergence of private sector and foreign mutual funds in India in year 1993, both public sector and UTI mutual funds underwent significant competition as funds collected were diverted from public sector to private sector. With the entry of private sector funds, a new era started in Indian mutual fund industry. Entry of private players not only gave wider choice of mutual fund schemes to Indian investors, but also increased overall competition in mutual fund industry. Further, first Mutual Fund Regulations were established in 1993. As per these regulations, except UTI, rest all mutual funds were required to be registered and governed.

Association of Mutual Funds of India (AMFI) was set-up and incorporated in August 1995. Various guidelines and regulations were issued by AMFI in order to promote confidence among different investors across country. SEBI (Mutual Funds) Regulations 1993 were replaced by more comprehensive and revised regulations in 1996. Main objective of these new guidelines was ensuring healthy growth of mutual fund investments. These regulations of 1996 covered number of aspects such as determination of standards in calculation of net assets value, remuneration to Asset Management Company (AMC), exemption from listing of schemes, accounting practices, fixation of band between purchase and repurchase prices, etc. Also significant changes and innovations related to product design, servicing, information disclosure, etc. regarding mutual funds were also introduced

A major hit to this fund mobilization process was observed in year 1995–96 and year 1996–97, when UTI started demobilizing funds, resulting into overall negative capital formation in mutual fund industry. But private sector funds continued to gather huge stocks of capital funds from the industry during the period. On other hand, public sector assembled funds comparatively at a lower rate. Fund mobilisation process turned negative in 2008–09 due of financial crises observed in domestic financial markets. In addition, investors started withdrawing investments made in private sector mutual funds, showing faith on funds sponsored by public banks and other financial institutions. However, as situation turn favourable in 2009–10, resource generation again rose significantly. But again in 2010–11 and 2011–12, resource mobilisation turned negative in both sectors primarily because of instability and lack of confidence from investors across the country. However, since then resource mobilisation increased massively high and multi-fold times from 2012–13 to 2016-17. This further indicated restoration of confidence and trust of mutual fund investors in domestic financial markets.

4) Findings

- The aggregate net resources mobilized by mutual fund investments in India (including UTI, bank sponsored mutual funds, financial institutions sponsored mutual funds and private sector mutual funds) increased at a remarkable CAGR of 23.28% over period of 47 years. This fact highlighted the potential of mutual fund investments to generate financial resources in a developing economy like India.
- However, resources generated by private sector mutual funds increased comparatively at slightly higher CAGR of 24.035% over period of 24 years. This indicated that Indian private mutual funds had contributed heavily in overall funds mobilization process by giving tough competition to traditional public sector mutual funds. Private sector mutual funds have offered wide number of schemes and investment opportunities to investors along-with better and improved services.
- Financial resources generated from private sector mutual funds were exceptionally high compared to UTI, bank sponsored and financial institutions sponsored mutual funds in the country.

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INNOVATION, COLLABORATION AND LEADERSHIP FOR BUSINESS GROWTH

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Abstract

The orb is much more energized with practitioners who have in them a new leadership vision. They have a sense of commitment, trust and strong value system. Today's cutting edge information technology tuned to world- which looks the hardwired networking substructure, quality enhancement, customer gratitude, technological innovation. There is an economical transmutation that creates synergy with technological scalability spreading across the globe. For a greater affluence- there is need of an effective and efficient marketing-based support system.

This conceptual paper discusses about important aspects of Business like- Innovation, leadership, indispensable role of Employees and Collaboration.

Key Words: *Innovation, Collaboration, leadership, Skills, Employment, Business Growth.*

Introduction

There is an enormous change happening around us with a great pace. This is an age of information explosion and computer proliferation through hardware innovations and software up gradations. There is an unprecedented thrust on social media sites and IT network chains. The world consists of transnational and global organizations competing for excellence. The thriving corporations are creating a linkage among human network, their rapport building initiation and evolving one to one relationship for business. This is an era of technnovation. Nobody can function without technology.

The technology plays prominent role in satisfaction of customer. There are several theoretical perspectives about customer satisfaction some of which concur with each other while others do not. According to Engel et al., (1995) customer satisfaction is an after purchase evaluation of the selected alternatives and is purely based on customer expectations about the product or service.

But Kotler et al., (2010) introduced the concept of quality in customer satisfaction and distinguished between the quality offered by the service or product provider and the quality perceived by the customer. A deeper look into customer satisfaction gives four aspects: expected quality of goods or services, achievement of the goods/service quality, non-compliance of goods/services, and satisfaction of goods/services quality (Caruana, 2002). Satisfied and delighted customers are the impetus for profitability.

Innovation, Skills and Imitation

We know that strategies are innovative, intricate, flexible, ever changing and multifarious in nature. It attains inimitable uniqueness of either product functionality or service which can create long term sustainability and greater competitive advantage. The mimicking of product or service may not be possible as tracking of rare blend of technology and human skills is incomprehensible. So it's a time to remain original, innovative and futuristic in business. We must presage about the future scope and innovation of recent product range. Moreover, technological replication is possible but not the skill-based imitation. By the time competitor imitates, company must advance to further level of reinforcement of employee skill-set with mastery of next ultramodern technology. There is the possibility of joint venture and strategic alliances essential so as to have either make or buy decision with lesser investment. But it is a perilous decision to copy as, if they fail the duplication; it is possible to incur huge losses either in fiscal investment or in marring of quality. Copying may be lackadaisical in nature for producing core competencies of others as our own. There is possibility that there already will be many competitors who will try to snatch the cheese.

Business growth and Leadership

Each business can grab certain opportunities and face threats. Hence having strategic alliance many at times prove to be fruitful pragmatic proposition. Both the parties work on win-win situation. Relationship building and reciprocal support can create a radical change in organizational climate. Myriad of possibilities are recognized, probed and seized so as to attain corporate goals and objectives. Creating unified vision in decentralized big organization is often a challenge. Conveying vision yet is essential. To strengthen and consolidate itself as a strong brand tries to reposition in the market. It's a need of hour to envisage the future product and conceive future opportunities. Introducing and launching new product in old market or old product in new market establishes company competitiveness.

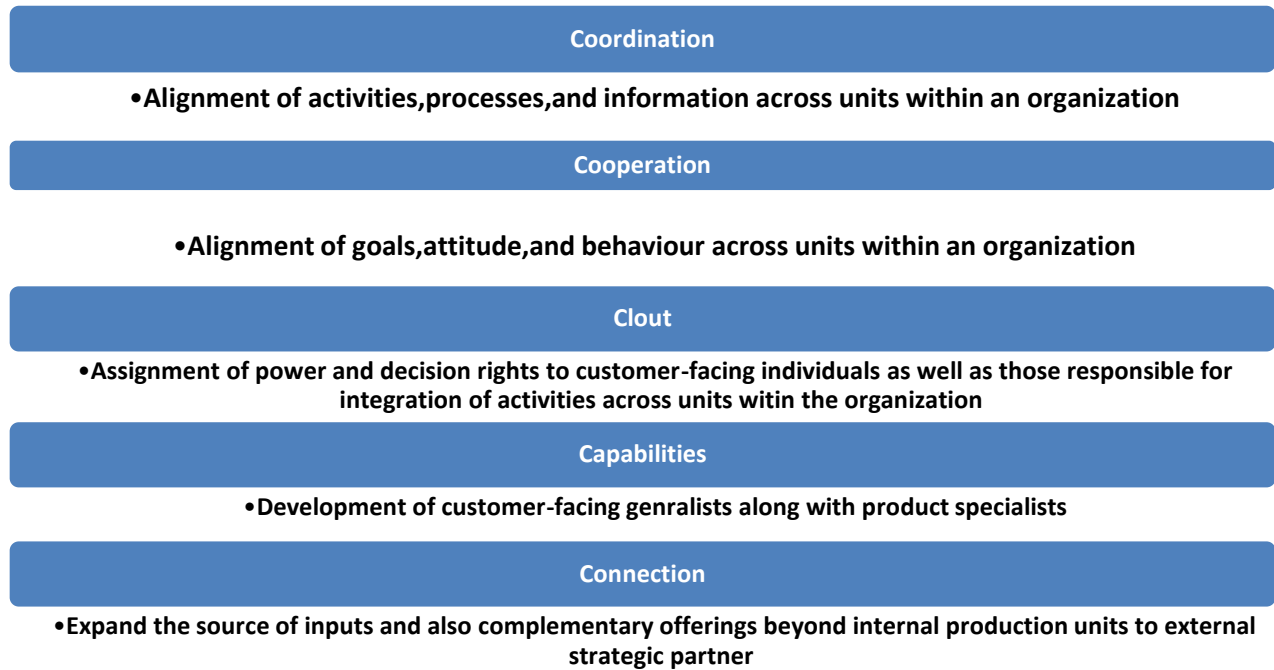


Fig.1 The resilience tool kit: the five levers 5 C's (Reorganize for resilience, HBR, Ranjay Gulati)

Companies must show the resilience for adapting business growth. Ranjay Gulati has formulated Five levers of 5 C's for the resilience tool kit. Those are coordination, cooperation, Clout, Capabilities and connection which are explained in the figure 1 briefly.

Company must address the issue of service leadership or cost leadership. The challenge of diversified strategic portfolios and strategic know-how go hand in hand. It may help for deploying the resources in best possible manners. The business conglomerates have to face the deceptive moves by competitors. To this assault, they must shield themselves with core competencies across the organization to attain competitive advantage. The proper and apt strategies fuel business engine effectively. According to C.K.Prahalad and Gary Hamel, strategic architecture plays prominent role for succeeding in Business. Companies must develop huge pool of core competencies through employee potential and their unique fortes. For that they should sense and adopt distinct values and multiple skills. To apply shared vision supports business survival, growth and consolidation of the capabilities.

The leaders possess superior knowledge and try to identify human gems in organization for delegating and enhancing work. They listen carefully about the novel ideas and articulate those clearly to share with the end customers. They possess genuine robustness in their personality to foster, reinforce, encourage and train team. They try to inculcate praise-worthy habits and share glorious outcome of corporate values. They use power of persuasion and instil values among them. The employees lead to identify unique skill set and sense opportunities and challenges. They use leading resources and time tested doctrines. They are alert and generate polite efforts to build organizational competencies. There are certain building blocks to attain mastery of

fundamentals as well as modern practices. Every business has to understand that they have to develop the core competency to respond and excel in the competition on global scale. But it is really challenging to identify the powerful way and address worldwide issues. They must understand the importance of varied innovation, benchmarking quality assurance and evolving cultural aspects which largely impact on business.

Indispensable role of employees in redefining business

Company employees whom are smarter in negotiation and collaborations should analyze markets trends with the help of technological sophistication. The employers must motivate effectively to employees and help them avoid hesitation about product design or service experience and should gain risk taking abilities. Businesses have to initiate from failure to success with the help of corporate vision and their vital mission statement. Employee empowerment should lead to their personal aplomb to redefine business in the state of turmoil. The leader must encourage peers and subordinates in uninspired insipid work environment which is volatile in itself. There is massive need of charismatic leadership with the honest and confident leading approach.

Collaboration and referral recommendations

New products emerge and enhance in utility as well as user-friendliness of technological knowhow so as to impact the company's competitiveness. Collaboration and cooperation are the key areas to grow through win-win situations. The price war is addressed at the helm of blood-thirsty business strategies. The continual evaluating, monitoring and controlling are at the center of strategic implementation. There is the possible danger of not noticing the counter assault done by competitors to retaliate against our effective tactics. In the quicksilver environment, market place is being tapped with the unrealized employee potential manifested in reality. There is necessity that efforts must put in right direction. Hence to realize and grasp different customer needs in different markets can give an opportune insight through supportive and sensitive feedback system. This bolsters companies to identify the novel product attributes and offer uncharted benefits at much lesser price. This creates wow effect for the customer and he becomes ready for partnering through referral recommendations. He becomes an ambassador for company and better yet, there is possibly more customer share. The possibility is that there is a greater pool of attracted customers who readily agree to have business exchange. Many a times the profitable customer purchases product frequently. Thus the inflow is increased and wealth maximization can be accomplished.

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A STUDY ON CUSTOMER PERCEPTION IN PUNE REGION TOWARDS VARIOUS FINANCIAL FRAUDS WITHIN BANKS

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Abstract

In the last three years, public sector banks (PSBs) in India have lost a total of Rs. 22,743 crore, on account of various banking frauds. Most of the respondents had clicked the option of inform to bank and police complaint whenever they will faced the bank fraud. This will help the bank & the police to take proper action regarding the issue & also will help the customer to retain the loss in different circumstances.

Key Words: *Frauds, Respondent, Circumstances.*

Introduction

In recent years, instances of financial fraud have regularly been reported in India. Although banking frauds in India have often been treated as cost of doing business, post liberalisation the frequency, complexity and cost of banking frauds have increased manifold resulting in a very serious cause of concern for regulators, such as the Reserve Bank of India (RBI). RBI, the regulator of banks in India, defines fraud as “A deliberate act of omission or commission by any person, carried out in the course of banking transactions or in the books of accounts maintained manually or under computer system in banks, resulting into wrongful gain to any person for a temporary period or otherwise, with or without any monetary loss to bank”.

In the last three years, public sector banks (PSBs) in India have lost a total of Rs. 22,743 crore, on account of various banking frauds. With various measures initiated by the RBI, numbers of banking fraud cases have declined, but amount of money lost has increased in these years. Prima facie, an initial investigation in these cases has revealed involvement of not only midlevel employees, but also of the senior most management as was reflected in the case of Syndicate Bank and Indian Bank. This raises serious concern over the effectiveness of corporate governance at the highest echelons of these banks. In addition, there has been a rising trend of non-performing assets (NPAs), especially for the PSBs, thereby severely impacting their

profitability. Several causes have been attributed to risky NPAs, including global and domestic slowdown, but there is some evidence of a relationship between frauds and NPAs as well.

Objectives

- To study the various types of frauds in the Indian banking.
- To create awareness about the customer encounter while banking.
- To identify the precautionary measures to deal with financial frauds.

Review of Literature

- (Deloitte survey report on banking frauds-2016) T. M. Bhasin Chairman, Indian Bank's Association (IBA) Chairman and Managing Director, Indian Bank.

Shown banking sector frauds have been in existence for centuries, with the earliest known frauds pertaining to insider trading, stock manipulation, accounting irregularity/ inflated assets etc. Over the years, frauds in the sector have become more sophisticated and have extended to technology based services offered to customers.

- Frauds in the Indian Banking Industry (Charan Singh, Deepanshu Pattanayak-March 2016) RBI Chair Professor Economics & Social Science Indian Institute of Management Bangalore.

studied The Indian banking sector has experienced considerable growth and changes since liberalisation of economy in 1991. Though the banking industry is generally well regulated and supervised, the sector suffers from its own set of challenges when it comes to ethical practices, financial distress and corporate governance.

Research Methodology

Research Methodology, describes the various methods that were considered appropriate in conducting this research. Methodology is description of the process, rules, methods employed in a study. Research in common parlance refers to a search for knowledge.

Research Method

The study is descriptive in nature. It is the process of systematic research for particular topic, subject or area of investigation backed by the collection, compilation and interpretation of the relevant details and data.

Descriptive Research: Descriptive research is also called statistical research. Descriptive research includes surveys and facts-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

Sampling Design:-

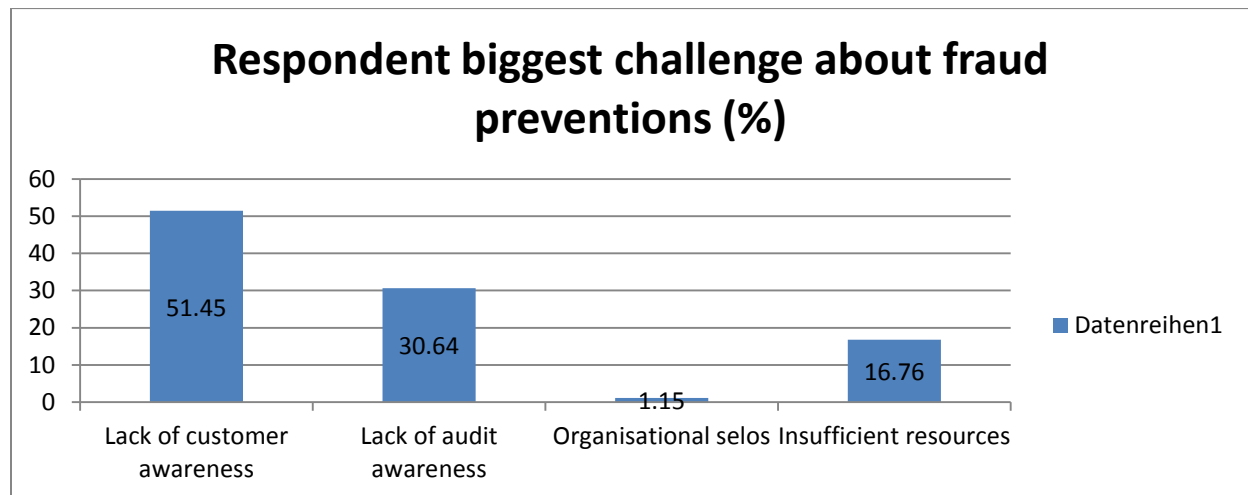
Population:The population consisted of people living in Pune city

Sample size:207 was the sample size of the research.

Data Collection: Primary Data & Secondary Data

Data Analysis & Interpretation

What do you think is the biggest challenge to fraud Preventions?			
Sr. No.	Particular	No. of Respondent	Percentage
1.	Lack of customer awareness	89	51.45
2.	Lack of audit awareness	53	30.64
3.	Organisational selos	02	01.15
4.	Insufficient resources	29	16.76
	Total	173	100

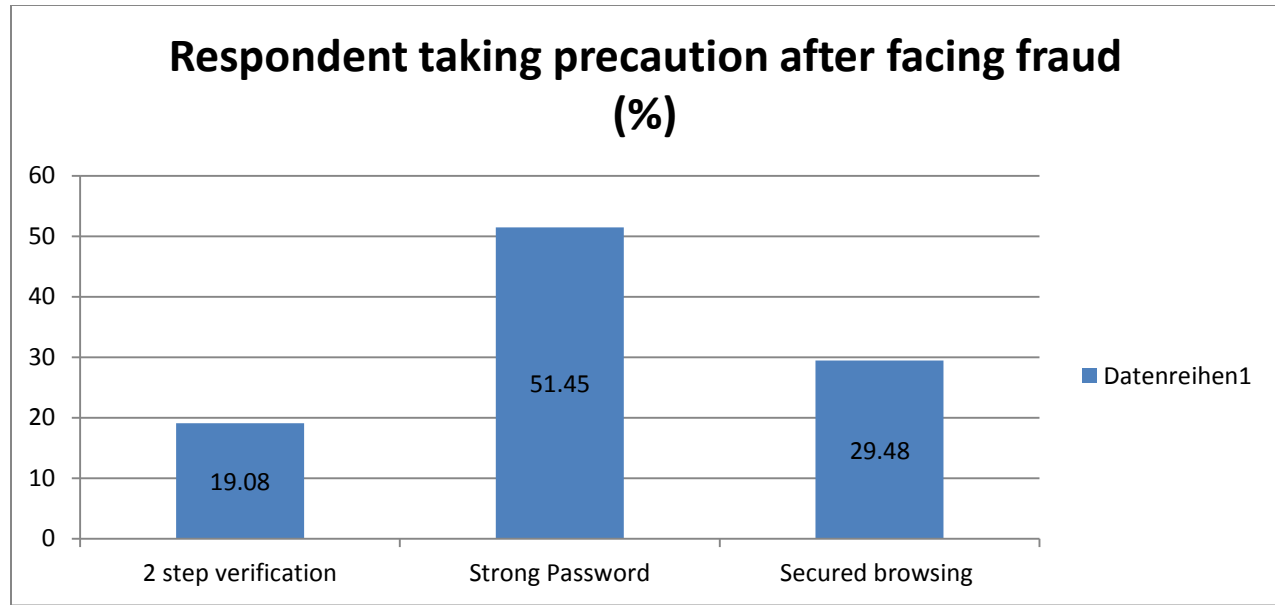


Graph No.5.15:- Respondent biggest challenge about fraud prevention in percentage.

Interpretation:-

Researcher found that there were two biggest challenges to fraud prevention they were lack of customer awareness & lack audit awareness. So Banks should provide proper information to the customers & to the staff about the frauds & types of frauds and lack of audit awareness.

What precaution you followed after facing fraud?			
Sr. No.	Particular	No. of Respondent	Percentage
1.	2 step verification	33	19.08
2.	Strong Password	89	51.45
3.	Secured browsing	51	29.48
	Total	173	100



Graph No.5.17:- Respondent taking precaution after facing fraud in percentage.

Interpretation

Researcher interpreted that respondents who have faced the fraud will put some strong password to prevent the information which is required for net banking & also can have a secured browsing also as part of precaution against the frauds.

Findings

- Most of the respondents had clicked the option of inform to bank & police complaint whenever they will faced the bank fraud. This will help the bank & the police to take proper action regarding the issue & also will help the customer to retain the loss in different circumstances.
- Responded who have faced the fraud will put some strong password to prevent the information which is required for net banking & also can have a secured browsing also as part of precaution against the frauds.
- As per the responses 39% respondent said that there should be software improvement security system of banks & also 37% people said that there should also be training program so that the people will know about the different types of fraud & how they can protect themselves from frauds.
- 74% respondent said that their bank conducted fraud awareness campaign to help their customers not to get affected from different types of frauds. These campaigns help the customers to understand what are the different types frauds & hoe they can help themselves and their friends & relatives not to get involve in those frauds & scams.

Suggestions

- All the bank account holders should get proper knowledge about the frauds taking place in the banking sector.
- Banks should provide proper required information to the customers time to time.
- Sharing of OTP and Card numbers should be avoided.

Conclusion

From the above research the researcher concluded that;

Most of the respondents avail banking & loan services from the banks. Most of the respondents faced the frauds it as due to their lack of knowledge and their irresponsible ways of handling bank account details. The bank account holders detect the frauds during the point of transaction because they could have got the notification for the transaction by the SMS alert of banks. There are various challenges faced by the bank account holders and the banks some of them were lack of customer awareness & lack audit awareness. To increase the awareness of the customers and the staff banks were taking efforts by providing required training to the staff and information by SMS and Calls to the customers.

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PUBLIC SECTOR UNDERTAKINGS IN KERALA – AN INNOVATIVE PROTOTYPE FOR ECONOMIC ADVANCEMENT

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Abstract

A developing economy, characterised by inequitable distribution of income, acute unemployment, regional imbalances and lack of infrastructural developments, demands the creation and expansion of more and more Public Sector Undertakings (PSUs) which can crack all these disorders. Moreover, the resources available to satisfy the wants of the society are also scarce. PSUs are those enterprises which are organised for the welfare of the society either by central or by state government or by both. The eventual objective of every PSU is to be responsible for delivering all the necessary facilities and amenities to the society. The importance of PSUs was recognized by the state only after Independence. The government in its different plan documents also stressed the need for development of PSUs. Now PSUs are engaged in the production of variety of goods, ranging from pin to petroleum. Therefore, PSUs are playing a very vital, inevitable, indispensable and inseparable part of each and every person's life and also play a major role in the process of developing the economy.

Keywords: *Economy, Public Sector Undertakings, unemployment, regional imbalances and infrastructural developments.*

Introduction

A developing economy, to become a developed economy, demands the creation, expansion and development of industrial units in that economy. There is equal importance for the private and public sectors in the economic development process. But the classical economists like Adam Smith., are of the opinion that the government should not interfere in the process of economic development, which was later on proved wrong and it was accepted that the state should not be a passive observer, but should become an active participant in the economic development. The roles adopted by the government in the process of economic development paved the way for the origin of Public Sector Undertakings (PSUs).

The participation of the government along with the private sector is an inevitable factor in the process of development. Then only equitable distribution of wealth, security and safety of the society and regional balanced growth can be ensured. In the absence of sufficient steps for the development of the PSUs, the economy will be dominated by the private sector, which will affect the equitable distribution of income and a division will be formed in the society, the one portion

with too much concentration of wealth and the other portion who are not having it. This will ultimately damage the health and welfare of the economy. Initiation of the process of development of PSUs is an indispensable solution to this issue.

PSUs in Kerala

The industrial history of Kerala dates back to 17th AD for a commercial department was organized under the close supervision of the Maharaja Marthanda Varma (1729 AD to 1758 AD). The policy of building up of public sector in the Princely States of Kerala was felt during those days itself. During the year, there are 95 PSUs operating in Kerala, which are grouped into 13 sectors depending on their field & type of activity. This include 20 units under Development and Infrastructure, 2 under Ceramics and Refractories, 10 under Chemical sector, 4 under Electrical Industries, 3 under Electronics, 9 under Engineering and Manufacturing, 12 under Plantation/Agro & Livestock Based Units, 2 under Textiles, 7 under Traditional Industries, 3 under Trading Units, 11 under Welfare Agencies, 6 under Public Utilities and 6 under Other sector.

