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CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	DEMONETISATION AND INDIAN BANKING SECTOR - A SHORT TERM ANALYSIS <i>SREEDEVI E.S & Dr. B JOHNSON</i>	1
2.	MAKE IN INDIA: PROSPECTS AND CHALLENGES FOR TEXTILE AND APPAREL INDUSTRY OF RAJASTHAN <i>Dr. MINAKSHI JAIN</i>	6
3.	PROLIFERATION OF PRIVATE UNIVERSITIES AND COLLEGES IN GHANA AND ITS IMPACTS ON STAKEHOLDERS <i>WILLIAM BEDIAKO DANSO</i>	9
4.	TRAINING AND DEVELOPMENT PROCESS AT THDCIL AND DETERMINING THE EFFECTIVENESS OF TRAIN THE TRAINERS PROGRAM <i>ASHUTOSH KUMAR ANAND</i>	20
5.	CONSUMER PREFERENCE TOWARDS THE SELECTED MESSAGING APPS IN COIMBATORE CITY <i>Dr. B. ABIRAMI</i>	27
6.	INFLUENCE OF SOCIAL MEDIAS IN COIMBATORE CITY WITH SPECIAL REFERENCE TO MARKETING OF MOBILE APPS <i>Dr. L. A. RAZIA FATHIMA & A. S. SHANGEETHA</i>	29
7.	TAX PLANNING MEASURES OPTED BY COLLEGE TEACHER'S WITH REFERENCE TO KERALA STATE <i>ALEENA PRAKASH</i>	32
8.	DEMONETIZATION IN INDIA: AN OVERVIEW <i>ANU GOYAL</i>	34
9.	REVIEW ON CORPORATE GOVERNANCE PRACTICES ACROSS THE GLOBE <i>ARPIT RASTOGI</i>	37
10.	PERFORMANCE EVALUATION OF SELECTED MUTUAL FUND SCHEME'S IN INDIA <i>AKSHAY D. SAKHARKAR</i>	40
	REQUEST FOR FEEDBACK & DISCLAIMER	45

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DEMONETISATION AND INDIAN BANKING SECTOR - A SHORT TERM ANALYSIS

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ABSTRACT

The word demonetisation has become very common and familiar even to the small children in the country. Since a year has passed after demonetisation, there is no need for a preamble about this historical incident. From the date of its announcement by the Prime Minister on 8 November 2016, it became the attention of entire nation as it has been affected the economy as a whole. The major objective of the study is to analyse the effects of demonetisation on the banking sector in India. The effect of demonetisation on the aggregate deposits of residents, domestic credit and electronic payments are analysed in this paper. The present study makes use of secondary sources of information. The data was collected from various published sources of Reserve Bank of India, mainly RBI Bulletin and from published journals, articles, reports, newspapers etc. The study includes all the scheduled commercial banks operating in India. The study period include 24 months divided into the periods of pre demonetisation and post demonetisation. The pre demonetisation period includes twelve months spanning from 2015 November to October 2016. The study makes use of paired sample t test to test the significant difference between