Table 1

Sector Wise Classification of SLPE's

Sector No	Sector	No. of SLPE's
1	Development & Infrastructural Agencies	20
2	Ceramics and Refractories	2
3	Chemical Industries	10
4	Electrical Industries	4
5	Electronics	3
6	Engineering & Manufacturing	9
7	Plantation/Agro & Livestock Based Units	12
8	Textiles	2
9	Traditional Industries	7
10	Trading Units	3
11	Welfare Agencies	11
12	Public Utilities	6
13	Others	6
	Total	95

Source: A Review of Public Enterprises in Kerala.

Ownership of PSUs in Kerala

Among the 95 working enterprises, 8 are statutory bodies, 61 are fully owned by the Government of Kerala, 8 are jointly owned by the State & Central Governments, 10 under the joint ownership of Government of Kerala & Public, 4 under the joint ownership of Government

of Kerala, Financial Institutions and Public, 1 unit owned jointly by Government of Kerala & NRIs, 2 are under the joint ownership of Government of Kerala, Financial Institutions, Public and Foreign Firms and one enterprise jointly owned by Government of Kerala and Urban Local Bodies.

Administration of PSUs in Kerala

The administrative control of the PSUs in Kerala is vested with 27 different government departments, viz., Agriculture (13), Coastal Shipping & Inland Navigation (1), Cultural Affairs (1), Finance (1), Fisheries & Ports (3), Food, Civil Supplies & Consumer Affairs (1), Forests & Wild Life (1), General Administration Department (2), General Administration (Sainik Welfare) Department (1), General Education (1), Health & Family Welfare (2), Home (1), Housing (1), Industries (38), Information Technology (2), Labour, Rehabilitation & Skills (3), Local Self Government (1), NORKA (1), Power (2), Public Works (2), SC/ST Development (3), Social Justice (2), ST Development (1), Taxes (4), Tourism Department (3), Transport (2) and Water Resources (2). Among the 95 PSUs, thirty eight enterprises (40%) are under the Industries department followed by 13 under the Agriculture department.

Performance of PSUs in Kerala

The total paid up capital of the active PSUs in Kerala amounts to Rs. 11486.59 crores. The PSUs together provided employment to 142394 persons in different categories, including casual/contract employees. PSUs contributed an amount of Rs. 7998.35 crores (4.53% increase) to the State Exchequer by way of taxes & duties, while Rs. 41.00 crores was paid as Guarantee Commission during the same year. The total dividends declared/proposed for the year is worth Rs. 47.29 crores.

The total investment in PSUs is Rs. 34007.88 crores (16.18% increase) as compared to the investment of Rs. 29271.01 crores during the previous year. The maximum investment is in Kerala Water Authority (Rs. 10173.21 crores). The other enterprises having investment above Rs. 500 crores are: The Kerala State Financial Enterprises Limited, Kerala State Electricity Board, Kerala State Road Transport Corporation, Kerala Financial Corporation, Kerala Transport Development Finance Corporation Limited, Kerala State Housing Board, Kerala Industrial Infrastructure Development Corporation and The Kerala State Cashew Development Corporation Limited.

The total funds applied in the working enterprises during the year amounts to Rs. 77964.95 crores. Out of the total fund applied, 28.89 percent is sourced through long term loans. The Miscellaneous Expenditure not written off/adjusted at the end of the year (14.26 percent of the total funds) includes accumulated loss of Rs. 9195.80 crores. The turnover (net sales/service charges) achieved by the PSUs during the year under review is Rs. 26119.76 crores, as compared to a total turnover of Rs. 26220.29 crores during the previous year. The highest turnover has

been reported by Kerala State Beverages (M&M) Corporation Limited (Rs. 8155.64 crores) followed by Kerala State Electricity Board (Rs. 5065.17 crores) and The Kerala State Civil Supplies Corporation Limited (Rs. 3414.73 crores).

Forty seven enterprises have reported profits totalling to Rs. 857.03 crores (4.55% decrease) as against the total profit of Rs. 897.92 crores earned by 52 enterprises during the previous year. The remaining enterprises have incurred losses amounting to Rs. 1278.83 crores resulting in an overall net loss of Rs. 421.79 crores for the year. The net worth of PSUs amounts to Rs. 15017.14 crores. It is negative in 21 enterprises at the end of the year. During the year, the net worth eroded fully and became negative in Kerala State Textile Corporation Limited, Kerala State Civil Supplies Corporation Limited and Keltron Component Complex Limited, while the net worth turned positive in Kerala State XVI Film Development Corporation Limited, Traco Cable Company Limited, Kerala Irrigation Infrastructure Development Corporation and Kerala State Construction Corporation Limited.

During the year, 37 enterprises have incurred cash losses aggregating to Rs. 1110.58 crores as compared to cash losses amounting to Rs. 888.97 crores reported by 35 enterprises during the previous year. The highest cash loss is reported from Kerala State Road Transport Corporation followed by Kerala Water Authority, The Kerala State Civil Supplies Corporation Limited, The Kerala State Cashew Development Corporation Limited and Kerala State Textile Corporation Limited. Ten PSUs have declared/proposed dividends worth Rs. 47.29 crores during the year as against 16 enterprises with a total dividend of Rs. 35.03 crores during previous year. The Kerala Minerals & Metals Limited tops the list of enterprises that have declared/proposed dividend with a dividend of Rs. 30.93 crores, followed by Kerala Financial Corporation.

Thirty Nine enterprises had provided for employee development activities during the year, the amount budgeted totalling to Rs. 11.82 crores. Against this, 47 enterprises, including 13 enterprises which had not budgeted for employee development, have spent an amount of Rs. 8.32 crores on employee development activities during the year. During the year under review, the PSUs have together contributed an amount of Rs. 7998.35 crores (increase of 4.53%) to the State exchequer by way of taxes/duties as compared to Rs. 7651.60 crores during the previous year. The contribution of the PSUs to the Central revenue by way of taxes/duties during the year has been Rs. 687.14 crores (increase of 52.35%) as compared to Rs. 451.03 crores during the previous year.

During the year under review, 15 enterprises have paid Guarantee Commission totalling to Rs. 41.00 crores to the Government. The highest Guarantee Commission is paid by The Kerala State Financial Enterprises Limited (Rs. 23.47 crores) followed by Kerala Transport Development Finance Corporation Limited (Rs. 9.29 crores).

Conclusion

PSUs are the major sectors through which the government of a state can actively participate in the process of economic development by generating financial resources, promoting balanced regional growth and creating mass employment opportunities. Through the effective intervention of the government, concentration of money and power in private hands can be minimized to a very great extent. The functions performed by the PSUs for the development of the economy are to undertake Manufacturing and Non-Manufacturing activities, which help to attain the twin objective of a developing economy – promotion of export and import substitution. A PSU is generally established to attain two objectives. They are Social Objectives (to satisfy the needs and wants of the society) and Financial Objectives (to satisfy the investors with sufficient returns for their investment).

Most of the PSUs in Kerala are capable of satisfying the social desires of the public. But unfortunately, these PSUs fail to attain financial objectives. This condition makes these PSUs Loss Making Units. Even though they are loss making units, the government is forced to operate them to satisfy the interest of the public. This ultimately leads many of the PSUs to become sick units and there by the eventual closing down of the unit. During the year 2008-09, there were 114 PSUs operating in Kerala. But now there is only 95 units functioning in the State. A total number of 19 PSUs have closed their units owing to industrial sickness which affected them very badly. Very few enterprises have been revived from the sickness stage and renamed as Profit Making Units. Keeping in mind the principle ‘Prevention Is Better Than Cure’, earnest attempts must be made by the authorities to improve the efficiency of these units to prevent them from becoming sick which ultimately leads the economy to success.

Suggestions

1. The Government should take necessary steps to imparting most modern training facilities to the employees for utilising the full installed capacity.
2. Sufficient measures for sales promotion must be extended to all the PSUs.
3. The Government should encourage research projects and the research outputs must be utilised in policy decisions.
4. PSUs must enter into collaboration with foreign enterprises to make use of advanced mechanisms for improving their quality of products and services.
5. PSUs must proceed with a compassionate approach towards financial guidelines relating to raising of funds, pricing and export promotion.
6. PSUs need to adopt a proper conduct of audit of different types that will help the PSUs to have appropriate decisions at the appropriate time by using proper and timely information.

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PERCEPTION OF WOMEN INVESTORS TOWARDS INVESTING IN THE EQUITY MARKET

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Abstract

India is poised for quick development economically. Women who are almost 50% of the population have to be a part of the decision making for any economy to be fully developed. In spite of impressive development performance in other indicators like education, health, career etc. it is often found that women have still not taken many steps for financial independence they still rely on the traditional low risk low return investments. This study aims to understand women's perception to investment in equity markets and the factors influencing thereof.

Stock Broking is a leading sector on which researchers have focused attention the study revolves around the financial habits relating to a very complex industry. India's economy is highly developing. The development is taken place due to the growth in the financial system. This financial system provides the background to various investors regarding varied options to invest. Thus, development of the economy depends on how these investors invest for the wellbeing in long run.

Keywords: *Women Perception, Equity Market, Investment, Mutul Funds, Risk.*

Introduction

As financial markets become more sophisticated and complex, investors need a financial intermediary who provides the required knowledge and professional expertise on successful investing. Mutual Funds represent perhaps the most appropriate investment opportunity for investors. For most people, money is a delicate matter and when it comes to investing they are worried. Simply because there are many investment options out there, each out promising the other. An important Variable facing many investors is whether to invest in Banks, National Savings, Post office, Non-banking finance companies, fixed deposits, Shares etc. or to invest distinctively in Mutual Funds.

Even though Pune is a developed region, an Educational and Industrial hub this study will determine the researcher how much knowledge women of Pune have towards share market which will ultimately help the company Considering brokerage firms or some other broking firm

to tap the untapped market. The importance of this study will be mostly helpful to considering brokerage firm primarily because they are planning to attract female and open their depository accounts with Brokerage firms.

Research Problem

For every research topic there should be some rationale to conduct research or to carryout research activities. The subject of study has to be dedicated towards the solution of problems that have been present in that particular field of study. A general statement of the purpose has to be drawn as per the present scenario which would eventually lead to the objectives of the study along with its scope and limitations. A similar attempt has been made by the researcher in this study.

This Research is Women Perception towards Equity Market Provides information about Indian Stock Market and women Perception towards it. This research is carried out in “Considering Brokerage Firms”, a part of “Brokerage Firms Group”. Various steps have been taken by Security Exchange Board in India to promote Equity Market in India. The study presents the actual picture of women awareness about Equity Market in Pune. It is essential for women, be it working women or homemakers to keep themselves and their family financially secure.

In the olden days, women generally had a habit of saving money in containers in their kitchen, but today that is not going to get our savings anywhere when confronted with ever-growing inflation. It is wise to choose to invest and wiser to choose the best investment. A good investment gives us better returns than merely saving in a bank deposit or in our piggy bank.

Objectives of the Study

1. To understand women perception towards Equity Market.
2. To understand women awareness towards Equity and Mutual Fund
3. To determine women view of risks involved in investments.

Literature Review

Amit Mudgill (9th June 2016) If you had invested in a bank fixed deposit (FD) or Kisan Vikas Patra (KVP) three years ago, you would not have been even halfway through towards your goal of doubling that investment over eight to nine years. But had you invested the same money in the top 100 stocks, it would have already doubled by now. Here's how: On June 10, 2013, it would have cost you Rs 80,541 to buy one unit each of the Nifty100 stocks. Today, that amount would have become Rs 1.63 lakh, growing.

S.K. Pandey The present study is an attempt to establish the relationship between deals and moods on the compulsive buying behaviour. A total of 172 subjects responded to the

structured Variable questionnaire conducted mainly through online methods. Established scales of moods, compulsive buying, etc. were validated before use in measuring these constructs. Contrary to the established Western literature, young Indian consumers were not found to be affected by moods either directly or indirectly. There was neither any main nor interaction effect of moods on compulsive buying. However, deals had a significant main effect, meaning more deals lead to more compulsive buying. This finding is in line with even national brands offering seasonal and festival sales. The effect of demographic variables including gender was also non-significant. This again is a departure from the existing literature which states females to be more compulsive buyers when compared with their male counterparts. Managerial implication in targeting student population is to promote deals without differentiating customers further on demographic profiles.

Arun Lawrence, Zajo Joseph (2013) They analyzed the general investor perception towards equity trading and factors leading equity investment, when the investor gets more and more accurate information on the right time, then they can enjoy the taste of success from the equity trading. Paper also find friends and media play a key role in affecting the investors equity trading decisions, attractive benefit was also the key factor; however personal interest was also responsible for same.

George Thomas , Joma Joseph, Prasath S. Pai (2013) have pointed out that an important feature of the development of stock market in India during the last decade has been the growing participation of Institutional Investors, both foreign Institutional investors and the Indian mutual funds combined together. Today India has one of the most modern securities market among all the countries in the world. This paper examines the role of these investors in Indian equity markets and finds that the market movement can be explained using the direction of the funds flow from these investors.

S.M. Tariq Zafar, D.S. Chaubey, S.M. Khalid (July 2012) analyzed the impact of dividend on shareholders wealth of eleven selected Indian banks listed and actively traded in National Stock Exchange (NSE) during the period 2006 to 2010. The study found that market price does not depend on the dividend policy alone but many factors play a vital role in price determination. They also found that dividend pay-outs have strategic influence on shareholders wealth and there is significant impact of dividend policy on the shareholders wealth in banking companies in India.

Prof. Mohd Akbar Ali Khan, Mr. A. Kotishwar (2011) analyzed the behaviour and expectations of those dealing in equity markets and found such factors which they think are responsible for price fluctuations. The study also discovered that many people in equity markets are dealing through multiple demat accounts which not only exaggerates the investor base, but provides a false picture of Indian capital markets. It was also found out in the study that most people preferred to trade in National Stock Exchange (NSE) as compared to Bombay Stock Exchange (BSE). The most stated reason for it was said to be availability of futures and options on NSE and lesser volatility of the NSE index Nifty as compared to BSE's Sensex. It was also clear from their study that most of the people currently investing in stock markets are quite

comfortable investing in it. This is a clear indication of investors' confidence in Indian capital markets and a positive sign for India's growth.

Saurabh Singh (2009) Public perception at Indian Capital Markets Investment decisions made by the investors' is not solely dependent upon price movement and stability of the markets. The study has resulted in listing, factors as age, sex, education, family, and the past performance of a company's securities as variables or attributes, having significant influence and impact on the investor's investment decision making process. The present study identifies, understands and explains how human emotions influence the investors' decision making process. The element of emotions silently contributes towards increasing the probability of mistake on the part of investors itself and consequently resulting in false or biased expectations with regards to future returns to be gained from present investment, leading to mispricing of securities in the market.

Ronay and Kim (2006) have pointed out that there is no difference in risk attitude between individuals of different gender, but between the groups, males indicate a stronger inclination to risk tolerance. Gender difference was found at an individual level, but in groups, males expressed a stronger pro-risk position than females.

Mr. Gnana Desigan C., Miss S. Kalaiselvi, Miss L. Anusuya (April 2006) studied 'Women Investors Perception towards Investment'. Saving is a habit specially embodied to women. Even in the past, when women mainly depended on their spouse's income, they used to save to meet emergencies as well as for future activities. In those days, women did not have any awareness about various investment outlets. But as time passed, the scenario has totally changed. Now, the present women, who are equally employed, through their education have knowledge about various aspects of investment and as a result they invest in various investment avenues such as shares, debentures, mutual funds and bank deposits. Research also analyzed women investors' investment. Pattern, influencing factors, risk preference levels, problems in various investment avenues and other investment related issues. There are certain problems in investment but still they can be rectified thereby inducing more and more women investors to invest in the various investment outlets.

Research Methodology

Research Methodology is used to collect information and data for the purpose of making business decisions. The methodology may include publication Research, Interviews, Surveys and other research technical variable and could include both present and historical information. A researcher should work towards a goal, whether immediate or futuristic, else the research loses its significance in the field of management.

Research Design

Researcher has done Exploratory Research which allows the researcher to gain a better understanding of the concept and provides direction in order to initiate a more structured

research. The information is collected primarily by going on residence and some work places interacting with women. Information is also collected from various sites mentioned in the bibliography. Quantitative research aims to measure the quantity or amount and compares it with past records and tries to project for future period. Quantitative research involves the use of structured Variable questions, where the response options are Pre-determined and number of respondents is involved.

Sampling Method

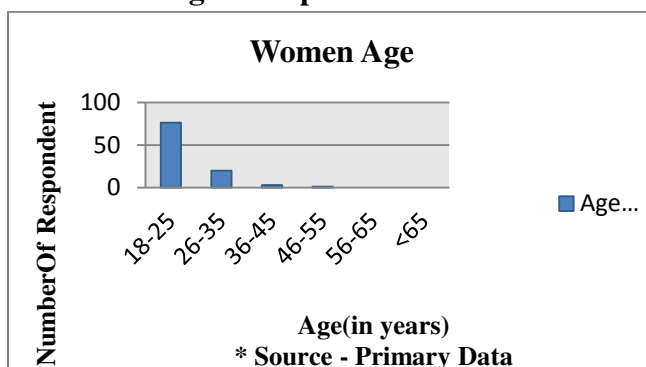
The Sample design used is Statistical in which the data collected can be analyzed in statistical format. The data collection technique is Simple Random Sampling without Replacement and the number of respondent are 100 women.

Tools and Techniques Variable of Analysis

The analysis of the data obtained has been carried out with the help of different statistical tools such as statistical tables, percentiles of various numerical values according to their related data. The data so collected is tabulated. The analysis of data is done with the help of suitable statistical techniques. Graphical presentation of data is made in the study wherever it is needed. Graphs are in the form of bar graph.

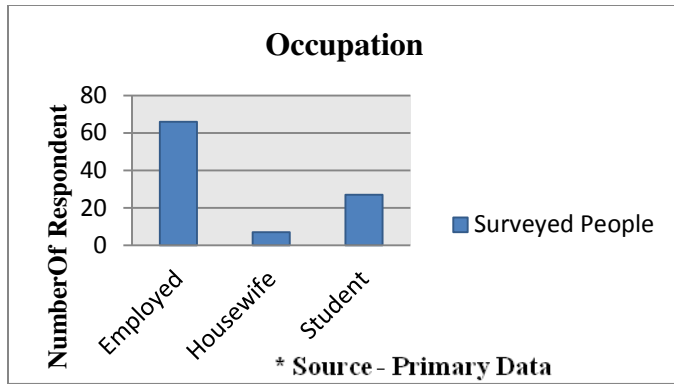
Data Analysis and Interpretation

Variable -1 Age Group



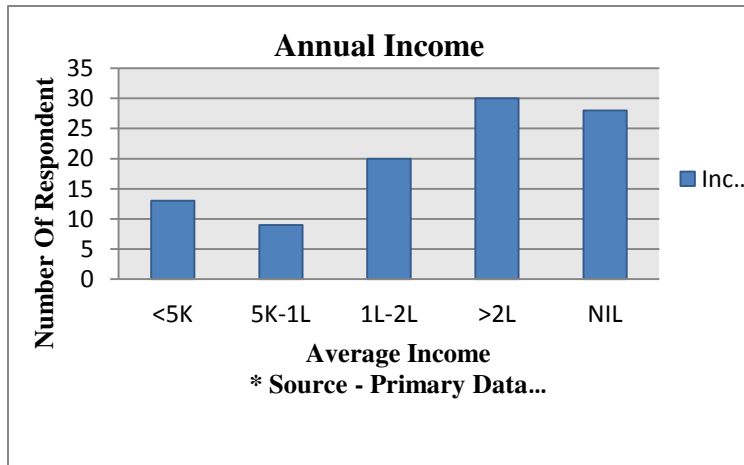
Interpretation- Out of a sample size of 100 women, 76% women fall under the age group of 18-25 years, 20% women fall under the age group of 26-35 years, 3% fall under the age group of 36-45 years and 1% fall under the age group of 46-55 years.

Variable .2 Occupations



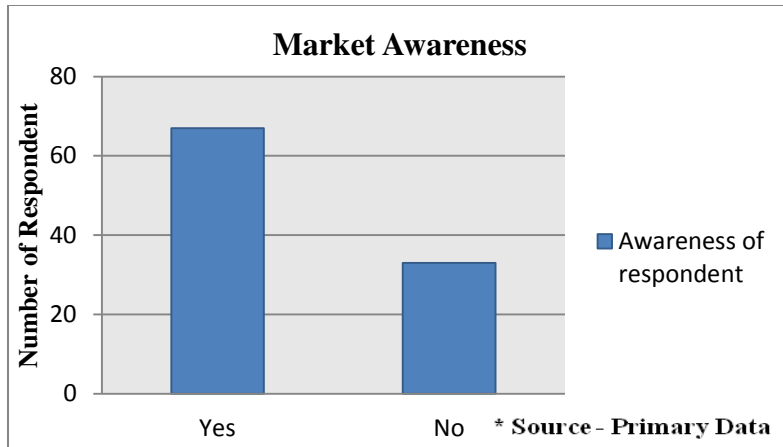
Interpretation- Out of sample size of 100 women, 66% women are employed, 7% women are housewives and 27% women are students.

Variable .3- Income



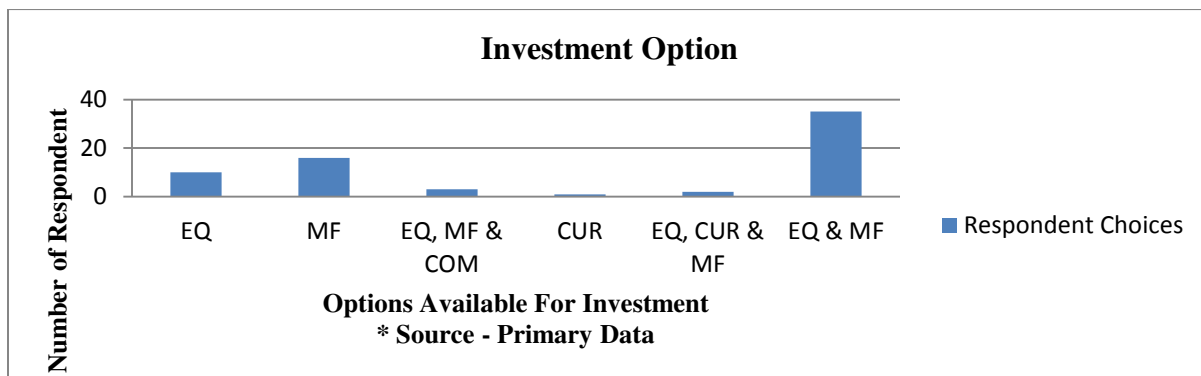
Interpretation- Out of sample size of 100 women, 30% women fall under the income group of more than Rs.200000, 28% women fall under the group of No income, 20% women fall under income group of Rs.100000- Rs.200000, 13% fall under income group of less than Rs.50000 and 9% of women fall under the group of Rs.50000- Rs.100000.

Variable: 4 Aware about share market investments and operations



Interpretation- The above graph shows us that 67% of women have basic awareness about share market investments and operations, Equity, Mutual Funds, Derivatives, Bonds and Commodity while the other 33% women don't have much knowledge about share market.

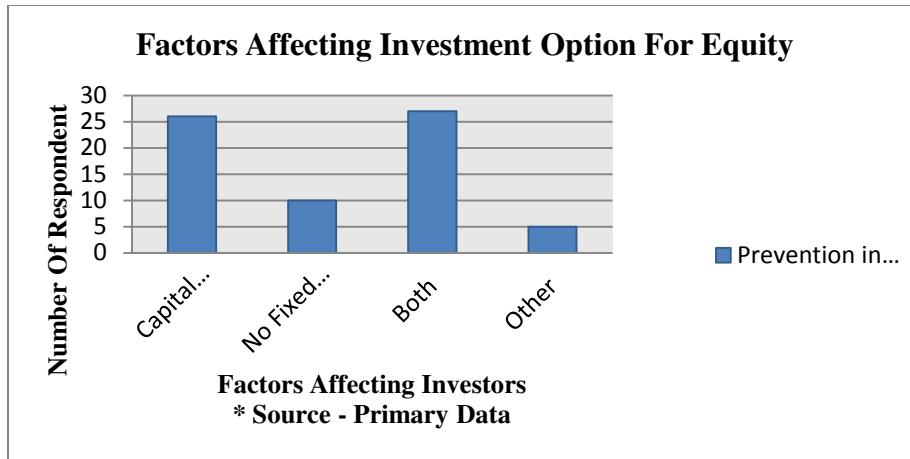
Variable .5 Wish to invest



*where EQ-Equity, MF-Mutual Fund, COM-Commodity, CUR-Currency

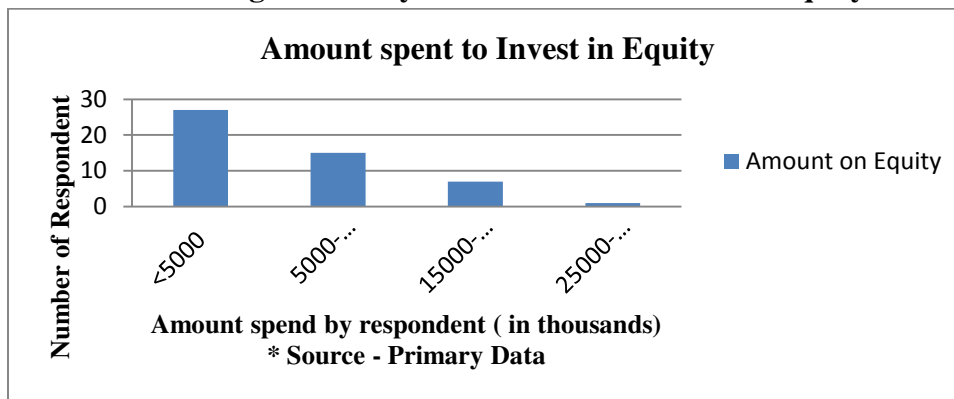
Interpretation- All the above options are best for investment. So almost all respondent have chosen more than one option so Researcher have analyzed them separately and found that most preferred option for investment is to invest in both Equity and Mutual Funds as 52.24% of women have chosen it, after that second most preferred option is Mutual fund (23.88%), followed by Equity (14.93%), then women prefer Equity, Mutual Fund and Commodity together for investment. Lastly Currency alone is preferred.

Variable .6 preventing you to further invest in Equity



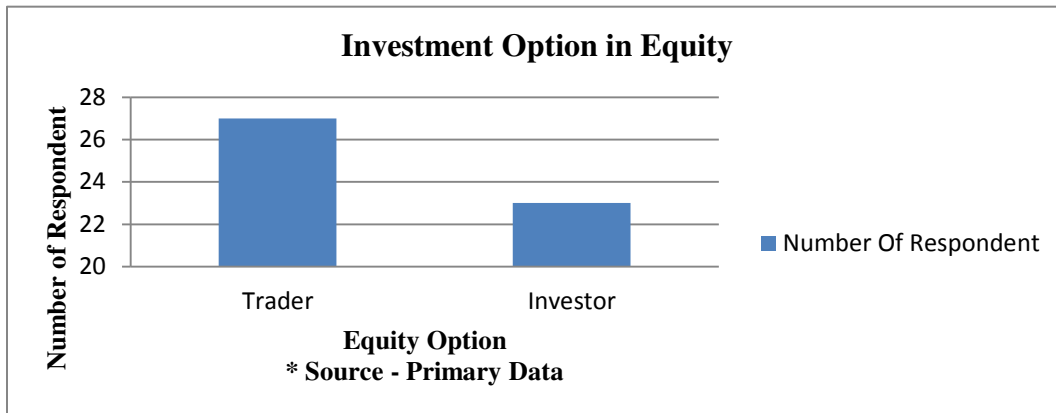
Interpretation- 40.3% women think that both capital depreciation and no fixed returns are the factors that prevent investors to further invest in equity, while 38.8% say that it is only because of capital depreciation women not prefer to invest in equity, 14.9% women say that in equity there is no certainty of returns and 6% are saying that they are not aware of equities nor to company’s information. But still 50 women are investing or ready to invest in equities knowing that it is riskier.

Variable .7- Average amount you invest/wish to invest in Equity Market



Interpretation- The above graph tells us that 54% out of Research sample, women are preferring to invest money in Equity is less than Rs.5000 this is because equities are more riskier option and no fixed return is there, 30% women i.e. 15 are preferring Rs5000-Rs.15000, 14% women i.e. 7 are preferring Rs.15000-Rs.25000 and only 2% women is preferring to investRs.25000-Rs.35000.

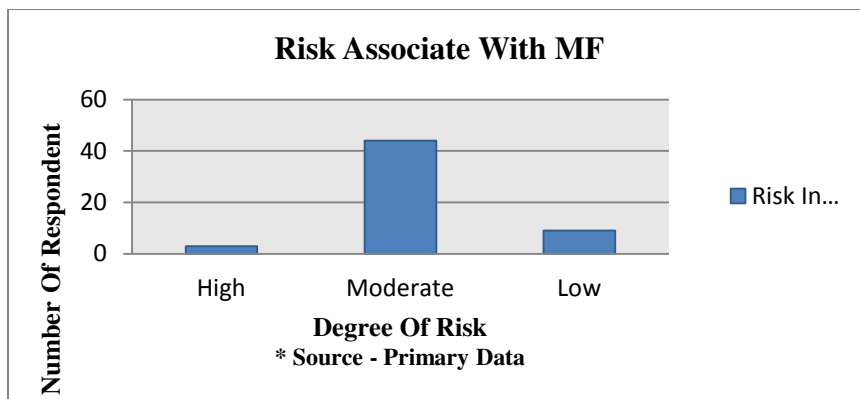
Variable .8 how you prefer for investing in Equity



Interpretati on- The above graph shows us

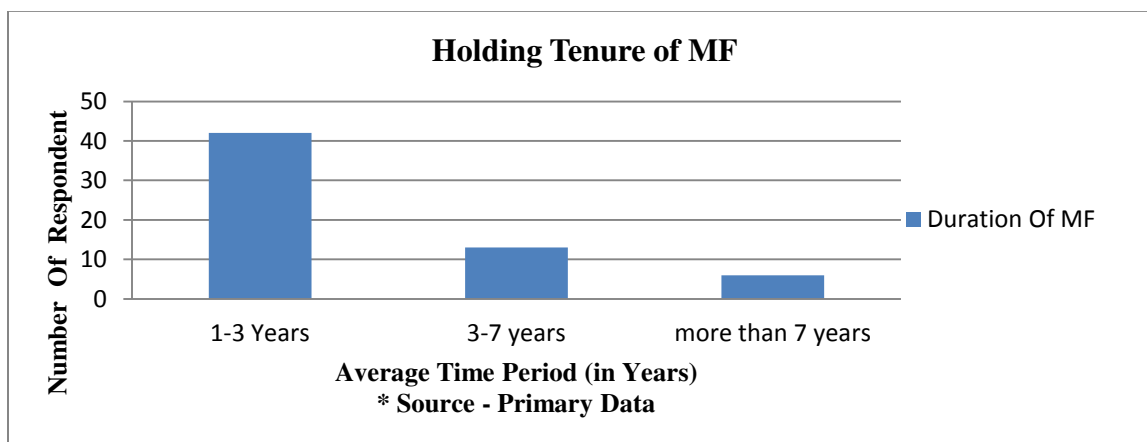
that 54% women want to invest in Equity as a Trader for short time period as equity market has more volatility while 46% want to invest as an Investor for longer time period as to get tax benefit and good amount of return.

Variable .9 rate risk associated with mutual funds



Interpretation- Out of sample size of 100 women, 56 women want to invest in mutual funds out of which 78.57% women are associating the risk factor in mutual funds is moderate, another 5.36% women associate mutual funds with high risk appetite and remaining 16.07% women are associating mutual funds with low risk.

Variable .10 holds tenure of Mutual Fund Investments



Interpretation- As 56 women want to make investments in Mutual funds, 66.08% women want to hold mutual fund for shorter time period this may be because they just want to monitor their investment and take decision after wards, while 23.21% want to invest in Mutual Funds for moderate period i.e. 3-7 years this may be because they want to give more time to their investment and earn benefit, while 10.71% women want to invest for longer period in mutual funds.

Findings

1. After doing in research study on women awareness towards equity market Researcher found that there is a large scope for investment to be done in both Equity and Mutual funds as maximum women want to invest in both. Maximum number of investors is of the age group 18-25 years.
2. There are still some women in today who are not aware of Equity Market maximum out of them are students and who are also ready to get awareness.
3. Through this Researchers come to know that women not want to prefer to invest in commodity market.
4. Maximum numbers of women who have awareness of Equity market are employed.
5. Maximum women preferred to be a trader and want to trade in shares for shorter time period that's why they are investing less than Rs.5000. in Equity.
6. Through this Research it is clear that there is a need to increase literacy among women regarding Equity market.
7. In Mutual funds women prefer balanced plan more this is because they want to take moderate risk and to earn regular income.

Recommendations

1. Through Research study it is clear that if brokerage firms want to tap the untapped space of females who are willing to earn, create wealth, shop their own or get financial freedom. The following recommendations will help them to tap the space
2. Through the study it is clear that their target audience is Housewives and female students, so their target area will be residential flats, women clubs, women gym and job places.
3. Doing more Advertisement and Promotion on a smaller scale by way of doing events in club houses, societies in the form of fun games like Business, Ludo, Darts, Treasure Hunt. These games should be little bit modified as per the share market and participants should be ladies while their helpers should be their spouse or family member.
4. Proper Awareness should be done before 15 days from any events in the form of banners and posters and to attract their target audience they should promote their activities for that they should provide discounted coupons of reputed beauty parlor and should also engage the cash reward with fun activities.

5. For colleges or Institutes Brokerage firms should conduct Financial Planning and Interactive Sessions with students. Moreover free educative books should be given to them; proper awareness related to equity market should be given.
6. Brokerage firms should also keep the brokerage charges low in comparison to their competitors and provide excellent service in terms of Advisory and Research services to attract women.
7. As Internet is highly preferred source among women they should advertise more on shopping sites, paid campaign on social media.
8. For Promotional activities word of mouth activity done by the existing employees is best suited and commission should be given for opening accounts.
9. Brokerage firms should provide more focus to commodity market and proper awareness should be given to women on it and Brokerage firms should also tell the benefit of gold purchase on commodity in comparison to physical gold.
10. They should give first 5 transactions free of cost.

Limitations of the Study

1. The research is confined to Pune city only and does not necessarily show a pattern applicable to country.
2. The study depicts the present scenario in Pune and hence the result may not be applicable to another period of time.
3. The study is limited to 100 respondent of Pune.
4. The survey was based on simple random, non replaced samples.
- 5.

Conclusion

1. It is concluded from the study that the investors are monitoring their investments on equity and mutual funds.
2. The women investors are investing their amount for short period of time i.e. upto the 3 years only.
3. Maximum numbers of women who have awareness of Equity market are employed, but there is a need to increase literacy among women regarding Equity market.
4. Women Investors are prefer balanced plan in Mutual fund because they want to take moderate risk and to earn regular income.

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THE IMPORTANT ROLE OF ETHICS IN BUSINESS ACCOUNTING & FINANCIAL DECISION MAKING TODAY'S BUSINESS

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Abstract

Accounting is the process of describing business processes in numbers. For a company's accounting to truly represent what is going on in its financial arena, its bookkeeping numbers must be honest and accurate. Honesty and accuracy in accounting are ethical as well as financial issues. Bookkeepers and accountants have a responsibility to represent information in ways that genuinely represent what is going on in the business. Failure to do so can have consequences for business owners, stakeholders and tax reporting agencies

Ethics is a term that refers to a code or moral system that provides criteria for evaluating right and wrong. An ethical dilemma is a situation in which an individual or group is faced with a decision that tests this code. Many of these dilemmas are simple to recognize and resolve. For example, have you ever been tempted to call your professor and ask for an extension on the due date of an assignment by claiming a fictitious illness? Temptation like this will test your personal ethics. Accountants, like others operating in the business world, are faced with many ethical dilemmas, some of which are complex and difficult to resolve. For instance, the capital markets' focus on periodic profits may tempt a company's management to bend or even break accounting rules to inflate reported net income. In these situations, technical competence is not enough to resolve the dilemma.

Today's business manager needs the know-how to navigate the financial information when making decisions. Understanding finance is crucial to obtaining project funding, anticipating business trends or evaluating company performance. You cannot make decisions unless you understand how the money flows.

The Financial Decision Making module will provide you with an understanding of balance sheets, income statements, cash flow statements and other financial disclosures, and how this information relates to key variables in management decisions.

Keywords: *Business Accounting, Professional Ethics, Ethical Decision, Decision Making.*

Ethics & Professionalism

One of the elements that many believe distinguishes a profession from other occupations is the acceptance by its members of a responsibility for the interests of those it serves. A high standard of ethical behavior is expected of those engaged in a profession. These standards often are articulated in a code of ethics. For example, law and medicine are professions that have their own codes of professional ethics. These codes provide guidance and rules to members in the performance of their professional responsibilities.

Public accounting has achieved widespread recognition as a profession. The AICPA, the national organization of professional certified public accountants, has its own Code of Professional Conduct which prescribes the ethical conduct members should strive to achieve. Similarly, the Institute of Management Accountants (IMA)—the primary national organization of accountants working in industry and government—has its own code of ethics, as does the Institute of Internal Auditors—the national organization of accountants providing internal auditing services for their own organizations.

Analytical Model For Ethical Decision

Ethical codes are informative and helpful. However, the motivation to behave ethically must come from within oneself and not just from the fear of penalties for violating professional codes. Presented below is a sequence of steps that provide a framework for analyzing ethical issues. These steps can help you apply your own sense of right and wrong to ethical dilemmas:41

Step 1. Determine the facts of the situation. This involves determining the who, what, where, when, and how.

Step 2. Identify the ethical issue and the stakeholders. Stakeholders may include shareholders, creditors, management, employees, and the community.

Step 3. Identify the values related to the situation. For example, in some situations confidentiality may be an important value that may conflict with the right to know.

Step 4. Specify the alternative courses of action.

Step 5. Evaluate the courses of action specified in step 4 in terms of their consistency with the values identified in step 3. This step may or may not lead to a suggested course of action.

Step 6. Identify the consequences of each possible course of action. If step 5 does not provide a course of action, assess the consequences of each possible course of action for all of the stakeholders involved.

Step 7. Make your decision and take any indicated action.

Accountability

Businesses are accountable to a range of shareholders, from partners, to investors, to customers. Shareholders, partners and investors deserve to know the truth about your company's finances because this information is critical to sound investment decisions. Customers, as well, may be

entitled to know whether your company is financially healthy if they enter into transactions that depend on its longevity. For example, a customer taking out a mortgage has a stake in working with a bank that is financially stable and a customer renting a storage unit has a stake in the storage company's ongoing solvency.

Planning

Accountants and bookkeepers have a responsibility to provide the business owners who employ them with accurate information that facilitates sound planning. This obligation involves providing accurate information, and providing it in a time frame that is prompt enough to be relevant. If your bookkeeper takes his time compiling profit and loss statements that could tell you that your business is spending too much on payroll, you may miss an opportunity to improve the situation before it puts your business in jeopardy.

Taxes

Your company has a legal obligation to report financial information fairly and accurately on tax forms. Providing inaccurate information to tax agencies may lower your tax burden, but you will be subject to fines and perjury charges if you are caught. Ethical accounting practices ensure that your tax forms will be completed in a way that keeps your conscience clear and keeps you out of trouble.

Perception

Honest and ethical accounting helps to create a positive image for your business. When a company makes news for dishonest accounting, it loses the trust of current and potential customers. This is especially important with industries that depend on strong working relationships with their customers. In 2002, the accounting firm Arthur Andersen surrendered its license to practice after being involved in the Enron scandal, and its reputation and credibility were severely compromised even after the surrender ruling was overturned in 2005.

Why are Ethics Important in Business Accounting?

Proper ethics and ethical behavior are extremely important in accounting for a variety of reasons. To begin with, accountants are often privy to sensitive information regarding their clients, such as Social Security or bank account numbers. This gives accountants a good deal of power in regard to their clients and it is important that the trust between an accountant and their clients not be abused. In the same way it is important that the industry itself does not become stigmatized as an unethical one, something that could potentially harm business for all accounting firms.

The discussion of accounting ethics has declined in recent years as the Enron and WorldCom debacles have receded from memory. Furthermore, the perceived excesses and criticism of the Wall Street crowd during the financial crisis has further pushed something as unglamorous as

accounting ethics out of the public eye. Recent events have, if anything, reinforced the need for the practitioners of accounting to act in an ethical manner and fairly portray the financial performance of the entities they work for. In today's world the complexity and sheer scale of many corporate transactions has made the need for a transparent and fair assessment of the obligations (liabilities) and value (assets) of these transactions.

Further importance is laid on the application of ethical accounting behaviour by the fact that, even if they don't know it, the vast majority of people are impacted every day by the decisions of accountants they never meet. These people contribute to pensions, work for companies, actively invest, or are in some other way a stakeholder in a company somewhere. In a broad definition like that pretty much every individual is in some way impacted by the decisions and actions an accountant makes. This is not said to glorify the importance of the profession but more to underline the importance of these individuals applying high ethical standards to their work. This will become even more important in the United States as the US moves further away from US Generally Accepted Accounting Principles (US GAAP) and aligns with International Financial Reporting Standards (IFRS). These accounting guidelines frame the way in which transactions and balances are assessed and reported. Under US GAAP rules are far clearer and guidance very direct, while under IFRS the application of professional judgement is emphasized to a higher degree.

What Can Result from Poor Ethics in Business Accounting?

Many negative consequences can result from poor ethics in accounting practices. The first result is generally a lag in business. Accounting firms rely heavily on word-of-mouth for promotion, and it's all too easy for a few bad stories about unethical behavior to sway prospective clients away from a particular firm. There can also be serious legal repercussions for those who are found to be violating legal codes and standards for their jurisdiction.

What Can I Do to Be an Ethical Business Accountant?

To begin with, study your area's legal statutes regarding accounting practices. While it is true that what is legal and what is ethical can be two different things, the legal code is a good basic guide to help you understand the prevailing feeling towards what is right. Likewise, make sure that you always put the interests of your clients ahead of your own, that you safeguard client information doggedly and never behave in a fashion that you know to be wrong while handling accounting work.

Who regulates Accounting Ethics?

With such a small group of individuals being required to operate ethically, who makes sure this is being done? Most national accounting bodies form their own ethics committees that are

responsible for establishing ethical guidelines and enforcing those guidelines. In America the American Institute of Certified Public Accountants has an ethics committee that sets these standards at a national level, in participation with the state level institutes. Enforcement is also performed by these bodies and can see accountants suspended or stripped of their accounting designation for unethical behaviour. For many accountants that, aside from personal values, is the main disincentive to committing an unethical act as the loss of their designation means the loss of their jobs and ability to work. Enforcement is also performed by various legal bodies as well as the SEC, which has punished accountants and accounting firms for various unethical behaviours. Many are critical of this arrangement as it leaves the management and guidance of ethical accounting in the hands of the accountants themselves. That said this is countered by the argument that those involved in the profession have a vested interest in maintaining the profession's public image and reputation. So while accounting ethics may sound boring and abstract it is something that has an impact on the lives of most people. While no one is going to provide accolades for the daily ethical decisions made, we all see the impact of when unethical decisions are made and can see how the lives and savings of people can be impacted.

Why is ethics helpful to business decision making?

Ethics concern an individual's moral judgements about right and wrong. Decisions taken within an organisation may be made by individuals or groups, but whoever makes them will be influenced by the culture of the company. The decision to behave ethically is a moral one; employees must decide what they think is the right course of action. This may involve rejecting the route that would lead to the biggest short-term profit.

Ethical behaviour and corporate social responsibility can bring significant benefits to a business. For example, they may:

- Attract customers to the firm's products, which means boosting sales and profits
- Make employees want to stay with the business, reduce labour turnover and therefore increase productivity
- Attract more employees wanting to work for the business, reduce recruitment costs and enable the company to get the most talented employees
- Attract investors and keep the company's share price high, thereby protecting the business from takeover.

Knowing that the company they deal with has stated their morals and made a promise to work in an ethical and responsible manner allows investors' peace of mind that their money is being used in a way that arranges with their own moral standing. When working for a company with strong business ethics, employees are comfortable in the knowledge that they are not by their own action allowing unethical practices to continue. Customers are at ease buying products or services from a company they know to source their materials and labour in an ethical and responsible way.

For example, a coffee company which states all their raw beans are picked from sustainable plants where no deforestation has occurred, by people paid a good living wage, in an area where investments have been made to ensure that producing the coffee for a foreign market has not damaged the local way of life, will find that all these elements of their buying strategy becomes a selling point for their final product.

A company which sets out to work within its own ethical guidelines is also less at risk of being fined for poor behaviour, and less likely to find themselves in breach of one of a large number of laws concerning required behaviour.

Reputation is one of a company's most important assets, and one of the most difficult to rebuild should it be lost. Maintaining the promises it has made is crucial to maintaining that reputation. Businesses not following any kind of ethical code or carrying out their social responsibility leads to wider consequences. Unethical behaviour may damage a firm's reputation and make it less appealing to stakeholders. This means that profits could fall as a result.

The natural world can be affected by a lack of business ethics. For example, a business which does not show care for where it disposes its waste products, or fails to take a long-term view when buying up land for development, is damaging the world in which every human being lives, and damaging the future prospects of all companies.

Ethics is important to businesses for many reasons. Businesses can increase sales or increase their reputation.

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A STUDY OF RECENT TRENDS, ISSUES AND CHALLENGES IN MANAGEMENT EDUCATION IN INDIA

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Abstract

Management education in India is going through changes. Management education has observed a past developing in recent years and reflected globalization as a major in the modern era. The changing scenario offers students more openings, greater self-confidence and out of the box ways to better hone their skills. The current trends include increased focus on international partnerships, internships, student exchange programs, joint degrees etc. As a result the importance of management education has increased many folds. Business executives need to update their skills due to sudden changes in the external environment. In order to meet the challenges of the future, the reform of the higher education could be unavoidable. The Education Institutions need to strive to achieve balance between the education cost and the quality. One of the major criticisms of MBA schools is the gap between theory and practice. This paper analyses the recent trends, issues and challenges of Management education in India in the emerging scenario and provides remarkable insights into revitalizing management Educations that may benefit all the stakeholders.

Keywords: Management Education, Issues, Challenges, Emerging Trends.

OBJECTIVES OF THE STUDY

- To study the Management Education System in India.
- To study the Challenges of Management Education in India

RESEARCH METHODOLOGY

This paper is a descriptive study based on secondary data of journals, articles, newspapers and magazines. Considering the objectives of study descriptive type research design is adopted to have more accuracy and rigorous analysis of research study. The accessible secondary data is intensively used for research study.

Introduction

For the past several decades, management education has been one of the most coveted disciplines globally. Applicants seek quality education that can fast-track their understanding of

economies and business. Corporate firms are looking for job-ready individuals who can understand the bigger picture and contribute to their growth story. Business school graduates are driving change through leadership positions across industries and sectors.

Innovate or die is the mantra that business schools have to adopt in order to stay relevant. They must appreciate the changes in the way business is done and accordingly review their curriculum, methodology and people. Business schools that insist on following the traditional approach will be doing a disservice to their students and to the recruiters as well.

They came on board as mentors, visiting faculty, guest speakers and for research collaborations, offering live projects—over and above industry internships—which gave students the opportunity to learn in a real-world setting under the guidance of seasoned professionals. Looking ahead, we can see two trends emerging—one is the globalisation of management education and the other is the increasing use of technology.

The world has definitely shrunk and business schools must swim with this tide. More and more students today ask for global exposure. While exchange programmes have long been part of the business school curriculum, now joint degrees are being offered as well, which lead to a diverse learning experience.

One of the biggest reasons for this kind of cross-cultural exposure is the increased use of technology in the current business setting. This, in itself, is another upcoming trend in higher education today. Till recently, technology-related discussions may have been restricted to the MIS or statistics classrooms. Soon, technology will make its way into every classroom.

In today's digital era, an in-depth technical orientation is critical in every branch of learning. Across the board, technology has seeped into management subjects. Social media awareness in marketing, big data analytics, tech-based innovation, knowledge management, e-commerce and HR analytics are all gaining importance. Faculty and learners alike must be able to dissect data and be conversant with technology.

This invigorating combination of globalization and technology-orientation will make business schools the best place to learn and grow. Those who keep pace with this transformation will emerge as winners in the minds of their students and industry partners as well.

Management Education in India: An Overview

Management education in India formally began in 1953 at the Indian Institute of Social Welfare and Business Management (IISWBM) –the first B-School established by Government of West Bengal and Kolkata University. Over the years, IIMs have evolved as great brand in Management education across the globe and an enviable benchmark for other institutions in terms of quality of faculty, students, curriculum and placement. By 1980, several state universities across the country started offering MBA programmes. Initially, MBA programmes were part of the Commerce Departments. However, most of the universities have now created Faculty of Management Studies, thus giving due credence to Management education. Regulation of Management education began in 1987 when All India Council for Technical Education

(AICTE) was formed and management education was taken as part of the technical education. AICTE helped in regulating the B-Schools in terms of governance, accountability, transparency in admission and programme administration, infrastructure, students-faculty ratio, curriculum, library, laboratories, grant-in-aid for organizing seminars, conferences, faculty development programmes, setting up of entrepreneurship development cell, institute-industry interface cell etc. Private sector entered the Management education domain after liberalization of economy in 1991. Despite stringent regulatory framework, there was a spurt of private B-schools in the country offering Post Graduate Diploma in Management. A number of industrial/corporate houses floated their trusts or educational societies to launch B-Schools. According to statistics available on the website of AICTE. Many B-schools have failed to constitute full class in 2011 whereas there has been dismal response for sectoral programmes like International Business, Insurance, Banking & Finance, etc. A number of B-schools, especially those located in remote areas, are likely to close down their shops in the near future due to poor response from students for admission and corporates for placement. Even aspiring faculty members are reluctant to join such institutions.

Emerging Issues B-schools in India are facing multiple issues. However, proliferation of B-Schools, quality of education, faculty shortage, poor regulatory mechanism and governance and accountability are major concerns that merit thorough critical appraisal. A large number of B-schools are run as teaching shops without good quality faculty and adequate infrastructure conducive for learning. Thus students lose money as well as time to earn a diploma that has little value in the job market.

Quality of Education

An important function of Business schools is to develop relevant knowledge, serve as a source of critical thought and inquiry about organizations and management, and thus advance the general public interest as well as the profession of management (Mulla, 2007). Unfortunately, most of the B-schools have thrived on marketing gimmicks and advertising budget rather than intellectual endeavours. The Government of India (GOI) formed the All India Council of Technical Education (AICTE), a statutory body under the Ministry of Human Resources to regulate the functioning of technical institutes in India. AICTE has given full autonomy to the B-Schools vis-à-vis curriculum development, assessment of students, conduct of examination, recruitment of faculty, tuition fee etc. However, there are no checks and balances on these matters. While the AICTE ensures compliance regarding infrastructure, library and laboratory facilities and student-faculty ratio, it overlooks the indicators of quality education. Although AICTE has laid down standards which are not difficult to follow, many institutes do not comply with the prescribed standards once they get approval (Jagadeesh, 2000).

Rightly Observes

‘The materials used for teaching are also not of relevance to the student background or living experiences in India. The focus on campus interviews, careers and jobs further detracts students from gaining a disciplinary understanding of the specializations and society in which they have to innovate and be influential leaders’. Report of the working Group also draws attention towards negligible debate on curriculum, pedagogy and innovation in Management education as well as lack of inherent capabilities of the institutions to address the evolving needs of various stakeholders by upgrading and refining their courses. The scenario has spiraling impact which is reflected in the low employability of Management graduates. Indian B-Schools are not exhibiting any significant initiative to improve the quality of education. There has hardly been any conference on quality of Management education in last several years. There is no public forum where the faculty members or deans/directors can meet and discuss the issues pertaining to Management education in general and quality of Management education in particular. Government sponsored committees appointed recently to improve quality of Management education have focused mainly on IIMs, thus leaving out large number of B-Schools managed by public trusts and educational societies. Contribution of institutions like IIMs, All India Management Association (AIMA), Association of Indian Management Schools etc. have been trivial so far as improvement of quality of education in B-Schools is concerned.

Faculty Shortage

Shortage of qualified faculty in Indian B-Schools is major concern. Currently the institutions are facing 30% shortage of faculty and it might rise up to 50% by 2020 if the scenario does not improve (Dave, 2011). Deans and directors of business schools observe that the key challenges faced by any institute in EQUIS accreditation are international issues (71 per cent concluded that it is most challenging) and faculty shortage (54 per cent). Additionally, management graduates are generally not inclined to enter teaching profession due to lower pay packages as compared to industry offerings.

AICTE is concerned about compliance of the regulatory norms and hence governance and accountability do not feature in its relations with the B-Schools. Of course, the AICTE has introduced the norms regarding formation of governing body of B-Schools. But overemphasis on compliance makes room for manipulation by the trustees. A closer look at the mandatory disclosure of B-Schools reveal that they hold only bare minimum number of meetings of Governing Councils or Academic Councils. The institutions fulfil their duties just by mentioning the numbers of meetings as the norms are silent on the quality of output of such meetings.

CHALLENGES IN MANAGEMENT EDUCATION

The biggest challenge of the management institutions is to produce efficient managers. We are in an era when knowledge is expanding at an unprecedented rate. The essence of good management education is to train people for managerial positions in corporations, says Dr Daviender Narang.

Different parts of the world are now in the process of globalisation in technological, economic, social, political, cultural, and learning aspects. New technologies are emerging every day and everything is turning towards globalisation. In such challenging situation, young managers possessing management degree turn out to be survivors. The biggest challenge of the management institutions is to produce efficient managers. Management education is roundly criticized today for fragmentation and atomization of subject matters and overemphasis on analysis at the expense of skills related to managing and leading.

In order to maximise the opportunities for development of management education for students, globalisation, localisation, and individualisation in education are important and necessary. The major issues include how to develop research focused institutions, career focused institutions and foundation institutions in India to serve the society at large. Developing good governance and regulatory framework in management education is the biggest challenge in India.

COMMUNITY ENGAGEMENT

In order to develop a worldwide reputation as a provider of cutting-edge business education, Indian institutions have to engage with the business community both nationally and internationally. Deep and sustained relationships with businesses afford the opportunity for institutions to gain insight into the ever evolving needs of organisations that, in turn, provide opportunities to develop/enhance educational programs, identify problems/issues that can be addressed through academic research and student field projects and competitions, and opportunities to aid organisations with the commercialisation of discovery and innovation.

Faculty quality is an extremely important factor of an institute's reputation. Nurturing and sustaining quality faculty with industry experience, teaching ability, international exposure, and research outputs is one of the pillar of management education development in the country. There is scarcity of quality faculty in the country.

Faculty with industry exposure makes it easy for students to understand application of theory to real life business situations. Teaching ability of a faculty combines various parameters like subject knowledge, communication skills, curriculum coverage and pedagogy so as achieve overall satisfaction of students with respect to teaching.

CONTEXT IS KEY

In the context of globalisation and localisation, the focus should be on ideas and concepts that have been effective in the countries of their origin may be less effective in India. While many industrialised countries have tested and adopted management practices that are in perfect harmony with their culture and tradition, India is yet to do this exercise through systematic research and study. Management education has to give emphasis on making management education relevant to the Indian context, the themes to be covered, and the way the topics have to

be dealt with. Management is a practice oriented domain, management education has to incorporate an element of on-the-job training.

This will need a mix of concepts, cases, exercises as well as simulations for themes such as business strategy, market planning, business negotiations, leadership, business ethics and team work.

Management education should develop the capabilities of students to be future generators of sustain-able value for business and society at large and to work for an inclusive and sustainable global economy.

GO DIGITAL

The destiny of India is being shaped in her classrooms. In fact, classrooms are the places where the future citizens of the country are reared, trained, educated and motivated to accept the new challenges and to face the changing situations. There is urgent need of transforming the classrooms into digital classrooms for providing a platform to students for generating industrial skills. Digitalisation in classrooms enable the faculty to adopt innovative teaching pedagogy.

This will help in developing skills among students as well as build the reputation of management education of India across globe. Management education should develop the capabilities of students to be future generators of sustain- able value for business and society at large and to work for an inclusive and sustainable global economy.

CONCLUSION

Management education across the globe is facing a unique crisis of relevance in the contemporary scenario. All the aspects of Business education such as quality of MBA aspirants, curriculum, business research, quality of research publications, industry-institute interface, management development programmes, faculty development programmes, placements, compensation packages of B-school graduates, career development trajectory of alumni, diversity among faculty as well as students, governance and accountability, etc. are under critical scanner. Indian B-schools are not untouched by the contextual compulsions of the Management education in the international arena. B-schools in India need to revitalize Management education in the country in order to meet the expectations of all the key stakeholders such as students, faculty, society, industry, government and global community at large. Hence it is imperative that the ever-growing crisis of relevance vis-à-vis Management education is addressed collectively, enabling keystakeholders to contribute their mite in the process and system improvements. A broadbased consultation with the stakeholders might help in developing a holistic framework for effective Management education while tackling fundamental issues of faculty shortage, lack of governance and accountability, absence of an effective regulatory body, poor quality of research and publications, lack of pedagogical innovations, lesser industry- institute interface, lower

employability of B-school graduates among others. It is time to collectively reflect and take stock so that we are ready for next wave in Management education.

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GOODS & SERVICES TAX

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Abstract

GST – What is GST in India? Goods & Services Tax Law Explained Updated on Jan 03, 2018 - 12:51:35 PM GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on 1st July 2017. In this article, we take a closer look at what is GST and the reason why it is making business and taxes simpler and easier.

Keywords: e-Banking, Services, Innovation, Challenges.

Objects of the study

- 1] To study the of GST
- 2] To study the Advantages of GST
- 3] To study the Components of GST
- 4] To study the rate of GST

Research Methodology:

The present paper is depend on only secondary data which is collected from the journals, magazines, websites & news papers.

Introduction

Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. In simple words, Goods and Service Tax is an indirect tax levied on the supply of goods and services. GST Law has replaced many indirect tax laws that previously existed in India. GST is one indirect tax for the entire country. So, before Goods and Service Tax, the pattern of tax levy was as follows:

Under the GST regime, the tax will be levied at every point of sale. In case of interstate sales, Central GST and State GST will be charged. Intra-state sales will be chargeable to

Integrated GST. Now let us try to understand the definition of Goods and Service Tax – “GST is a comprehensive, multi-stage, destination-based tax that will be levied on every value addition.”

Multi-stage

There are multiple change-of-hands an item goes through along its supply chain: from manufacture to final sale to the consumer.

Let us consider the following case:

Purchase of raw materials Production or manufacture Warehousing of finished goods
Sale to wholesaler Sale of the product to the retailer Sale to the end consumer

Value Addition

The manufacturer who makes biscuits buys flour, sugar and other material. The value of the inputs increases when the sugar and flour are mixed and baked into biscuits.

The manufacturer then sells the biscuits to the warehousing agent who packs large quantities of biscuits and labels it. That is another addition of value after which the warehouse sells it to the retailer.

The retailer packages the biscuits in smaller quantities and invests in the marketing of the biscuits thus increasing its value.

GST will be levied on these value additions i.e. the monetary worth added at each stage to achieve the final sale to the end customer.

Destination-

Based Consider goods manufactured in Maharashtra and are sold to the final consumer in Karnataka. Since Goods & Service Tax (GST) is levied at the point of consumption, in this case, Karnataka, the entire tax revenue will go to Karnataka and not Maharashtra.

Advantages of GST

GST will mainly remove the Cascading effect on the sale of goods and services. Removal of cascading effect will directly impact the cost of goods. The cost of goods should decrease since tax on tax is eliminated in the GST regime.

GST is also mainly technologically driven. All activities like registration, return filing, application for refund and response to notice needs to be done online on the GST Portal. This will speed up the processes.

- 1] Removing Cascading effect
- 2] Composition scheme small business
- 3] Online simpler producer under GST
- 4] Laser complies
- 5] Define treatment e-commerce
- 6] Increased efficiency in logistics
- 7] Regulating the unorganized sector

Components of GST?

There are 3 taxes applicable under GST: CGST, SGST & IGST.

CGST: Collected by the Central Government on an intra-state sale (Eg: Within Maharashtra)

SGST: Collected by the State Government on an intra-state sale (Eg: Within Mahaashtra)

IGST: Collected by the Central Government for inter-state sale (Eg: Maharashtra to Tamil Nadu)

In most cases, the tax structure under the new regime will be as follows:

Transaction	New Regime	Old Regime	
Sale within the State	CGST + SGST	VAT + Central Excise/Service tax	Revenue will be shared equally between the Centre and the State
Sale to another State	IGST	Central Sales Tax + Excise/Service Tax	There will only be one type of tax (central) in case of inter-state sales. The Center will then share the IGST revenue based on the destination of goods.

Illustration:

Let us assume that a dealer in Gujrat had sold the goods to a dealer in Punjab worth Rs. 50,000. The GST rate is 18% comprising of only IGST.

In such case, the dealer has to charge Rs. 9,000 as IGST. This IGST revenue will go to the Central Government.

The same dealer sells goods to a consumer in Gujrat worth Rs. 50,000. The GST rate on the good is 12%. This rate comprises of CGST at 6% and SGST at 6%.

The dealer has to collect Rs. 6,000 as Goods and Service Tax. Rs. 3,000 will go to the Central Government and Rs. 3,000 will go to the Gujrat government as the sale is within the state.

5. Tax Laws before GST

In the pre-GST regime, there were many indirect taxes levied by both state and center. States mainly collected taxes in the form of Value Added Tax (VAT). Every state had a different set of rules and regulations.

Interstate sale of goods was taxed by the Center. CST (Central State Tax) was applicable in case of interstate sale of goods. Other than above there were many indirect taxes like entertainment tax, octroi and local tax that was levied by state and center.

This led to a lot of overlapping of taxes levied by both state and center.

For example, when goods were manufactured and sold Excise Duty charged by the center was charged by the center. Over and above Excise Duty, VAT was also charged by the State. This led to a tax on tax also known as cascading effect of taxes.

The following is the list of indirect taxes in the pre-GST regime:

1] Central Excise Duty 2] Duties of Excise 3] Additional Duties of Excise 4] Additional Duties of Customs 5] Special Additional Duty of Customs 6] Cess 7] State VAT 8] Central Sales Tax 9] Purchase Tax 10] Luxury Tax 11] Entertainment Tax 12] Entry Tax 13] Taxes on advertisements 14] Taxes on lotteries, betting, and gambling

All these taxes have been replaced with Central GST, State GST, and Integrated GST.

6. What changes has GST brought in?

In the pre-GST regime, tax on tax was calculated and paid by every purchaser including the final consumer. This tax on tax is called Cascading Effect of Taxes.

GST avoids this cascading effect as the tax is calculated only on the value-add at each stage of transfer of ownership. Understand what the cascading effect is and how GST helps by watching this simple video:

GST will improve the collection of taxes as well as boost the development of Indian economy by removing the indirect tax barriers between states and integrating the country through a uniform tax rate.

Illustration:

Based on the above example of biscuit manufacturer along with some numbers, let's see what happens to the cost of goods and the taxes in a pre GST and GST scenarios.

Tax calculations in Pre GST regime:

Action	Cost	10% Tax	Total
Manufacturer	1,000	100	1,100
Warehouse adds label and repacks @ 300	1,400	140	1,540
Retailer advertises @ 500	2,040	204	2,244
Total	1,800	444	2,244

Along the way, the tax liability was passed on at every stage of the transaction and the final liability comes to rest with the customer. This is called the **Cascading Effect of Taxes** where a tax is paid on tax and the value of the item keeps increasing every time this happens.

Tax calculations in GST regime:

Action	Cost	10% Tax	Actual Liability	Total
Manufacturer	1,000	100	100	1,100
Warehouse adds label and repacks @ 300	1,300	130	30	1,430
Retailer advertises @ 500	1,800	180	50	1,980
Total	1,800		180	1,980

In the case of Goods and Services Tax, there is a way to claim credit for tax paid in acquiring input. What happens in this case is, the individual who has paid a tax already can claim credit for this tax when he submits his taxes.

In the end, every time an individual is able to claim input tax credit, the sale price is reduced and the cost price for the buyer is reduced because of a lower tax liability. The final value of the biscuits is therefore reduced from Rs. 2,244 to Rs. 1,980, thus reducing the tax burden on the final customer.

Conclusion

It is concluded that GST becomes very useful to the businessman and also to the society in general in order to save the money and get the proper quality of goods and services. Also it provides transparency in all types of transactions. By implementing GST in India which will become new dawn for the economic development of the country

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HUMAN RESOURCE DEVELOPMENT: AN OVERVIEW

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Abstract

The importance of HRD is now being increasingly realized in the country in general & particularly in the first growing corporate world as a result of globalization & new economic policies. Today the concept HRD is considered seriously by most of the medium & large scale industrial organizations, so as to keep the organizations competent & forward looking .HRD aims at the promotions of the well being of individuals, families and societies, It deals with creating conditions that enable people to get the best of themselves & their lives. Development is a never ending process. As people develop themselves new problems & issues arise and the growth – Development – Problem loop countries. Wiggs, says that development is concerned with providing learning experiences to employees so that they be really to move into new directions that organizational change may require HRD is recognized as an important toll for corporate strategy, integration conceptual values with human values.

Keywords: Human Resource Development, organizations, human values.

The Concept of HRD and its Dimensions

People make things happen. If people have to thing happen, they need a set of circumstances to make them happen. However, it is the people who create circumstances that can help themselves and others to make things happen. According to T.V. Rao “ HRD is the process of competency development in people and the creation of conditions to help people apply these competencies for their own benefit & for that of others” HRD is a continuous process. While the ultimate objective of HRD is develop competencies in individuals & groups. Developing competencies is a never – ending process. As one level of competencies is developed in an individual or a group another set of needs may arise requiring the development of another set of competencies. HRD is routed in the belief that human beings have potential. it places a premium the dignity & them tremendous talent energy of the people. According to T.V. Rao HRD is the process of helping people acquires competencies. In an organizational context HRD is a process by which the employees of organization are helped in a continuous and planned way.

The HRD process is facilitated by mechanism like – performance appraisal training organizational development, feedback and counseling career development, Job rotation & rewards.

Why HRD?

People need competencies to perform tasks higher degree & quality of performance of tasks requires a higher level of skills. Without continuous development of competencies in people and organization is not likely to achieve its goals. Competent and motivated employees are essential for organizational survival growth excellence. Over a period of time an organization may achieve a saturation point in terms of growth. Even to maintain such a saturation level of growth and for organizations to operate in environment that keep changing employee competencies need to be sharpened or development. Thus HRD is needed to every organizations that is interested in – Stabilizing itself, Growth, diversifying, renewing itself and to become more effective. Improving its system and services, change and becoming more dynamic and planning leadership roles.

The Characteristics of HRD-

- 1- **HRD is a system** – we must consider HRD as being made-up of several mutually dependent parts or subsystems such as procurement development any performance appraisal. Changes in any one subsystem leads to changes in other parts. There are feedback loops from one subsystem to another. As a result change in any one subsystem produces a reverberating effect on all other subsystems.
- 2- **HRD is a planned process** – HRD is a planned system of developing people. IT is a lifelong process which goes an continually.
- 3- **HRD develops competencies at four levels** –
 - A- At the Indusial Level employees are made a were of their roles & what is expected of them, so that they are able to improve their skills and attitudes accordingly
 - B- At the Dynamic Level stronger employer – employee relationship are developed by developing more trust mutuality help.
 - C- At the Group Level Committees or risk groups are mode more effective by developing collaborations in their inter group relationship
 - D- At the Organizational Level development of competencies involves the development of self renewing mechanism in the organizations which enable it to adjust to the changes in its environment and to be proactive.
- 4- **HRD is continuous process-** HRD being a process of development always goes on organizations can facilitate the process of development by planning for it by allocating organizational resources for the purpose and by creating an HRD philosophy that values human beings and promotes their development.

The Importance of HRD-

- 1- **HRD is needed to develop competencies** – no Organization can survive if its employees are not competent in terms knowledge, skills and attitudes. Both profit as well as non-Profit organizations need competent employees for the success of the internal and external operations.
- 2- **HRD is needed to mitigate some of the evil consequences of industrialization-** It is common knowledge that the factory system has dehumanized and deskilled various job. By enriching workers role HRD satisfies their needs of advancement growth self respect recognition creativity and anatomy. HRD enables employees to lead an integrated life which is mostly partitioned by the factory in to two lives- the organizational life and the personal life.
- 3- **HRD is needed to bring about system wild changes** – while traditional HRD System like framing job rotation and so on has their relevance and use they are by themselves inadequate to bring about the kind of system wild change that is visualized in the concept of HRD.
- 4- **HRD is needed to develop a proper climate in the organization-** HRD develops a new climate in the organization it replace the old values by new ones people become more open independent automatic creative and collaborative in their behavior.

HRD Methods or mechanisms

Many HRD mechanisms are available to develop the competencies of employees and improve the overall organizational climate. The most frequently use methods are as follows.

- 1- **Man power planning** - Man power planning is the sheet anchor of all HRD efforts .It is concerned with the assessment of man power needs and man power audit.
- 2- **Performance appraisal and feedback** – performance appraisal have become an increasingly important tool for the organization to use in managing and improving the performance of employees as well as in make in timely and accurate staffing decisions. The feedback is offered through and evaluation interview .
- 3- **Training education and interview** – Training has gained importance in present day environment were jobs are complex and change rapidly. Training is a learning experience designed to achieve relatively permanent change an individual that will improve the ability to perform on the job.
- 4- **Potential appraisal** – The term potential refers to the abilities possessed by an employee but not put to use currently or the abilities to assume challenging responsibilities in future assignments .Potential appraisal is carried out on the basis of supervisors observations, performance data relating to various previous roles pled by an employee and performance on roles in simulated settings related to a new position.

- 5- **Career Development and Career Planning** – A career is sequence of positions held by a person in the course of a life time . Career planning is process of integrating the employees needs and aspirations with organizational needs .
- 6- **Compensation and Reward** – Compensation and Reward should be clearly related to performance and behavior of employees . Compensation and Rewards are common positive reinforcements which should be clearly related to the performance and behavior of employees .
- 7- **OD Techniques** – Organizations are never perfectly static.The keep on changing employees skills and abilities ,therefore required continuous upgrading .A systematic and Planned way of managing this change through the process of OD Techniques includes team building organizational mirroring and T – Group .
- 8- **Role Analysis and Role Development** – Under this job of and individual in the organization is analyzed and enriched in terms of his role and not in terms of his job. It is always ensured that role as sufficiently challenging for the individual provides him adequate autonomy for tacking initiatives and is linked with other organizational roles to avoid feeling of isolation .
- 9- **Quality of Work life and Welfare** – The term employee welfare means the effort to make life worth living for work men. It includes various services facilities and benefits offered employees by the employers and government . Quality of work life are systematic offered by organization to give workers a grater opportunity to affect the way they do their jobs and contributions the make to the organization over all effectiveness .In an HRD system there is always focus on employee welfare and quality of work life .
- 10- **Industrial Relations** – Good Industrial relation based on mutual trust and good will make the execution of HRD programmers easier .In HRD unions are encouraged so as to look after the psychological and social well – being workers.

Conclusion

HRD has almost become a fad since the latter part if the last decade and still continues. In the present contest in the wake of rapid technological changes a fierce by competitive market has a merged in the liberalized era and employee are being perceived as important assets. Their is an increasing awareness employees too undergo value addition that the are important in giving quality products . Hens the current situation are given the needed fillip for the wide spread promotions of the concept of HRD.

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AGRITOURISM: AN EMERGING BUSINESS INDUSTRY FOR FARMERS IN MAHARASHTRA

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Abstract

This Research study was designed for Maharashtra farmers interested in developing new or expanding existing Agritourism center as supplementary income source opportunity . This Research paper depicts the basic concept of “agritourism”, provides analysis of existing studies and papers, analyzes three case studies of Agritourism centers and makes recommendations for Farmers for further developing Agritourism as an income stream to complement other income-generating activities.

This study describes and analyzes Farm projects that offer Agritourism. Some major issues emerge: 1) The centers with different facilities described are located in rural areas near to large urban areas are necessary; 2) Personal satisfaction of tourists through Agripreneurs and employees with their work is important; 3) Conserving the unique character and authenticity of the center is attractive to tourists; 4) Staff with effective people skills is significant; 5) Each Agritourism center seeks participative ways to educate the public about their products and services.6) Different marketing strategies to make aware and promote Agritourism centers to the urban people are important.

Keywords: Agritourism ,Agripreneurs,U-Picking, Agritouristic potential ,Agritourism network.

Introduction

Agri-tourism is the **practice of attracting travelers** or visitors to an area or areas used primarily for agricultural purposes.

Agritourism is defined by **American Farm Bureau Federation** (2004) as “Agritourism refers to an enterprise at a working farm, ranch or agricultural plant conducted for the enjoyment of visitors that generates income for the owner. It refers to the act **of visiting farm** or any agricultural ,horticultural ,or agribusiness operations for the purpose of enjoyment,education ,or active involvement in the activities of the farm or operation that also adds to the economic viability of the site.

Agri-tourism is a way of enduring tourist development and multi-activity in rural areas through which the **visitor has the opportunity to get aware** with agricultural areas, agricultural occupations, local products, traditional food & the daily life of the rural people ,as well as the cultural elements and traditions.

Barbieri and Mshenga (2008: 168) defines **Agritourism** as “any practice developed on a working farm with the purpose of attracting visitors”.

McGehee, Kim, and Jennings (2007: 280) explains Agritourism as “rural enterprises which incorporate both a working farm environment and a commercial tourism component”

Different modes of Agritourism in Maharashtra

Farm Stays: The activity of visiting a farm for overnight stays and for the purpose of participating in or enjoying farm activities and/or other attraction offered.

Farm Visits: The activity of visiting a farm for short periods of time for the purpose of participating in or enjoying farm activities and/or other attraction offered.

Roadside Stands: Also known as farm stands, refers to any activity where the farmer sells agricultural and value added products from his farm directly to consumers at a stand or kiosk located on or near his farm or along a road near the farm.

U-Pick or Pick-Your-Own Operations: These are fruits and farms or orchards where the customers themselves harvest the fruits or products. The prices they pay for the volume harvested will be usually higher than what the grower would get from a broker.

Objectives of the Research

The main objective of the Research was to **highlight agritourism characteristics, agritouristic potential of rural areas of Maharashtra, and benefits of agritourism** to the different stakeholders.

Other complementary objectives pursued in this study are:

- 1) Knowing Agroclimatic Agritourism trends in Maharashtra;
- 2) Enlisting the Prominent Components for development of Agritourism through view point of tourists.
- 3) Studying importance of utilizing local resources in Agritourism;
- 4) To prioritize the marketing tactics for Agritourism centers.

Research Methodology

The research methodology involved both the desk research and the field research which was used to depict the concept of Agritourism and the various facets that are involved in the successful development of Agritourism.

For the field research, structured Questionnaire was used to gather information from tourists comprising of both open-ended questions as well as close ended questions. The sample size used for the study was 150 . The respondents were selected by a convenient method ; and the ATC owners were personally interviewed by the Researcher. Additionally discussions were also held with the Shri.Pandurang Taware (Director, Sales and Marketing ATDC) Dr.Manohar Ingale (MIT,Kothrud) and Dr.S.S.Thigale (Symbiosis,Pune) to understand the different aspects of agritourism ,government policies etc. The subject being vast, Researcher has limited the study to

the projects at Rajuri ATC,Junnar,Pune (Parashar Agritourism Center), Chincholi Morachi ATC,Shirur Pune (Anand Agritourism Center) and Aabloli,Guhagar ,Ratnagiri (Garva Agritourism Center)

Agripreneur's Reasons to Enter in Agritourism :

Agriculture faces significant challenges in responding to the changing global agri-business milieu. Due to the decreased incomes in agriculture in the last few decades, farm diversification is frequently recommended as one approach to business survival. **The majority of farmers choose agritourism enterprises to develop an additional source of income to their traditional agricultural practices.**Over the past century, farming has become more technologically advanced than ever before. In turn, many small-scale farmers, due to economies of scale have been forced out of the industry completely or have found alternative sources of revenue. Thus, many small-scale farmers have found farm tourism to be an efficient means to supplement their declining farm incomes, while still running their valued farming operation. Other farmers have completely abandoned their traditional farming processes, because the profits from their agritourism business vastly outweigh those of their previous operation.

Urban population is increasing day by day in all over India and no doubt **more in Maharashtra.** As per census record 2011, the state has 45.23 per cent urban population, much higher than the national average of 31.16 per cent. Of the 11,23,72,972 people counted in the state, 6,15,45,441 are in rural and **5,08,27,531 in urban areas.**

Today the urban people's world is restricted in the closed door flats, offices, clubs, television, video games, fast food, computer, internet, and so on. They can see nature only on television or on the screen of the computers. Many people from the city right from their birth living in the city and are having a strong desire to stay in the village to live & experience rural life. These peoples want to enjoy rural life but there is problem of various facilities. Hence, it is an opportunity to the farmers for development of the agri-tourism centers and to add one more sure source of income.

Chart Presenting utilization of **Basic Principles of Agri-Tourism** at Individual Agritourism centers:

1. Have something for Tourists to see: Animals, birds, farms, culture of the village, dress and festivals.
2. Have something for Tourists to do: Participating in agricultural operations, riding horse, buffalo,cooking and participating in the rural games
3. Have something for Tourists to buy: Rural crafts, ,fresh vegetables, food are few items.

Anand ATC ,Shirur	Parashar ATC,Junnar	Garva ATC,Ratnagiri
1)National Bird Peacock	1. Well developed agricultural farm. 2. Different fruit crops, vegetables, flowers, grains,	1)Konkan village, 2) Crops-

<p>2) Farm scenery</p> <p>3) Visit to Nighoje: Asia's largest Potholes</p> <p>4) Beautiful nature</p>	<p>pulses & fodder crops.</p> <p>3. Different irrigation system ,farm lake</p> <p>4. Beautiful sunrise & sunset from 'machan'</p> <p>5. Cow buffalo, sheep, Goat rearing</p> <p>6. Beautiful nature</p> <p>7. Bird observation</p> <p>8. Village structure administration, credit structure, co-operative structure, NDDDB award winner Milk Dairy</p> <p>9. Weekly Markets</p> <p>10. Forest visit & lunch</p> <p>11. Jatra Festival</p> <p>12. Visit to historic and holy places like Shivneri fort, Ozar & Lenyadri Ashtavinayak darshan, ancient temples</p> <p>13. For overnight stay a quality event of Maharashtrian folk such as Jagaran, Gondhal, Powada, Bharud, Bhajan.</p>	<p>Rice,Turmeric,Nachani</p> <p>3) Farm have machaan and greenery all around - with mango / cashew , coconut ,Jackfruit and other trees</p> <p>4)Hedavi,Tavsale and Rohile Beach Experience .</p> <p>5) An opportunity to see 100 years ago house</p>
<p>1)Feeding to animals ;Opportunity to pet or care for animals</p> <p>2) Milking of cows</p> <p>3)Drinking of fresh milk</p> <p>4)Bullock cart riding</p> <p>5) Watching rabbits</p>	<p>1. Inhale fresh air at 'Sanitarium of India'</p> <p>2.Playing traditional games such as Ningorcha, Vitti Dandu, Bhovara, creation of agricultural tools by hand.</p> <p>3. Plantation of trees</p> <p>4. Celebration of your special events</p>	<p>1.Fisheries , Fish hunting</p> <p>2.Perform seasonal activities on farm such as ploughing, harrowing, sowing, reaping , etc.</p> <p>3.Celebration of tourists special events</p>
<p>1)Fresh Maharashtra cuisine " Pithala-Bhakari"</p> <p>2)Maharashtrian chatani, pickle of mango, sweet dish</p>	<p>1."Maswadi" a popular dish of Junnar</p>	<p>1.Regional food and drinks.(Rice,fish,Moda k,Coconut water)</p>

To experience and enjoy above activities at any ATC different packages are available varying from Rs.500-Rs.2100 which allows tourists to stay from one day to three days.

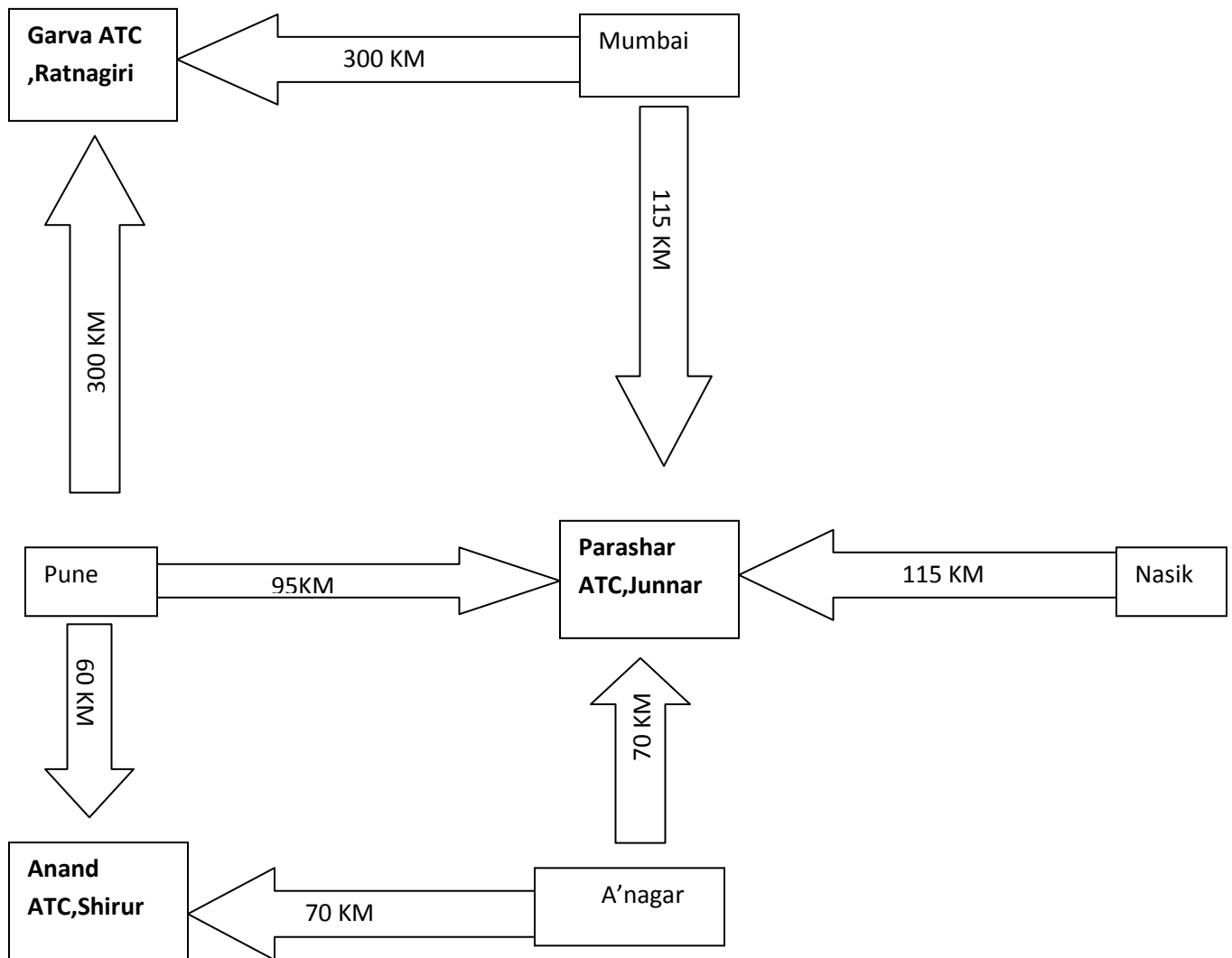
Income of Agripreneurs Before and After beginning ATC :

Monthly Income of three ATC's			
ATC/Income	Anand,Shirur	Parashar,Junnar	Garva,Guhagar
Before	10,000 Rs	5,000 Rs	8,000 Rs
After	35,000Rs	20,000 Rs	20,000Rs

Agripreneurs indicated that their families owned small farms, utilized farming as a secondary income source, and indicated their most popular agritourism activities are farm stays, pick-your-own produce, Celebration of special events and on-farm festivals for tourists.

Findings From Tourists Survey

1)Figure 1. Flow chart showing connectivity of tourists to ATC's



The centers which are at accessible distance from populated cities are succeed to attract more tourists who prefers to stay one day or return in one day.If the center is far away, tourists prefers to stay more than 2 days. Since Anand ATC,Chincholi Morachi is just 60Km from Pune city tourists from are interested to return in one day or stay for single day after enjoying the nature and farm activities; Most of the tourists coming to Parashar ATC,Rajuri stays for 1 or 2 days where as those visiting Garva center,Aabloli from Mumbai or Pune stay 2-3 days.

2) Figure 2. Pie chart showing Information source to know about Agritourism center

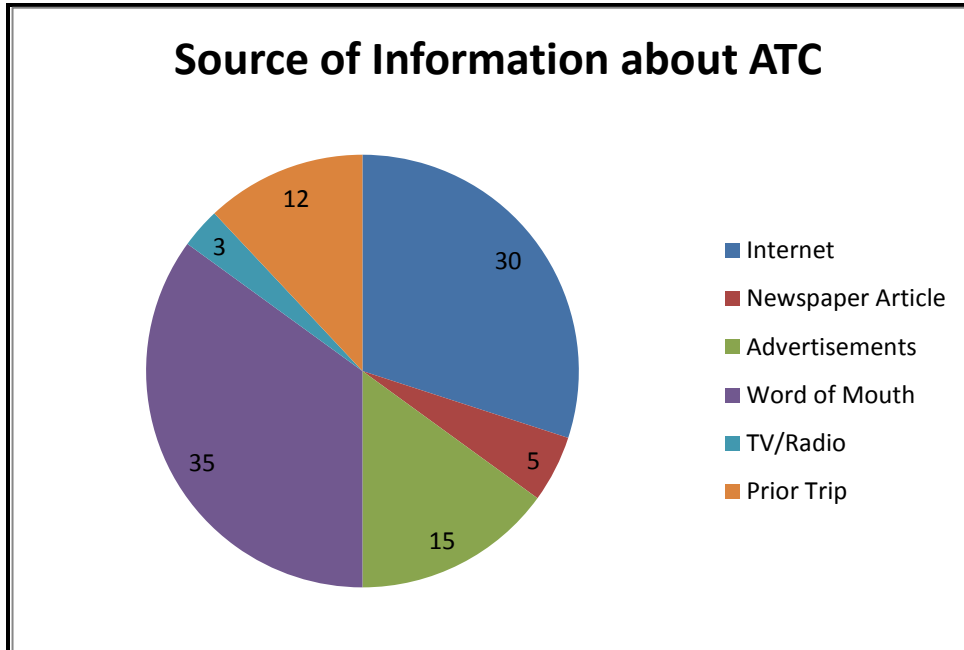


Figure 2 reports the ways by which tourists were informed about the agritourism centers. obviously, **word of mouth** is the most important source of advertising available to those involved in agritourism enterprises.

3)Figure 3. Bar chart reflecting Importance of Prominent Components of Agritourism

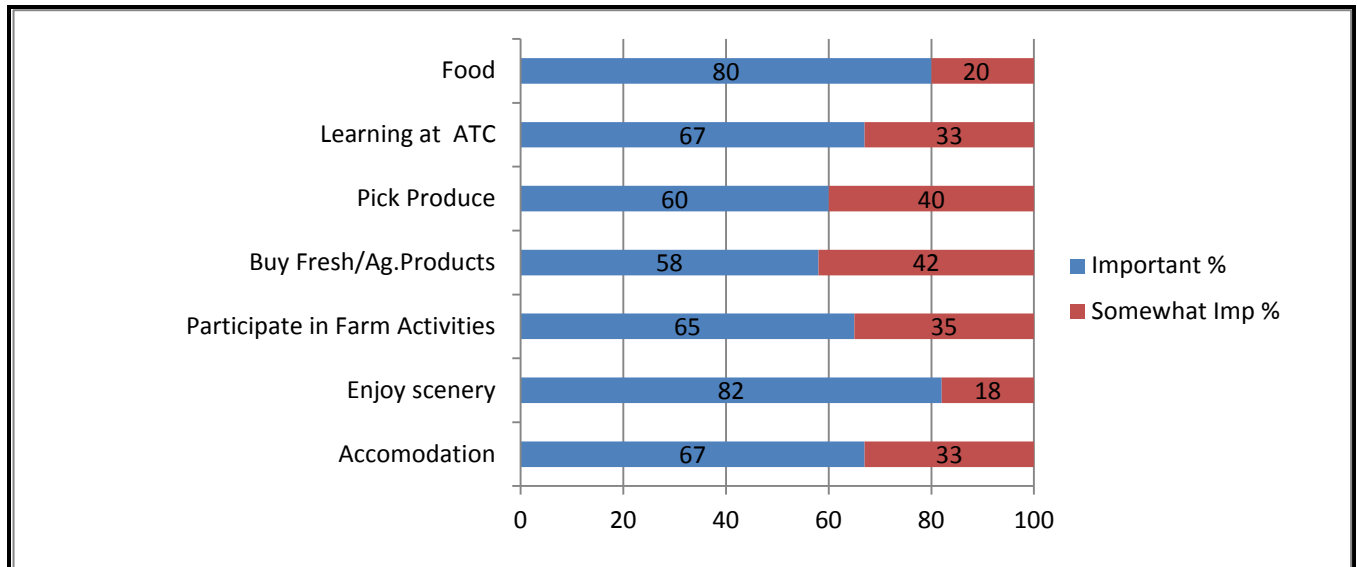


Fig.3 Preference of Tourists, showing Prominent Components of Agritourism
Above figure clearly states importance of different elements of Agritourism. Enjoying Scenery is the most prominent factor for the Agritourism development.

The potential benefits of agritourism development extend to farmers, rural communities, tourists and tourism operators.

Benefits for Farmers

For farmers, agritourism is a potential way of:

- 1) Increasing the long term sustainability for farm businesses ;
- 2) Using farm based products in new and innovative ways;
- 3) Improving farm revenue streams;
- 4) Developing new consumer market niches;
- 5) Increasing awareness of local agricultural products;
- 6) Improving farm living conditions, working areas and farm recreation opportunities
- 7) Developing managerial skill and entrepreneurial spirit; and

Benefits for Communities

From a community perspective, agritourism can be a vehicle for:

- 1) Generating additional revenue for local businesses and services from tourists;
- 2) Stimulating the upgrade of local facilities and services
- 3) Increasing protection of rural landscapes and natural environments for tourists and residents;
- 4) Helping preserve and revitalize local traditions, art and craft;
- 5) Promoting inter-regional, inter-cultural communication and understanding; □ increasing

- awareness of agricultural issues and values among the public;
- 6) Promoting the on-going use of local agricultural products and services;
 - 7) Helping to diversify and strengthen the rural economy via job and income creation;and

Benefits for Tourism Operators

From a tourism industry viewpoint, agritourism can be a means of:

- 1) Diversifying the mix of tourism products and services available to tourists;
- 2) Increasing tourism flows into attractive rural regions;
- 3) Increasing season length during traditionally off-peak business periods;
- 4) Uniquely positioning rural regions in key tourism markets; and
- 5) Bringing more non-local currency to local businesses

Benefits for Tourists

- 1) Unique and authentic experience
- 2) Get away from everyday stress
- 3) Chance to participate and see how their food is grown
- 4) To experience the culture and heritage

Conclusion

Gist of Case studies—Critical success factors to start and develop Agritourism Center

The three case studies described above were selected to represent distinctive types of centers offering different Agritourism experiences. Despite the range in businesses, services offered, varied locations and different character of the centers, these cases share some common characteristics:

Location : For each of these case studies, accessible location to a large city is important to attract visitors. Each has found ways to tap into existing flows of traffic, local events and festivals and to cooperate with other local businesses to bring in customers. All also take advantage of a variety of other **nearby tourist attractions** that help to bring tourists to the Agritourism centers.

Interpersonal skills : The people involved (owners or employees) with each of these Centers are enthusiastic about their business and about working with visitors. Those attending to tourists directly are well informed and passionate about the Agritourism business. Establishing rapport with tourists, engaging them in conversation and getting them to taste the local food are all strategies used to gain the interest of tourists and to entertain them full day.

Preserving Genuineness: Each of the centers described above has a unique features that is expressed through many aspects of the business: in the history of the place , site or region, in the layout and presentation of the facilities, in the products , in the way visitors are received, and

attitudes and behavior of farmers and their families toward the tourists. Staying true to this individual character creates a consistent and authentic image of the center. The distinctive character and feel is an important attraction for tourists.

Tourists education: In each of these cases, considerable time and effort are put into describing different activities . Learning from agritourism center about how products are grown or made is crucial to tourists . Every center allow tourists time to participate in different field work or activities and ask questions. During visits, considerable time and energy is spent to tell tourists about the lives and histories of the local people,tradition,crops,festivals,places etc. All the Agripreneurs made available detail information about their center in writing—in a brochure and/or on a website including all services they offer,. It is likely that tourists retell the stories/information when they return home to the friends and family. This retelling at home can reinforce a positive memory about the visit, make a strong a connection with the center and can lead to return visits and additional tourists.

Marketing : Each of these centers has a different target market that is based on their location, set of products and services and the vision for their business. Each center budgets for marketing. Each reserves time to talk with tourists: to cultivate their interest in the center. In most cases, cooperating with other businesses and agencies that promote tourism and agriculture contribute to continued business success. Word of Mouth is supreme to attract tourists to the center.

Hence, critical factor strongly connected with success in agritourism businesses is the attitudes and behavior of farmers and their families toward the tourists.

Recommendations

The following recommendations are provided for individual Farm owners who are interested in developing new Agritourism center :

- 1) Take a training about Agritourism through MART .
- 2) Conduct a feasibility study to review the potential for agritourism at your site;
- 3) Conserve the integrity and unique character of the center ;
- 4) Plan facilities and services with care;
- 4) Address people-related issues;
- 5) Attend to regulatory, licensing and insurance requirements; and
- 6) Connect to a Agritourism network.

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STUDY ON NECESSITY OF AGRO BASED INDUSTRIES-AN OPPORTUNITY FOR INDIAN'S ECONOMIC ADVANTAGES.

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Abstract

The conditions of agro-industrial development are currently changing worldwide. India had and has advantages in transforming products originating from agriculture, forestry and fisheries. Indian agriculture has witnessed wide ups and downs in growth performance during the last six decades. According to the International standard industrial classification agro industry as Food and beverages, Tabaco products, Paper and wood products, Textiles, Footwear and Apparels, Lather products and Rubber products.

SWOT Analysis of Agro-processing industry in India:-

- Varied agro climate zone,

According to National Agricultural Research Project (NARP) an “Agro-climatic zone” is a land unit in terms of major climates, suitable for a certain range of crops and cultivars. The planning aims at scientific management of regional resources to meet the food, fiber, fodder and fuel wood without adversely affecting the status of natural resources and environment. Agro-climatic conditions mainly refer to

- ✓ soil types,
- ✓ rainfall,
- ✓ temperature,
- ✓ water availability which influence the type of vegetations.

- Second largest Agricultural Land (184 million hectors),

Arable land is a land cultivated for crops like wheat, maize, and rice that are replanted after each harvest; permanent crops land is a land cultivated for crops like Sugarcane, Grapes, Pomegranate, and Rubber that are not replanted after each harvest; this also includes land under flowering shrubs but excludes land under trees grown for wood or timber. Other lands are any lands not arable or under permanent crops; this includes permanent meadows and pastures, forests and woodlands, built-on areas, roads, barren land, etc. (CIA World Factbook-Land Use)

- Largest Irrigated Land (55million hectors),

- Largest Producer of Wheat (72 million tons) accounting 15% of global wheat production,
- Largest producer of pulses(15 million tons) accounting to 21% of global production,
- Largest producer of Milk (90 million tons),
- Largest producer of spices,
- Largest producer of tea, accounting to 28% of global production,
- 2nd Largest producer of Rice (92 million tons), Sugarcane (296 million tons), fruits and vegetables.
- 3rd largest producer of coarse grain, edible oilseeds,
- Largest livestock population.
- India produces 6.3 million tons of fish (3rd largest in the world).
-

Hirschman's linkage hypothesis - Selecting those activities where process will induce further process elsewhere.

New Opportunities for growth: - Around 80% of global food and beverages sales consist of processed products, with 60% being in high economic countries (Wilkinson and Rocha, 2008).

There is tremendous opportunity for growth as only about 27% of agriculture production currently being processed.

A common and traditional definition of agro-based industry refers to the subset of manufacturing that processes raw materials and intermediate products derived from the agricultural sector. Agro-based industry thus means transforming products originating from agriculture, forestry and fisheries.

"Agro-based industries are those, which are involved in supplying the farm with agricultural inputs besides handling the products of the farm." -- INDIA, Famine Enquiry Commission, 1944;

"Agro-based industries are those industries which have either direct or indirect links with agriculture." -- S N Bhattacharya, Rural Industrialization in India, BR Publishing Corporation, Delhi, 1980, p 192;

Agriculture has been considered the as tools of development, whereas industrialization has been taken to be the most relevant indicator of a country's progress along the development path.

Agro-industry, i.e. the processing, preservation and preparation of agricultural production for intermediate and final consumption, performs a number of crucial functions that support development and poverty alleviation. Agriculture in connection with industry needs to be recognized by senior-level policy makers and industry leaders as a competitive, value-adding business sector that has a positive 30 development impact and contributes to economic growth. Rather than focusing on agricultural productivity only, policy makers must consider the competitiveness of the entire agro-value chain. A comprehensive approach could include e.g. supporting small agro-producers and SMEs, enabling market access and developing a supportive institutional environment.

"An agro-industry is an enterprise that processes raw materials, including ground and tree crops as well as livestock. The degree of processing can vary tremendously, ranging from the cleaning and grading of apples to the milling of rice, to the cooking, mixing, and chemical alteration that create a texturized vegetable food, agroindustry's can be roughly categorized according to the degree the raw material is transformed. In general, capital investment, technological complexity, and managerial requirements increase in proportion with the degree of transformation.

According to the International Standard Industrial Classification (ISIC) agro-industry consists of:-

- Food and beverages;
- Tobacco products;
- Paper and wood products;
- Textiles, footwear and apparel;
- Lather products; and
- Rubber products.

The food based Agro Industries

The food based industries are consist of whole range of perishable food products like fruit, vegetables, milk, meat or fish. The preservation techniques are used for the processing of the more perishable food products as to the large extent.

Non-food based Agro Industries

This industry is contrast to the food industries, which having variety of end uses. The Characteristic of non-food agricultural products is high degree of processing. And requires number of different sequence of operations. This gives number of intermediate products (byproducts) up to the end result/end product. The original value of raw material used in the process moderates continuously because of the value added at each of these successive stages of processing. A further feature of the non-food industries is that many of them now increasingly use synthetics and other artificial substitutes in combination with natural raw materials.

Merits of Indian Agriculture based resources

Availability of raw materials

Wide variety of crop availability

Vast domestic market

Availability of laborers

Demerits of Indian Agriculture based resources

Integration of developments in contemporary technologies such as electronics, material science, Branding of agro-products,

Recognition of agro-processing as an important sector

Prospects in India for Agro based industry

Lack of scale of operations

As Agro based industry is not got Recognition of agro-processing as an important sector hence there is Lack of scale of operations. This results in scale what is demanded by the market. There is always gap between what demanded by market and what processed by Agro industry. Henceforth there is tremendous opportunities for the industries which may transform the raw agro based input into market demanded output. It may happen over and done with scaling up the operations through the agro based small scale industries, which may increases revenue while their operating costs remain low.

Inadequate automation w.r.t. information management

There are number of factors which may motivate the automation in agro based industries are

- Increased literacy and rising per capita income,
- Rapid growth and changes in demand patterns,
- Average Indian spends about 50% of household expenditure on food items.
- Liberalized policy of government,
- Incentives for high priority food processing sector,
- Favorable environment for investments and exports in the sector.
- Very good investment opportunities exist in many areas of food processing industries
- Wide-ranging and large raw material base suitable for food processing industries.
- Presently a very small percentage of these are processed into value added products.
- India's comparatively cheaper workforce.

By considering the above mentioned factors which may influence the Research and Development and investment in automation in agro based industry can paly vital role in upcoming years through India may become leader in food based and non-food based agro industry.

Inability to attract young talent

Attracting and keeping young, skilled entrepreneurs is important and often difficult for today's businesses. It is becoming increasingly important to attract and retain young talent It is believed that businesses should focus on adapting their work environments to accommodate younger entrepreneurs Inadequately developed linkages between R&D labs and Industry

“Mostly, startups limit themselves to their network which can be limited if they have entered a new industry. Another challenge is unstructured hiring process, not sure of whom to hire,

interview processes taking long thereby frustrating prospective hires. Lastly, the founder's inability to connect their value proposition to the aspirant's career drivers," said Karanth.

There are some dilemmas in the mind of young talent, like:-

- Facing age stereotypes,
- Financial issues,
- Social rejection,
- Facing criticism,
- Hiring employees for the first time,
- Dealing with stress and self-doubt,
- Finding customers (Lack of adequate marketing)

Considering all above mentioned factor it clear that these are liking threats for agro based but it may convert into opportunities and helps in overall growth of nation and farmers in India.

Observations/Recommendations

Indian Economy is classified in three sectors- Agriculture and allied, Industry and Services. Sector wise Indian GVA composition in 2014 are as follows: (Niti Ayog, Govt. Of India)

- Agriculture (17.4%),
- Industry (24%),
- Services (57.9%)

Henceforth, there are tremendous opportunities to the successful establishment of a vibrant and potentially profitable agro-processing sector. This will however require stronger, more meaningful linkages between the farming community, the agro-processing sector, Government and financial institutions. Of course private sector companies would also play a critical role in the marketing of products from the agro-processing sector.

Success of the agro/food-processing industry must be based on:

- Utilization of LGP (Length of Growing Period) which may help in ecosystem & having its own environmental conditions. The planning agro crops and products to utilize the resources & may help to farmer to yield more from farming.
- As Maharashtra comes under 12th West coast plain & Hill region, it having variety of cropping pattern and also having soil pattern. This result in variety of crops and farming yield.
- As India is having largest Irrigated land (55 million hectors) & used for farming, through which India become largest Producer of Wheat (72 million tons) accounting 15% of global wheat production.
- This is one of significant factor of Indian agriculture that, it may supply raw material consistently for agro based industry.
- Assurances of acceptable quality of raw or primary material and in quantities and a pre-processed form needed by the processors. This requires much greater attention and

investment of resources to research into the collection, selection and propagation and pre-processing of suitable cultivars specifically for agro-processing.

- Access to capital, technology, effective management and supporting services such as credit, marketing, research and extension.
- Trained professionals in food science and technology and related disciplines.
- Careful analysis of the domestic, regional and international markets as a basis for policy formulation and future investments in agro-processing. It is important to determine the optimum conditions of the market, particularly if significant funds and long-term investment capital are to be allocated into agro-processing.
- Possible emphasis on product specialization and product quality with the specific objective of securing niches in the domestic, regional and international markets. This has the potential of stimulating market demand through the novelty of essentially Dominican exotic tropical products of high quality and presentation.

The development of a national, well-coordinated, Government-led policy would impose extremely exacting conditions of organization, production, training, technology and management which, in the long-run, would assure a viable agro-processing sector with acceptable product standards not only for export but equally for the domestic and regional markets.

More support for generating farmer-friendly agro-technologies and their transfer

Intensification of the farmer's income and enhancing their purchasing power by providing funds to farmers' groups

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IMPACT OF GOODS AND SERVICE TAX (GST) ON INDIAN ECONOMY

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Abstract

GST also known as the Goods and Services Tax is defined as the giant indirect tax structure designed to support and enhances the economic growth of a country. More than 150 countries have implemented GST so far. However, the idea of GST in India was mooted by Vajpayee government in 2000 and the constitutional amendment for the same was passed by the Loksabha on 6th May 2015 but is yet to be ratified by the Rajyasabha. However, there is a huge hue and cry against its implementation. It would be interesting to understand why this proposed GST regime may hamper the growth and development of the country.

Introduction

The **Goods and Services Tax (GST)** is a vast concept that simplifies the giant tax structure by supporting and enhancing the economic growth of a country. GST is a comprehensive tax levy on manufacturing, sale and consumption of goods and services at a national level [1]. The Goods and Services Tax Bill or GST Bill, also referred to as The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014, initiates a Value added Tax to be implemented on a national level in India. GST will be an indirect tax at all the stages of production to bring about uniformity in the system.

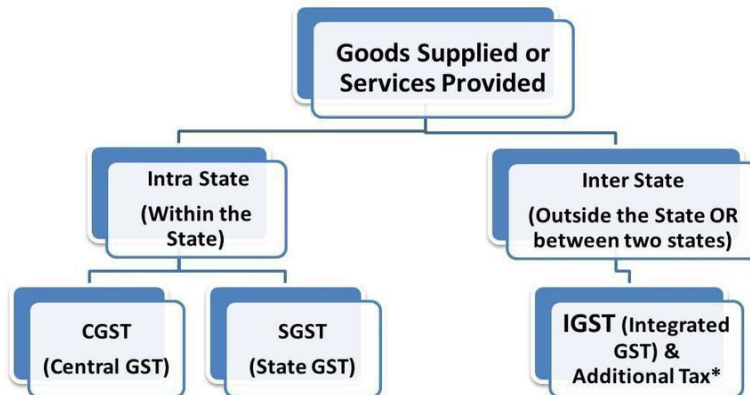


On bringing GST into practice, there would be **amalgamation** of Central and State taxes into a single tax payment. It would also enhance the position of India in both, domestic as well as **international market**. At the consumer level, GST would reduce the overall tax burden, which is currently estimated at 25-30%.

Under this system, the consumer pays the final tax but an efficient input tax credit system ensures that there is no cascading of taxes- tax on tax paid on inputs that go into manufacture of goods [2].

In order to avoid the payment of multiple taxes such as excise duty and service tax at Central level and VAT at the State level, GST would unify these taxes and create a uniform market throughout the country. Integration of various taxes into a GST system will bring about an

effective cross-utilization of **credits**. The current system taxes production, whereas the GST will aim to tax consumption.



Experts have enlisted the benefits of GST as under:

- It would introduce two-tiered One-Country-One-Tax regime.
- It would subsume all indirect taxes at the center and the state level.
- It would not only widen the tax regime by covering goods and services but also make it transparent.
- It would free the manufacturing sector from **cascading** effect of taxes, thus by improve the cost-competitiveness of goods and services.
- It would bring down the prices of goods and services and thus by, increase consumption.
- It would create business-friendly environment, thus by increase tax-GDP ratio.
- It would enhance the ease of doing business in India.

Why no to GST?

However, the question is: is the picture as rosy as it is portrayed?

Wall Street firm Goldman Sachs, in a note 'India: Q and A on GST — Growth Impact Could Be Muted', has put out estimates that show that the Modi Government's model for the Goods and Services Tax (GST) will not raise growth, will push up consumer prices inflation and may not result in increased tax revenue collections [3].

There appears to be certain loopholes in the proposed GST tax regime which may be detrimental in delivering the desired results. They are:

India has adopted dual GST instead of national GST. It has made the entire structure of GST fairly complicated in India. The centre will have to coordinate with 29 states and 7 union **territories** to implement such tax regime. Such regime is likely to create economic as well as political issues. The states are likely to lose the say in determining rates once GST is implemented. The sharing of **revenues** between the states and the centre is still a matter of contention with no consensus arrived regarding revenue neutral rate.

Chief **Economic** Advisor Arvind Subramanian on 4 December 2015 suggested GST rates of 12% for concessional goods, 17-18% for standard goods and 40% for luxury goods which is much higher than the present maximum service tax rate of 14%. Such initiative is likely to push inflation.

The proposed GST structure is likely to succeed only if the country has a strong IT network. It is a well-known fact that India is still in the budding state as far as internet connectivity is concerned. Moreover, the proposed regime seems to ignore the emerging sector of **e-commerce**. E-commerce does not leave signs of the transaction outside the internet and has anonymity associated with it. As a result, it becomes almost impossible to track the business transaction taking place through internet which can be **business** to business, business to customer or customer to customer. Again, there appears to be no clarity as to whether a product should be considered a service or a product under the concept of E-commerce. New techniques can be developed to track such transactions but until such technologies become readily accessible, generation of tax revenue from this sector would continue to be uncertain and much below the expectation. Again E-commerce has been insulated against taxation under custom duty moratorium on electronic transmissions by the WTO Bali Ministerial Conference held in 2014 [4].

Communication is considered to be necessity and one cannot do without communication. In modern times, communication has assumed the dimension of telecommunication.

The proposed GST regime appears to be unfavorable for telecommunication sector as well

“One of the major drawbacks of the GST regime could be the direct spike in the service tax rate from 14% to 20-22%” (GST: Impact on the **Telecommunications** Sector in India). The proposed GST appears to be silent on whether telecommunication can be considered under the category of goods or services. The entire issue of telecommunication sector assumes a serious proportion when India’s rural **teledensity** is not even 50% [5].

The proposed GST regime intends to keep petroleum products, electricity, real estate and liquor for human consumption out of the purview of GST

It is a well-known fact that petroleum products have been a major contributor to inflation in India. Inflation in India depends on how the government intends to include petroleum products under GST in future.

Electricity is essential for the growth and development of India. If electricity is included under standard or luxury goods in future then it would badly affect the development of India. It is said that GST would impact negatively on the real estate market. It would add up to 8% to the cost of new homes and reduce demand by about 12%.

The proposed GST regime “would be capable of being levied on sale of newspapers and advertisements therein”

This would give the governments the access to substantial incremental revenues since this industry has historically been tax free in its entirety” [6]. It sounds ridiculous but the provision of GST is likely to make the supervision of operations by its Board/senior managers across the company’s offices in different parts of the country a taxable service by allowing each state to raise a GST demand on the company.

Again there appears to be lack of consensus over fixing the revenue rate as well as threshold limit. One thing is for sure, services in India are going to be steeply costly if GST is fixed above the present service tax rate of 14% which in turn will spiral up inflation in India. “Asian countries which implemented GST all had witnessed retail inflation in the year of implementation [6,7].

Conclusion

The proposed GST regime is a half-hearted attempt to rationalize indirect tax structure. More than 150 countries have implemented GST. The government of India should study the GST regime set up by various countries and also their fallouts before implementing it. At the same time, the government should make an attempt to insulate the vast poor population of India against the likely inflation due to implementation of GST. No doubt, GST will simplify existing indirect tax system and will help to remove inefficiencies created by the existing current heterogeneous taxation system only if there is a clear consensus over issues of threshold limit, revenue rate, and inclusion of petroleum products, electricity, liquor and real estate. Until the consensus is reached, the government should resist from implementing such regime.

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EMERGING TECHNOLOGY & BANKING SECTOR IN INDIA

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Abstract

The present research paper focuses on significance of new banking technology, progress of banking technology, and types of financing. Technology has brought about a complete paradigm shift in the functioning of banks and delivery, of banking services. Gone are the days when every banking transaction required a visit to the bank branch. Today, most of transactions can be done from the comforts of one's home and customers need not visit the bank branch for anything. Technology is no longer an enabler, but a business driver. The" growth of the internet, mobiles and communication technology has added a different dimension to banking. The information technology (IT) available today is being leveraged in customer acquisitions, driving automation and process efficiency, delivering" ease and efficiency to customers. Many of the IT initiatives of banks started in the late 1990s, or early 2000, with an emphasis on the adoption of core banking solutions (CBS), automation of branches and centralisation of operations in the CBS. Over the last decade, most of the banks completed the transformation to technology-driven organisations. Moving from a manual, scale-constrained environment to a global presence with automated systems and processes, it is difficult to envisage the adverse scenario where the sector was in the era before the reforms, when a simple deposit or withdrawal of cash would require a day. ATMs, mobile banking and online bill payments facilities to vendors and utility service providers have almost obviated the need for customers to visit a branch. Branches are also transforming from operating as transaction processing points into relationship management hubs.

Keywords: Banking Technology, Information Technology, Finance.

INTRODUCTION

Today banking sector has playing very important role in the economy. Technology has brought about a complete paradigm shift in the functioning of banks and delivery, of banking services. Gone are the days when every banking transaction required a visit to the bank branch.

Today, most of transactions can be done from the comforts of one's home and customers need not visit the bank branch for anything. Technology is no longer an enabler, but a business driver. The growth of the internet, mobiles and communication technology has added a different dimension to banking. The information technology (IT) available today is being leveraged in customer acquisitions, driving automation and process efficiency, delivering ease and efficiency to customers. Many of the IT initiatives of banks started in the late 1990s, or early 2000, with an emphasis on the adoption of core banking solutions (CBS), automation of branches and centralisation of operations in the CBS. Over the last decade, most of the banks completed the transformation to technology-driven organisations. Moving from a manual, scale-constrained environment to a global presence with automated systems and processes, it is difficult to envisage the adverse scenario where the sector was in the era before the reforms, when a simple deposit or withdrawal of cash would require a day. ATMs, mobile banking and online bill payments facilities to vendors and utility service providers have almost obviated the need for customers to visit a branch. Branches are also transforming from operating as transaction processing points into relationship management hubs.

Today banks are reaching out to customers, particularly high net worth or wealthy customers. One area of lucrative finance for bankers is consumer finance more particularly car finance. A preferred financier is a lender or a bank, who provides large consumer loans like car loan under an arrangement with the car manufacturer, because of the tie-up, the manufacturer agrees to provide some concession in the car price and some additional facilities in the car. Thus, the manufacturer makes available for two reasons one purchase price is assured and second it gives some push for the demand of that car. Preferred financier also benefits. He gets wealthy customers. Default in the consumer finance sector is minimum because most of the customers have regular income. Third loans are provided against hypothecation of car. Which has a resale value. In the event of default, it can be sold and value realized. The preferred financier sending his officials to the dealer's showroom provides all information about the loan facility and gets all documentation done at the showroom itself for the loan.

CONCEPTUAL BACKGROUND

The world is changing at a staggering rate and technology is considered to be the key driver for these changes around us. An analysis of technology and its uses show that it has permeated in almost every aspect of our life. Many activities are handled electronically due to the acceptance of information technology at home as well as at workplace. Slowly but steadily, the Indian customer is moving towards the internet banking. The ATM and the Net transactions are becoming popular. But the customers clear on one thing that he wants net-banking to be simple and the banking sector is matching its steps to the march of technology. E-banking or Online banking is a generic term for the delivery of banking services and products through the electronic channels such as the telephone, the internet, the cell phone etc. The concept and scope

of e-banking is still evolving. It facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably.

Commercial banks extend financial assistance or the credit facilities in many ways, although all credit facilities are basically a loan, different methods of financing are adopted depending upon the period of finance.

Purpose of finance, quantum of balance etc, some of these methods of financing introduced in the Indian banking in the recent period have been explained below. Similarly, the repayment of loan is also arranged in specific ways to suit customers requirements. Indian banking system developed enormously after independence, particularly after nationalization of banks there has been a multi-dimensional development. Nationalization of banks provided an impetus to the banking development and the banks started functioning with social responsibility. Banks usually lend for short term it is because their source of funds for financing comes from deposits which are usually for a maximum period of 3 to 5 years. However presently banks are encouraged to provide finance for long term projects like infrastructure industry.

Sometimes a bank provides a second finance facility to a borrower to help him to pay back the original loan. Why should a bank do it when the bank's exposure to the customer remains same? It is because when a borrower defaults on payment of interest / principal to the bank as per prudential norms the loan account will become an NPA and the bank has to make provisions. To avoid such an unpleasant situation and to show a rosy picture of bank's loan portfolio. Some time banks do resort to evergreening RBI does not permit this type of replacement credit. It is a loan facility provided to a single borrower by a group of banks. As the loan is extended by a group of lenders, the size of syndicated loan is normally large and single lender / banker may not have in a position to extend such a facility. It could also be that a single lender may not like to have such a large exposure (credit risk) to a single borrower. Syndicated loans are arranged to finance projects needing large sums of money where the credit risk is also high. These loans are for financing medium to long term requirements. Since the bankers involved in providing such loan facility are many, usually co-ordination work is done by "lead manager", who acts as an intermediary between the lenders and the borrower. One interesting point in syndicated loan arrangement is that the borrower indicates his requirements of lump sum and the prospective lenders have to offer as to what extent they are prepared to extend the facility. Also under this arrangement one bank in the syndicate acts as an agent for collecting interest and other payments from borrower and distributes to other banks

OBJECTIVES OF THE RESEARCH STUDY

The present research study was carried out with following objectives in view:

1. To study the Development of Banking Technology in India.
2. To study the Importance of Technology for Banking Sector.
3. To suggest some measures for implementation of Development of Banking Technology in India.

RESEARCH METHODOLOGY

The present research study uses the most recent available published secondary data. To achieve the above stated objectives, the secondary data was used. The secondary data that are mainly used are published in annual reports of various banks and survey reports of leading business magazines. The secondary data was also used from various reference books related to Banking Technology, New Age Banking Technology, Information Technology, Marketing, Banking, Finance, Commerce, Management etc. For the said research study the secondary data is also collected from the various National and International Research Journals which are related to Commerce, Management, Marketing and Finance.

For the said research study the data pertaining to the above objectives was collected and reviewed the literature on the topic concerned. The literature was thus collected by visiting various libraries. The Secondary data is also collected from various websites.

HYPOTHESIS OF THE RESEARCH STUDY

The said research study is carried out with the following hypothesis in view:

1. In early days, efficient and quick services to customer can be provided with the help of modern technologies.
2. Recent years, the growth of the internet, mobiles and communication technology has added a different dimension to banking sector.

IMPORTANCE OF TECHNOLOGY FOR BANKING

Introduction of computer and other electronic technologies in banks has the following advantages which state the importance of such new technology in banking:

1. **Increase in Efficiency** - Efficient and quick service to customer can be provided with the help of modern technologies.
2. **Accuracy** - The clearing of cheques, pass book entries, inter-branch and inter-bank reconciliation and such other functions can now be carried out quickly, correctly and legibly with modern technology.
3. **Customer Service** - With internet facility, the customers need not go to the bank office. All banking transactions and updating of accounts can be done while at home or in transit. Networking means sharing of information, giving messages and being in face to face contact even when apart. It is the meeting without moving.
4. **Easy Communication** - Internet connects thousands of computers which can work 24 hours a day throughout the year. There is no more the tyranny of working hours. The business of banks with customers, head office, other banks, and branches is being fully computerized in western countries and India has also to move in that direction to service in international competition.

5. Handling of Information - Creation of up-to-date monitoring and information system and strengthening internal control and housekeeping and reporting functions are provided. Sorting of information becomes easy.

6. Cost Reduction - There is reduction in cost including floor space because of the use of modern technology.

DEVELOPMENT OF BANKING TECHNOLOGY IN INDIA

We are today living in a world dominated by technology. Technology has become the principal driving force for long term economic growth. It has been estimated that 25-30% of industrial growth is accounted for by technological progress. We are now passing through an era of second industrial revolution. Availability of Technology has recently radically altered the traditional way of banking. Technology has so to say become the fuel for rapid change with tremendous growth in banking business and bank users. Technology becomes inevitable to keep pace with the expectations requirements of banking public.

Customers can view accounts, get statements of accounts transfer funds, and purchase drafts by just making a few key punches. Availability of ATMs and plastic cards to a large extent avoid the need for customers going to bank premises for cash. Credit cards debit cards, smart cards, cyber cash make it possible for cashless transactions. Electronic Data Interchange (EDI) is yet another development that has made its impact felt in the banking industry. SWIFT and Electronic Fund Transfer (EFT) have come in handy for quick funds transfer with the advent of satellite communication. It is now possible to instantly transfer funds across the globe. Traditionally, bank used to develop -products first and then they are fitted into available technology. The situation has reserved over the years. Technology installs a huge computing capacity and complexity to do a variety of intended tasks. It becomes the starting point to initiate the product development efforts. It is recognized that the emergence of new concepts as well as new product development are both. Technology driver. The end use of technology is not technology development but business development. Banking being a service industry has to care more for not only expanding customer's base but also to retain its existing clientele.

TYPES OF FINANCING

1. Take out financing - Banks usually lend for short term it is because their source of funds for financing comes from deposits which are usually for a maximum period of 3 to 5 years. However presently banks are encouraged to provide finance for long term projects like infrastructure industry. Hence when a bank, lend for 10 years against a 4 years deposit, there is a problem of continuing the loan after 4 years. In such a situation, few banks will come together and under an arrangement each one of them will take up the loan portfolio in turn, for a fixed period of time till the loan matures. For example, if Bank 'A' has parodied a 10 year loan. with an arrangement

with bank ‘B’ and bank ‘C’ whereby after the end of the 4th year Bank ‘B’ will finance the loan for next three years and bank ‘C’ will finance the loan during the last three (3) years

2. Revolving Credit Facility - Under the revolving credit facility a banks fixes up a credit limit to a borrower for certain period, say ` 10 crores for 3 years period. The borrower will get a maximum credit facility of ` 10 crore at any point of time once the loan is repaid. The borrowers facility automatically gets renewed up to ` 10 crore during the 3 year period any number of times, In other words the credit facility there is no formal repayment period. The borrower is allowed to draw repay and again draw throughout the loan period.

3. Evergreening of Loan - Sometimes a bank provides a second finance facility to a borrower to help him to pay back the original loan. Why should a bank do it when the banks’ exposure to the customer remains same? it is because when a borrower defaults on payment of interest / principal to the bank as per prudential norms the loan account will become an NPA and the bank has to make provisions. To avoid to such an unpleasant situation and to show a rosy picture of banks loan portfolio. Sometime banks do resort to ever greening RBI does not permit this type of replacement credit.

4. Syndicated Loan - It is a loan facility provided to a single borrower by a group of banks. As the loan is extended by a group of lenders. The size of syndicated loan is normally large and single lender / banker may not have in a position to extend such a facility. It could also be that a single lender may not like to have such a large exposure (credit risk) to a single borrower. Syndicated loans are arranged to finance projects needing large sums of money where the credit risk is also high. These loans are for financing medium to long term requirements. Since then, bankers involved in providing such loan facility are many; usually co-ordination work is done by “lead manager”, who acts as an intermediary between the lenders and the borrower. One interesting point in syndicated loan arrangement is that the borrower indicates his requirements of lump sum and the prospective lenders have to offer as to what extent they are prepared to extend the facility.

Also under this arrangement one bank in the syndicate acts an agent for collecting interest and other payments from borrower and distributes to other banks

5. Bridge Loan - Bridge loan is a short term temporary loan extended by the financial institutions to help the borrower to meet the immediate expenditure pending disposal of requests for long term funds or regular loans. For example, when a borrower’s application for project finance is pending for final sanction the bank may extend a bridge loan to the borrower to meet urgent expenses. Usually a bridge loan get repaid out of the main loan when sanctioned during 1980 corporate used to avail to bridge loans from banks against the expected subscription on public issue of debentures, equity etc. Here, the bridge loan is not against any main loan arrangement but against anticipated cash flow. Again if an individual is negotiating the sale of his asset say a house, a bridge loan may be extended by a bank to meet the seller’s immediate cash requirements. The loan will be paid off when the borrower realizes his sales proceeds. Bridge loan is relatively risky for the bankers when repayment depends up on an external factor not under the control of lenders.

6. Consortium Finance - Under consortium finance a large credit facility may be jointly arranged by a combination of several banks. Usually one of the banks in the group will act as the leader for the credit. The consortium leader will extend a larger share of the credit as compared to other banks in the consortium. The word consortium here refers to a combination of many banks who have agreed to extend the credit facility. The share of credit agreed to be extended will be decided by the bank in the beginning. The borrowers need to not deal separately with all the banks in the group. Usually he deals with the consortium leaders who take care of other banks credit.

7. Preferred Financing - In the highly competitive world of banking today. Banks are reaching out to customers, particularly high networth or wealthy customers. One area of lucrative finance for bankers is consumers finance more particularly car finance. A preferred financier is a lender or a bank. Who provides large consumer loans like car loan under an arrangement with the car manufacturer, because of the tie-up, the manufacture agrees to provide some concession in the car price and some additional facilities in the car. Thus, the manufacture makes available for two reasons one purchase price is assured and second it gives some push for the demand of that car. Preferred financier also benefits. He gets wealthy customers Default in the consumer finance sector is minimum because most of the customer have regular income. Third loans are provided against hypothecation of car. Which has a resale value? In the event of default, it can be sold and value realized. The preferred financier sending his officials to the dealer's showroom provides all information about the loan facility and gets all documentation done at the showroom itself for the loan. The customer also gains in some ways. Comparatively reduced rate of interest for loan, getting finance documentations done at the dealers showroom itself, benefit from some gift scheme etc.

8. Guarantee Services / Non Fund Based Business - Non fund based business is not a credit facility or a financial assistance. However, the banks makes sizeable income out of non-fund based business mainly from guarantee services. Banks offer "Guarantee Services", to valued customers Guarantee service refers to a legal undertaking by the bank to pay a certain sum of money to a third party or a creditor in the event of the banks client / customer fails to fulfill his part of obligation. The obligation may be to pay some money or to perform certain duties like a contract job. The guarantee from bank enhances the certainty of performance or payment. Usually, banks issue guarantees on behalf of their customers in favour of government departments like customs authority saying if the customer does not perform under a contract or does not pay the required sum. The bank will pay the money or damages. This function of issuing a guarantee is done for certain amount of fees. Hence, it is called fee based services of banks. You will understand, under a guarantee a bank does not provide any credit facility to the customer. Hence this type of services by banks is called non-fund based business. Other example are issue of "Travellers", cheques, Demand drafts, remittance facilities, arrangement of foreign currency loans etc.

SUGGESTIONS

The researcher would like to make the following suggestion for effective use of modern technologies in banking sector and for increasing overall performance of the banks.

1. Banks may have to concentrate upon maintaining old customers. Because getting new customers is first differentiate the entire customer into separate groups such as – corporate customers, employee customers (serviceman) housewives, male, female, students, pensioners, self-employed, persons, entrepreneurs etc.
2. Marketing of banking services is become necessary activity in daily routine. Each branch of the Scheduled Urban Cooperative Banks in Pune District area should appoint ‘Marketing Officer’ who would be responsible for marketing all the new products and can guide the customer properly. The specialized staff must be appointed for marketing of banking services by all the banks. The required training may be given to this specialized staff of the banks.
3. Banking institutions have to face global competition. For this purpose each bank must have to increase its strength with the help of maintaining old customers and achieving new customers. Now ‘survival of the fittest’ becomes important feature in each field, including banking. For strengthening the banking unit, it is necessary to increase profit by providing new services to the customers and to face global competition.
4. In respect of adopting new technology in the banking field the employees must be well trained.
5. The training programmes for getting techniques of utilizing the computer, internet and various types of electronic Medias must be arranged by the banks.
6. The banking employees should be always ready to accept the changes, which take place in this field.

CONCLUSION

In the highly competitive world of banking today. Banks are reaching out to customers, particularly high net worth or wealthy customers. One area of lucrative finance for bankers is consumers finance more particularly car finance. A preferred financier is a lender or a bank. Who provides large consumer loans like car loan under an arrangement with the car manufacturer, because of the tie-up, the manufacture agrees to provide some concession in the car price and some additional facilities in the car. Thus, the manufacture makes available for two reasons one purchase price is assured and second it gives some push for the demand of that car. Preferred financier also benefits. He gets wealthy customers Default in the consumer finance sector is minimum because most of the customer have regular income. Third loans are provided against hypothecation of car. Which has a resale value? In the event of default, it can be sold and value realized. The preferred financier sending his officials to the dealer’s showroom provides all information about the loan facility and gets all documentation done at the showroom itself for the

loan. The customer also gains in some ways. Comparatively reduced rate of interest for loan, getting finance documentations done at the dealers showroom itself, benefit from some gift scheme etc.

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PERFORMANCE ANALYSIS OF SELECTED MUTUAL FUNDS IN INDIA

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Abstract

Mutual funds are gaining importance in portfolio management of individuals in India. Individuals seeking long term wealth creation are attracted towards mutual funds as majority of funds have given substantial return on investment in recent years. Characteristics like low expense ratio, trustworthiness, solid past performance, availability of number of subcategories to invest, etc. attracting investors in India. Introduction of SIP Schemes by various asset management companies gained importance as it reduces risk associated with volatility of markets. Mutual fund investments are considered to be less risky compared to equity investments in stock markets as direct investment in stock or debt market needs technical knowledge about performance of securities in the market. This paper analyses performance of selected mutual funds in India.

Keywords: *Mutual fund, portfolio, risk, investment, wealth creation.*

Introduction

Mutual Funds have become a widely popular and effective way for investors to participate in financial markets in an easy, low-cost fashion, while muting risk characteristics by spreading the investment across different types of securities, also known as diversification. It can play a central role in an individual's investment strategy. They offer the potential for capital growth and income through investment performance, dividends and distributions under the guidance of a portfolio manager who makes investment decisions on behalf of mutual fund unit holders. Over the past decade, mutual funds have increasingly become the investor's vehicle of choice for long-term investment. It becomes pertinent to study the performance of the mutual fund. The relation between risk-return determines the performance of a mutual fund scheme. As risk is commensurate with return, therefore, providing maximum return on the investment made within the acceptable associated risk level helps in segregating the better performers from the laggards.

Many asset management companies are working in India, so it is necessary to study the performance of it which may be useful for the investors to select the right mutual fund.

A mutual fund is a common pool of money into which investors with common investment objectives place their contributions that are to be invested, in accordance with the stated objective of the scheme. The investment manager invests the money collected into assets that are defined by the stated objective of the scheme. For example, an Equity fund would invest in Equity and Equity related instruments and a Debt fund would invest in Bonds, Debentures, Gilts etc.

Objectives of the study

1. To identify types of mutual funds in India.
2. To evaluate and compare the performance of selected mutual funds in India
3. To analyse mutual fund returns compared with other investment alternatives in India.

Research Methodology

Secondary data is taken as a basis of analysis in this research. Five equity large cap mutual funds and top five equity balanced mutual funds were selected for the study. Also data regarding overall performance of various types of mutual funds was also collected. Data has collected from the websites www.nseindia.com, www.bseindia.com, www.fincash.com and www.moneycontrol.com. The reference period for the data is taken from March 2012 to February 2018.

Data Analysis

Table 1: Top 5 Large Cap Equity Mutual Funds

Fund	NAV (Rs.)	Net Assets (Rs. Cr.)	3M Return (%)	6M Return (%)	1Y Return (%)	3Y Return (%)	5Y Return (%)	2017 Return (%)
<u>Axis Focused 25 Fund Growth</u>	26.43 ↑ 0.09	3,074	-1.6	6.5	23.2	12.9	18.9	45.2
<u>Invesco India Growth Fund Growth</u>	33.02 ↑ 0.18	336	-0.632	8.5	22.7	10.6	20.5	39.6
<u>ICICI Prudential Nifty Next 50</u>	26.518 ↑ 0.01	180	-5.3	6.3	17.6	14.5	22	45.7

<u>Index Fund Growth</u>								
<u>Mirae Asset India Opportunities Fund Growth</u>	46.222 ↑ 0.13	6,785	-5.6	2.5	15.6	11.2	22.1	38.6
<u>Kotak Select Focus Fund Growth</u>	32.867 ↑ 0.14	17,803	-3.3	3.1	12.8	11.6	22.6	34.3

Source: www.fincash.com

Interference:

Table 1 depicts the performance of selected equity large cap schemes return for a period of 2012 to 2017. It also depicts the average Portfolio return.

Table 2: Top 5 Balanced Equity Mutual Funds

<u>Fund</u>	<u>NAV (Rs.)</u>	<u>Net Assets (Rs. Cr.)</u>	<u>3M Return (%)</u>	<u>6M Return (%)</u>	<u>1Y Return (%)</u>	<u>3Y Return (%)</u>	<u>5Y Return (%)</u>	<u>2017 Return (%)</u>
<u>Principal Balanced Fund Growth</u>	75.47 ↑ 0.05	1,060	-3.8	4.9	20.4	13.6	18.9	36.3
<u>Tata Retirement Savings Fund-Moderate Growth</u>	29.4406 ↑ 0.08	533	-3.6	3.1	15.6	11.8	21.6	38.8
<u>HDFC Balanced Fund Growth</u>	149.402 ↑ 0.48	20,191	-2.5	5.2	13.6	10.6	20.1	27.5
<u>Aditya Birla Sun Life Balanced '95 Fund Growth</u>	753.01 ↑ 1.33	13,967	-3.1	1.5	10.6	9.4	18.1	25.9
<u>SBI Magnum Balanced Fund Growth</u>	126.057 ↑ 0.59	21,404	-2.4	5.5	15	8.8	18.4	27.7

Source: www.fincash.com

Interference:

Table 2 depicts the performance of selected balanced fund return for a period of 2012 to 2017. It also depicts the average Portfolio return.

Table 3: 5 Year Returns Across Categories

Category: Equity	Avg. 5Y Ret.	Category: Balanced	Avg. 5Y Ret.	Category: Fixed Income	Avg. 5Y Ret	Category: Money Market	Avg. 5Y Ret.
ELSS (Tax Saving)	18.88	Conservative Allocation	10.56	Corporate Credit	9.54	Liquid	8.3
Equity - Other	18.72	Hybrid Allocation	11.15	Dynamic Bond	9.43	Ultrashort Bond	8.64
Flexi Cap	18.89	Moderate Allocation	15.62	Intermediate Bond	8.93		
Large Cap	15.33			Intermediate Government Bond	9.91		
				Long Term Government Bond	9.87		
				Short Term Bond	8.72		
				Short Term Government Bond	8.63		

Source: www.fincash.com

Interference

Table 3 depicts the performance of 5 Year Returns Across Categories of mutual funds in India.

Interpretation

Different types of mutual funds have different levels of volatility or potential price, and those with the greater chance of losing value are also the funds that can produce the greater returns for you over time. So risk has two sides: it causes the value of your investments to fluctuate, but it is precisely the reason you can expect to earn higher returns.

Conventionally, the difference between debt and equity is the risk involved. Debt is that encompasses bank deposits, government-backed deposits, other deposits as well as mutual funds that invest in debt paper.

Equity means stocks as well as equity mutual funds. Everyone knows that debt is less risky than equity, and that's true. However, for the purpose of planning a targeted investment, it's more useful to think of debt and equity in a different manner.

The important difference between the two is that their risk and return curve varies in a very different way over different time-scales. Debt returns are predictable and there are many government-guaranteed deposits available to the Indian investor.

Risk then, refers to the volatility - the up and down activity in the markets and individual issues that occur constantly over a period of time. This volatility can be caused by a number of factors - interest rate changes, inflation or general economic conditions. It is this variability, uncertainty and potential for loss, that causes investors to worry. We all fear the possibility that a stock we invest in will fall substantially. But it is this very volatility that earns higher long-term returns from these investments, than from a savings account.

Recommendations

Debt returns are low, barely matching or only slightly exceeding the rate of inflation. Equity returns have the potential of being much higher but can be volatile. However, the volatility of equity is a relatively short-term phenomenon.

For periods exceeding three to five years, equity investments are extremely likely to give strong positive returns. This is especially true if stick to a broad selection of the relatively large-cap companies and if you invest gradually, as in through an SIP.

Speaking in terms of risk, this means that instead of saying that equity has higher risk, we should actually be saying that equity's risk drops over time and at a long enough timescale, the returns-to-risk ratio becomes far more attractive than debt. And there's the point about how all this fits into your targeted investment goals. The formula is simple — debt for the short-term, and equity for the long-term.

Managing director, Vivek Kudva India and central and Eastern Europe, Middle East and Africa, Franklin Templeton Investments is of the opinion that “There has been a substantial increase in interest for fixed income mutual funds (especially among high net worth individuals)—a reflection of the growing awareness of the category. Over the last year or so, corporate bond funds focused on high coupons had seen increased flows. In recent months, there has been a shift in favour of long bond funds with relatively higher maturities (both gilts and corporate bonds), as investors were looking to take advantage of the expected fall in interest rates. On the equity side, sharp rallies have resulted in profit booking in equity funds while periods of market corrections have seen positive net flows.

Conclusion

Overall, all selected mutual fund companies have positive return during 2012 to 2017. The rise in stock prices encouraged investors to book profits and shift money to debt schemes because the latter will generate healthy returns when interest rates soften, fund managers said. Clearly, investors are not convinced the stock market will continue to rise, with key indices touching a new high this year.

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THE IMPORTANCE OF TRAINING AND DEVELOPMENT PROGRAMMES IN HOTEL INDUSTRY

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Abstract

This research paper is an exploratory study based on literature review, on training programs within the hotel industry. The information gathered and discerned in this paper will explore the training needs of the employees in hotel industry and will give an insight on effectiveness of training and development in hotel industry. Since all employees need training and development no matter what industry they are in, other industries' insights may offer new perspectives to the hotel industry. Another constraint in this paper is the term training to encompass both training and development. Training is the activities that are designed to provide learners with the knowledge and skills needed for their present jobs whereas development is the learning that goes beyond today's job and has a more long-term focus. Although training and development usually go hand in hand, they differ in that training can be done by all staff, whereas development is usually undertaken by the trainee's supervisors or managers. Training also tends to be more specific while development looks more at the long-term professional goals. The trainer will teach specific skills and knowledge to the trainee in order to obtain specific goals for their present position. During the development process, staff will meet with their supervisor and or manager to discuss their strengths and weaknesses, and how to improve work performances to help expand and broaden their current career path. This paper critically examines the importance of training and development and their importance to an organization's success.

Key Words: *Training, Development, Training Needs, Hospitality.*

1. Introduction

1.1 Training

Training is concerned with imparting specific skills for a particular purpose. Training is the sequence of learning a sequence of programmed behavior. Training is the act of increasing the skills of an employee for doing a particular job.

“Training is the process that provides employees with the knowledge and the skills required to operate within the systems and standards set by management.” (Sommerville 2007)

1.2 Development

Management development is all those activities and programme when recognized and controlled have substantial influence in changing the capacity of the individual to perform his assignment better and in going so all likely to increase his potential for future assignments.

Thus, management development is a combination of various training programme, though some kind of training is necessary, it is the overall development of the competency of managerial personal in the light of the present requirement as well as the future requirement.

Development an activity designed to improve the performance of existing managers and to provide for a planned growth of managers to meet future organizational requirements is management development.

Conventional 'training' is required to cover essential work-related skills, techniques and knowledge, and much of this section deals with taking a positive progressive approach to this sort of traditional 'training'.

Importantly however, the most effective way to develop people is quite different from conventional skills training, which let's face it many employees regard quite negatively. They'll do it of course, but they won't enjoy it much because it's about work, not about themselves as people. The most effective way to develop people is instead to enable learning and personal development, with all that this implies.

So, as soon as you've covered the basic work-related skills training that is much described in this section

- focus on enabling learning and development for people as individuals - which extends the range of development way outside traditional work skills and knowledge, and creates far more exciting, liberating, motivational opportunities - for people and for employers.

Rightly organizations are facing great pressure to change these days - to facilitate and encourage whole-person development and fulfillment - beyond traditional training.

1.3 Need for Training

- ❖ Globalization
- ❖ Need of leadership.
- ❖ Increased value placed on intangible assets & human capital.
- ❖ Focus on link to business strategy
- ❖ Customer's services & quality emphasis.

- ❖ New technology.
- ❖ High performances model at work system.
- ❖ Economic changes.
- ❖ Attracting & retaining talent.

Training Needs Assessment

Need Assessment also known as needs analysis; a method of analyzing how employee skill deficits can be addressed through current or future training and professional development programs, as well as determining the types of training/development programs required and how to prioritize training/development. Needs assessment is also the identification of the gap(s) between optimal performance and actual performance (Breiter & Woods, 1997, p 88).

Training Needs Analysis (TNA) is the key to reshaping the future of Continuing Professional Development (CPD) Programmed in the all industries and educational institutes. It is the major component of training programmers. It is a crucial component of learning for ascertaining both the needs of the learners and the organization and as such it provides a fundamental link with relevant and effective teaching and learning process. It determines and identifies the existence of a gap between what is required of a person to perform their duties competently and what they actually know as a basis for initiating corrective measures and or remedial education. Training Needs Analysis can be an overwhelming process. It is a method that will bridge the gap between the required performance and the actual performance. It is also a method of determining whether a training need exists, and if it does, what training is required to fill the gap.

The essence of TNA is to find out the general areas of work/ healthcare where an improvement is needed that would require CPD. It focuses on identifying needs of the target audience, developing a rationale for a training programme, identifying needed inputs, determining program content and setting program goals.

To make Continuing Professional Education programmes more effective, TNA should be done before designing and conducting any training or workshops and to look into the needs of the organization, job performance and the staff. If training is the chosen solution to address those needs, it is important to first know the nature of the problem. Without that clarification, training can accomplish absolutely nothing except wasting time, efforts and resources. A training programme must be carefully planned and organized and based on needs analysis.

2. Hotel Industry

The standards of facilities and services offered have evolved over the last decade towards the extensive use of technology, environment friendly services, pricing, market segmentation, regional preferences, etc. The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and, boutique and budget hotels. The occupancy and the room rates have seen continued gains both from the domestic and the international traveler in both the business and leisure segment.

With the continued growth in India's GDP, improvement in the per capita income, and increased aspirational spending, the Indian hospitality sector is expected to grow faster than most countries around the world. The inherent strength of the Indian economy has led to increased international visits to India. For foreigners, the travel time has increased to three-five days for business travel and from five days to seven-10 days for leisure travel.

The government has stepped up various reforms to accelerate the industry growth with liberalization in the regulatory framework, investment friendly schemes, extensive support for creating a world class infrastructure, initiating better air and land connectivity, incentivizing regional set-up in tier III and IV cities, exploring the untapped geographical resources.

Federation of Hotel and Restaurant Associations of India states that India currently has over 200,000 hotel rooms spread across hotel categories and guest-houses and is still facing a shortfall of over 100,000 rooms. Leading hotel brands have pepped up their investments and are in various stages of commencement of new proprieties in India, both in metro and non- metro cities. Cities such as Hyderabad, Pune, Jaipur and Chandigarh have emerged as growth markets. The emergence of these secondary and tertiary cities has led to an aggressive increase in hotel development activity, which was previously dependent in just five main cities.

Technology is used almost in every department and function to increase efficiency and standardize operations. The hotels are becoming increasingly conscious for the security of its guest. Keys Hotels launched women only floors in India with video phones in each room to ensure that the women travelers feel secured and enjoy the hospitality and amenities without any apprehension. Many international chains have added various amenities such as special hair dryers and toiletries and operate women-only lounges on the dedicated floor.

2.2 An Overview of the Training and Development in Hotel Industry

Training and development are integral to a Hotel's growth and success. Hotels can however under-train their employees by being unwilling to take the time to explain new staff tasks that need to be performed.

When this unwillingness occurs, Ryan (2008) states that three scenarios may take place – the employee will not be able to help a client the way they should, the client will be left unsatisfied by the hotel's service level, and lastly the employee will become frustrated by the company and his or her service level will drop to a minimum. Studies have shown that training programs increase employee satisfaction, employee morale and employee retention, and decrease turnover and hiring rates. Training has been shown to improve knowledge and in turn knowledge improves the delivery of hospitality business-related activities. Daniels (2008) mentions in her article that in the current economic situation; companies may be tempted to cut their training budgets, but they should not however abandon training. Hotels should instead use this situation as an opportunity because training boosts morale and commitment by showing employees they are a valued and important resource. The training itself provides skills and enthusiasm to help participants provide amazing customer service. Great customer experiences lead to brand loyalty. Skills' training that equips employees with the tools to increase customer loyalty is not overhead, a cost, or a frill. Training is important as it is part of the service quality

that drives the performance of hotels. Chow, Haddad and Singh (2007) found in their study of 46 hotels in San Diego that by providing training and development, the hotels' employee morale, productivity and job satisfaction improved, which in turn can improve managers' morale.

2.3 Theoretical Framework



Training

It is a learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules, or changing of attitudes and behaviors to enhance the performance of employees. Training is a continuous process by which employee actually gets the knowledge and get to know how he or she can perform well in the organization. There are two basic type of training,

- ❖ On Job training
- ❖ Off Job training

On Job training is actually done when an employee gets the training while performing his or her assigned task. Off Job training is a type of training when employees of the organization are been called for training session to learn a task.

There are many different training and development methods. On-the-job training, informal training, classroom training, internal training courses, external training courses, on-the-job

coaching, life-coaching, mentoring, training assignments and tasks, skills training, product training, technical training, behavioural development training, role-playing and role-play games and exercises, attitudinal training and development, accredited training and learning, distance learning - all part of the training menu, available to use and apply according to individual training needs and organisational training needs.

Training is also available far beyond and outside the classroom. More importantly, training - or learning, to look at it from the trainee's view - is anything offering learning and developmental experience. Training and learning development includes aspects such as: ethics and morality; attitude and behaviour; leadership and determination, as well as skills and knowledge. Development isn't restricted to training - it's anything that helps a person to grow, in ability, skills, confidence, tolerance, commitment, initiative, inter-personal skills, understanding, self-control, motivation and more.

If you consider the attributes of really effective people, be they leaders, managers, operators, technicians; any role at all, the important qualities which make good performers special are likely to be attitudinal. Skills and knowledge, and the processes available to people, are no great advantage. What makes people effective and valuable to any organization is their attitude.

Attitude includes qualities that require different training and learning methods. Attitude stems from a person's mind-set, belief system, emotional maturity, self-confidence, and experience. These are the greatest training and development challenges faced, and there are better ways of achieving this sort of change and development than putting people in a classroom, or indeed by delivering most sorts of conventional business or skills training, which people see as a chore.

This is why training and learning must extend far beyond conventional classroom training courses. Be creative, innovative, and open-minded, and you will discover learning in virtually every new experience, whether for yourself, your team, or your organization. If you want to make a difference, think about what really helps people to change.

All supervisors and managers should enable and provide training and development for their people - training develops people, it improves performance, raises morale; training and developing people increases the health and effectiveness of the organization, and the productivity of the business.

The leader's ethics and behaviour set the standard for their people's, which determines how productively they use their skills and knowledge. Training is nothing without the motivation to apply it effectively. A strong capability to plan and manage skills training, the acquisition of

knowledge, and the development of motivation and attitude, largely determines how well people perform in their jobs.

2.4 The Training Process

- ❖ Assessing the training needs
- ❖ Planning the training
- ❖ Carrying out the training
- ❖ Evaluating the training

The training cycle is circular; it begins with the needs assessment. A need of training always results from the difference between an ideal expect for employees' performances and the actual

performances. Trainings can also be provided for new employees to help them get familiar with the work environment and tasks etc. HR department should consider the related aspects for example job analysis, performance objectives etc.

The second step in the training cycle is the planning of the training. Planning is separated into specifying training objectives, designing training programme, selecting training methods. Training goals, training method, duration, programme structure, location and selection of trainees etc. practical problems are to be answered in the planning stage.

After successfully planning the training, the training programme should be effectively carried out following the plan. The trainer should be well prepared and skilful, and the trainees should be actively participating in the training.

Evaluation of the training is an unavoidable stage in the training process, to get the feedback helps adjusting and organising future trainings. Plans for future training can be done at this stage. Evaluation is the ending stage of a training cycle but at the same time it is the basis for the new training cycle (Woods 2006).

3. Standard Operating Procedures of Training and Development in Hotel Industry

Hotel Industry believes that on-going professional education is necessary for every employee. There is great emphasis on in-house training programmes as well as nomination to external courses. In this it has technical training for skill up gradation and behavioural/managerial training for employees to shoulder higher order responsibilities. In house-training is complemented with programmes by external trainers and sponsorship to external training programs.

3.1 Purpose of Standard Operating Procedures

The purpose of Standard Operating Procedures of the Training and Development programmes is to develop a learning organization and to ensure quantifiable returns on the investment being done on Training & Development activities.

3.2 Scope of Standard Operating Procedures

This policy aims at developing systems to ensure training is need based and driven by business and organizational requirements.

3.3 Responsibility

It is the responsibility of HR Executive to ensure implementation of this policy under the supervision of Head – HR & Personnel.

3.4 Procedure

- ❖ The Training & Development plan shall be linked with the performance year.
- ❖ Training programmes shall be classified broadly into four main categories viz. Induction programmes, Executive/Management Development programmes, Technical / Functional skill development programmes and, Behavioural/ Attitudinal training programmes.
- ❖ The training need identification shall be done at the end of the performance year immediately after the performance review is over, also occur when job responsibilities changes / new equipment is introduced.
- ❖ The training needs shall be identified through three main sources viz. Business performance, Functional performance and individual performance.
- ❖ Business performance shall lead to identification of common training needs across departments e.g. if the business suffered due to lack of leadership or could not steer out effectively from some crisis then leadership skills and crisis management will be the required training inputs.
- ❖ Functional performance shall lead to identification of a common training need for most employees from a particular function e.g. if there are customer complaints on quality of service from a particular department then customer management skills will be the required training input.

- ❖ Employee performance shall lead to identification of training needs for an individual employee. e. g. if an employee could not achieve his/her goals due to lack of assertiveness then assertiveness skill will be the required training input.
- ❖ Individual training needs can also be identified through succession planning e.g. if an employee is identified as a successor to a particular position but found to be lacking in a particular skill that is a part of the targeted position's skill set then that particular skill will be the required training input for that employee.
- ❖ Once the training needs are identified a training calendar shall be prepared by the HR Executive comprising of employee name, training programme and approximate cost of the programme (Training budget).
- ❖ HR Executive shall get the approval from Hotel Head and Corporate HR Head for execution of the training calendar and training budget.

3.5 Nomination for External Training programme

HR Executive shall arrange to get the list of external training agencies and their training calendar. If a suitable training programme from an external agency matches the requirement of an employee training need then HR Executive shall send the proposal to the concerned functional head for approval. After obtaining approval HR Executive shall coordinate for sending the particular employee for the selected training programme.

3.6 In-House Training Programmes

If a lot of employees share a common training need then HR Executive shall arrange to conduct In-house training programme. HR Executive shall arrange to prepare a list of participants for the In-house training programme in consultation with the concerned functional heads. HR Executive shall then decide duration of the training programme and venue. HR Executive shall send a circular on the training programme giving all details to all participants with a copy to respective functional heads. At the end of the training programme all participants shall be asked to fill Feedback Form, out of total trainees attended, minimum 70% of trainees must rate above 2 (Average) in the training programme, and then it will be said as effective training.

Conclusion

The purpose of this paper was to identify the techniques that the hotel industry could use to

maintain training and development of their employees and the methods used to evaluate training programs. We had observed that through training, employee morale and satisfaction, company productivity and service quality improved. Human resources departments should emphasize the importance of training programs to its company's success. Although training programs may be reduced or eliminated, essential must remain intact to avoid future problems. Training programs can become more innovative in times of economic instability through the use of technology and self catering programs that employees monitor themselves. Companies can also involve employees with the development of training programs to avoid unnecessary spending of training budgets. Hotels can also look at other industries for ideas when developing new training programs as a way to have a competitive advantage. Hotels should also develop training programs with its business objectives, core values and strategic goals in mind. Lastly, to ensure the success of training programs in the hotel industry, programs should be evaluated regularly to monitor the Success of the programs. Human Resources Departments should emphasize the importance of training programs to its company's success.

Although training programs may be reduced or eliminated, essential must remain intact to avoid future problems.

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STUDY OF OPPORTUNITIES AND CHALLENGES FOR SOLAR ENERGY INDUSTRIES

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Abstract

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Considering the spectrum of economic progress of India major spending of the country is on energy. Though, the total demand is difficult to meet in the present scenario to the extent of energy requirement.

Keywords: *Solar Energy Industry, Marketing strategy of Solar Energy, Awareness regarding Solar Energy Utilization, Government Initiatives.*

Introduction

India has taken steps towards efforts to become self-sufficient to some extent in terms of energy requirements. Recently, Prime Minister Narendra Modi has declared new mighty scheme called 'SaubhagyaYojana'. Under this scheme government has planned to provide free electricity to the poor of the nations. This approach has been given a way to initiate long term policies in raising awareness towards utilization of viable non-conventional energy sources such as solar and wind. Although, it has not attended significant success, but the entry of certain player into the game has been witnessed.

The present study critically examines this game of market players into the solar energy perspectives with special reference to Pune Region.

Aims and Objectives of the Study

Investigation of the solar energy industry to assess opportunities and obstacles is the primary aim of the present study, to achieve this aim below mentioned objectives have been considered-

- To study opportunities for solar energy industry by undertaking review of government policies and undertaking study of expectations and satisfaction of the customers
- To assess challenges of solar energy industries by undertaking study of awareness regarding solar energy utilization
- Study of awareness regarding solar energy utilization

- Review of government policies regarding solar energy industries

Proposed Methodology

Considering all the details mentioned above, to attain aims and objectives of the present research multifold research methods are required. The suitable research methods and tools proposed under this study have been presented according to the objectives as mentioned below-

- ***To study opportunities for solar energy industry***–This aspect will be investigated with the help of secondary data collected most reliable sources such as journals, books, government websites etc. This aspect will also propose to be generalized with the help of survey outcomes measured for expectations and satisfaction levels of the customers.
- ***To assess challenges of solar energy industries*** – The challenges of the solar industries proposed to be investigated with the help of survey of various stake holders in the value chain, such as, government agencies (MEDA), suppliers and manufacturers of the solar panel system, users of the solar energy categorized into households, corporate firms, social firms and government it-self.

The entire study will be naturally based on two well-known databases, namely, primary and secondary. As per the details received from the Maharashtra Energy Development Agency (MEDA) of State Government of Maharashtra as in Pune total 500 agencies are active in the business of solar energy. There are 2-3 manufacturers belongs to the solar panel manufacturers from Pune but remaining all are importing required material from China. The customer or the demand side will be comprised of actual users of solar energy, classified into major two groups, namely, firms and households.

Significance of the Study

Power sector plays a vital role in the growth of Indian economy and it is growing at rapid pace. The total installed capacity has reached to 310GW with generation mix of Thermal (69.4%), Hydro (13.9%), Renewable (14.8%) and Nuclear (1.9%). It is evident that the renewable power has secured 2nd position after Thermal and is spreading its wings rapidly in India. The Government of India has up-scaled the target of renewable power capacity to 175 GW ***which includes 100 GW from Solar***, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro power to be achieved by 2022. The Ministry is implementing a wide range of schemes with fiscal and financial support and encouraging policies to achieve this target. Largest ever wind power capacity addition of 3423 MW, exceeding target by 43% and solar power capacity addition of 3,019 MW, exceeding target by 116% was made in 2015-16. For the first time the largest solar power projects capacity of 20,904 MW was tendered and 31,472 Solar Pumps were installed which is higher than total number of pumps installed during last 24 years in 2015-16¹. All these points clearly highlight the government's mighty strategic stance solar energy production. Though, at the grass root level an awareness regarding installation of solar panel has seen very weak at both units namely, household and firm.

To accommodate this challenge an investigative study of solar energy industries focusing on assessing their challenges and opportunities has been proposed in this study. All the stake holders in this industry have been considered to be studied with an intension of arriving at workable post script suggestions which will help the industry to perform in future.

Considering all these discussion, in the context of present research, hardly needs any emphasis on significance and importance.

The various Solar Products

1. Street lighting systems
2. Solar powered traffic signals
3. Solar water heater
4. Solar Cooker
5. Solar generators
6. Water pump
- 7.Solar Park

Conclusion

Renewable energy, promises to become the major renewable industry in the upcoming years and the industry experts are hopeful that it will touch high mark in next 5 years. The reason behind the immense growth of the India Industry can be attributed to the availability renewable energy and affordable scheme of government. Physically, solar energy constitutes the most abundant renewable energy resource available and, in most regions of the world, its theoretical potential is far in excess of the current total primary energy supply in those regions.

Solar energy technologies could help address energy access to rural and remote communities help improve long-term energy security and help greenhouse gas mitigation. The market for technologies to harness solar energy has seen dramatic expansion over the past decade – in particular the expansion of the market for grid-connected distributed PV systems and solar hot water systems have been remarkable. Various fiscal and regulatory instruments have been used to increase output of solar energy.

These instruments include tax incentives, preferential interest rates, direct incentives, loan programs, construction mandates, renewable portfolio standards, voluntary green power programs, net metering, interconnection standards and demonstration projects. However, the level of incentives provided through these instruments has not been enough to substantially increase the penetration of solar energy in the global energy supply mix.

The fundamental barrier to increasing market-driven utilization of solar technologies continues to be their cost. The current growth of solar energy is mainly driven by policy supports. Continuation and expansion of costly existing supports would be necessary for several decades to enhance the further deployment of solar energy in both developed and developing

countries, given current technologies and projections of their further improvements over the near to medium term.

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STUDY ON WORKPLACEMOTIVATION FROM THE PERSPECTIVE OF EMPLOYEE ENGAGEMENT BASE

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Abstract

Engaging employee with organization is prime requirement of growth. Motivation has great relevance with employee engagement. In this paper it is viewed as platform or basic tool for designing and implementing successful engagement activities. Workplace motivation factor are very much essential to know because every organization is unique at its own place. The general strategies may not meaningful to every organization regards to engagement activities. Thus understanding various aspects, facet, ground realities, and contemporary motivational factor provides valuable insights to management. Based on results from both secondary and primary research, the author recommended practices for understanding employee motivation and engagement. A qualitative research approach was selected for this paper, as it best supported to its objective. Employee survey was conducted to ascertain the factors of employee motivation and engagement. The findings of this qualitative research suggest that even though there is no single model that best suits the demands of today's workplaces, an integrated approach of towards contemporary and progressive motivational factors is likely to yield best results.

Keywords: *contemporary and progressive motivational factors, workplace motivation, employee engagement.*

Introduction

In the modern scenario where every organization has suffered from external environmental challenges and changes, employee engagement is become essential practice for competitive organization. In this regard motivation at workplace plays key role in maintaining employee. Engaging employee within organization is quite difficult task in today's rapid changing and challenging environment. It requires lot effort and continuous practices to keep employee with organizational avenues. Most of organization finds various activities and designs programs on continual basis for this purpose. Various theories of motivation has proven the importance and its requirement in sustainability and growth of organization. The present paper discusses its importance from the perspective of employee engagement. Motivational factors create a basic platform on which employee engagement activities could perform. In other sense motivation is a basic tool for engaging employees with organization. While making arguments on this perspective the author has considered employees of manufacturing sector from large scale enterprises of Ahmednagar district. It has been observed that it is essential to recognize motivational factors behind all activities of organization which has been designed with the purpose of employee engagement.

Objectives

1. To recognize the role of motivational factors from employee engagement perspective.
2. To study current motivational factors and its relevance to employee engagement.
3. To examine scope of today's workplaces with regard to employee engagement and motivation.

Key Concepts

Employee engagement- Employee engagement shows the degree of how much an employee is involved, empowered, motivated and committed towards his job and organization. An engaged employee is aware of the business context, and works as a team member to improve performance of the job for the benefit of the organization. Engaged employees are concerned about the future of the organization and are willing to invest discretionary efforts for the organization. Thus employee engagement determines the association of person with the organization. Engagement – the extent to which people value, enjoy and believe in what they do to compete today, companies need to win over the minds and hearts of the employee in a way that leads to extra ordinary effort. It is a workplace approach aimed at creating conditions in which employees are committed to their organization's goals and values, are motivated to contribute to organizational success, and offer more of their capability and potential with an enhanced sense of their own well-being (Engage for Success 2015).

Motivation: A term referring to the factors that activate, direct, as well as sustain goaldirected behavior. Though motivation cannot be observed, it can be inferred that it exists based on behavior we can observe (Nevid 2013). To be motivated is to be moved to do something (Deci& Ryan 2000, 54).

Literature review

Chris Burton, wrote in the white paper, 'A study into Motivation and Engagement – Why we really do the things we do...' the relationship between engagement and motivation is a two way street; improve one and you also improve the other. So the key to understanding how to benefit from improved levels of engagement is firstly to understand what motivates us – why do we really do the things we do..? To understand what really motivates us we need to strip away all the factors which might merely influence us; in other words, we need to identify what lies at the very heart of our motivation to do something.' The eminent author wrote that, engagement is linked to three essential forces in the organization - Attrition, Productivity & Profitability. The organizations now days take all reasonable steps to ensure that they have engaged workforce like organizing birthday bashes, talent shows, sports activities and many other things. They want their employees to be committed to their work fully besides all the above activities they also make

sure that the employees have role clarity, get all the material and equipment they require to perform their work efficiently etc.

The discussion on motivational factor states that, The basic needs of staff and how to keep your employees motivated and engaged in their work. There are many factors affecting motivation that managers have little or no control over. However, a good manager will do their best to keep their team motivated and engaged – it is better for morale and for productivity!

Waseem and Yower, stated that, work motivation (intrinsic & extrinsic) and employee engagement is the hot issues for today's management. They found that studies many studies made indirect link between work motivation (intrinsic & extrinsic) and employee engagement. Moreover, motivational factors (intrinsic & extrinsic) are often considered a useful tool for employee engagement. But very few studies investigated the direct relationship between work motivation (intrinsic & extrinsic) and employee engagement.

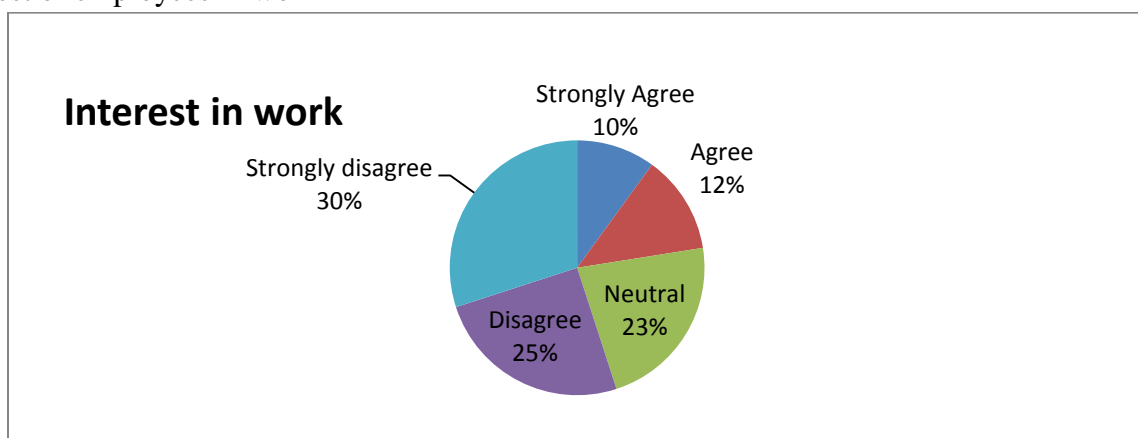
Priyadarshni studied impact of employee engagement on employee productivity and motivational level of employee in Retail sector. Understanding what drives employee engagement illuminates the path leaders can take to enhance employee retention in their organizations. The findings are in favor of motivation linked with engagement.

Research Methodology

The present research paper is outcome of study conducted on employees of large scale enterprise of Ahmednagar. It is exploratory research carried out with qualitative approach. 40 Supervisory grade employees selected from large scale enterprise through random sampling method. Data collected through questionnaire and results were analyzed by use of percentage and pie charts.

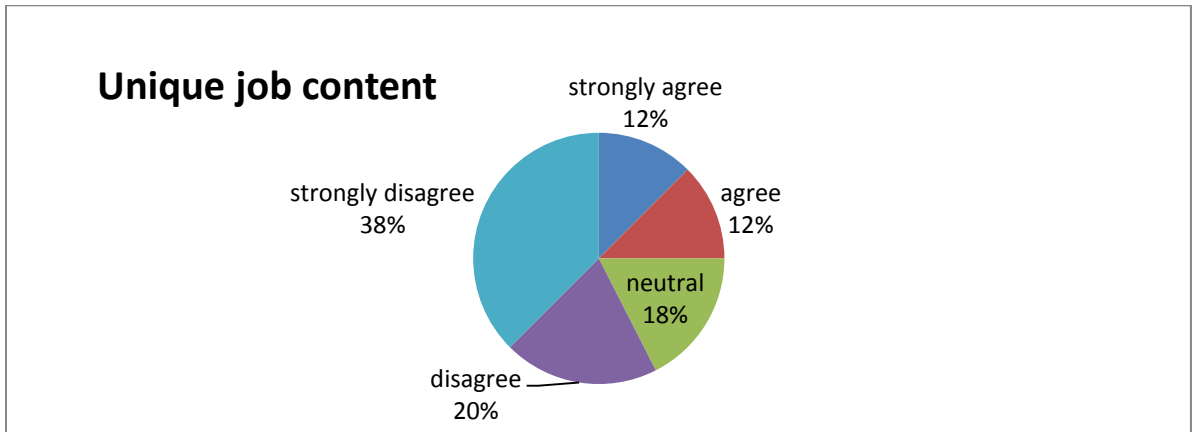
Results and findings

1. Interest of employees in work



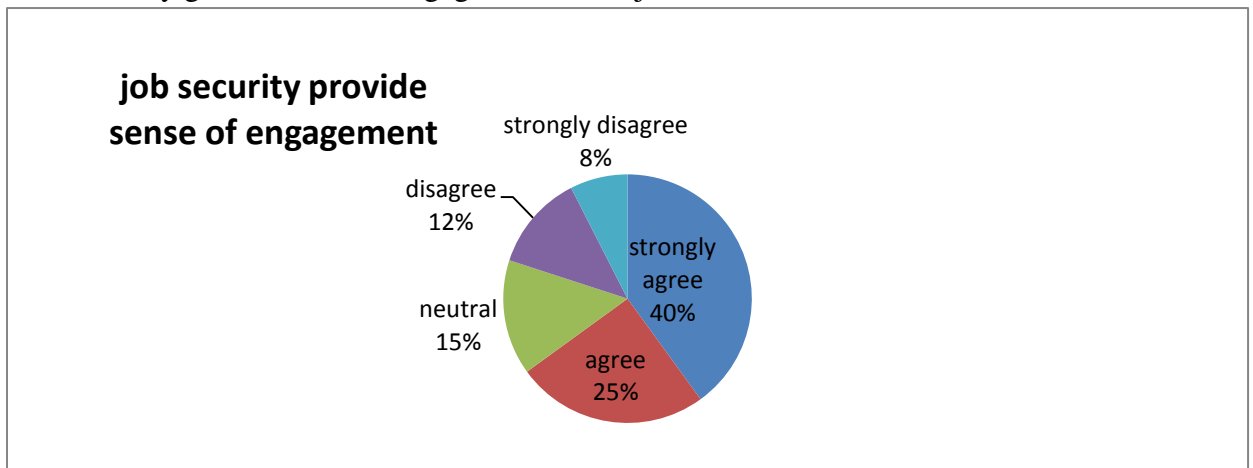
Most of employees found not interested in their current work profile.

2. Management is making the work interesting by introducing unique job contents.



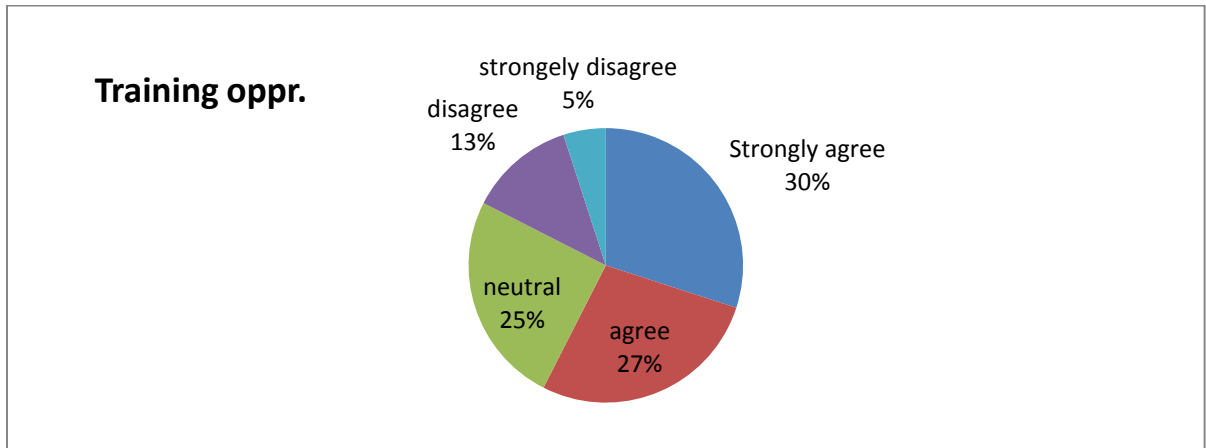
From the above graph we can infer that there is need to provide unique job content to keep interest in job at optimum level.

3. Job security gives a sense of engagement in the job.



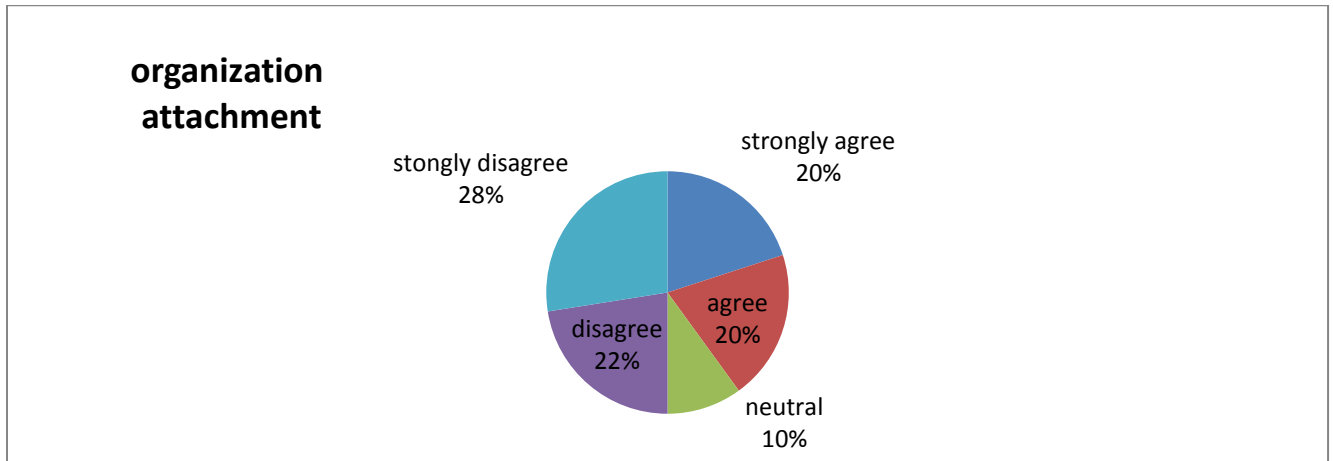
Most of employees feels that job security plays important role in engagement in job.

4. Organization provides training that enable employees to learn new things.



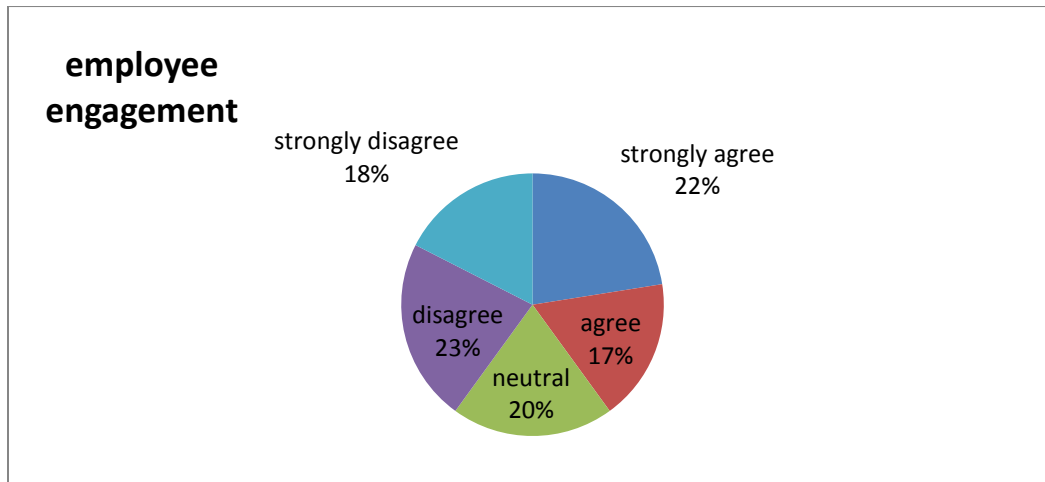
Above graph shows that organization provides sufficient training opportunities to learn new things.

5. Employees feel proud to be a part of my organization.



There is strong need to design activities for developing employees’ attachment with organization. Most of them are not feeling part of organization.

6. Employees feel engaged while performing my duties.



Employees’ engagement with organization is found mediocre.

Conclusion

Understanding motivational factors are very much important to design, develop and implement employee engagement practices. In the current conditions there are change found in conventional motivational factors. Thus organization must have to recognize the changes in motivation in contemporary manner and engagement activities need to design accordingly.

Recommendations

Profoundly special areas have to look forward in motivation and engagement practices. Such as- company policies - Advancement opportunities - Supervision style of management - Recognition - Relations with other employees - Status - Personal growth opportunities - Security and job security - Responsibility - Physical working conditions - The meaningfulness of my work - Salary - Sense of achievement. The contemporary and progressive approach is required for understanding motivational factors. Such as- New Age surviving needs – Information, communication and Transportation, Current conditioning needs – Education, electricity, entertainment, freedom, Health & cleanliness, Socio centric needs – Systems Economic, Political, Socio-cultural, Technical, Legal, Social health, Natural etc. Self-centric needs- Advantage, Preference Separation, specification, Self Revive& Rejuvenation needs. Moreover organization must have to consider workplace i.e. type, sector, conditions, culture, environment and differentiating factors while practicing employee engagement activities. It is also recommended that organization should appoint someone specifically responsible with employee engagement, to track and measure changes and improvements made.

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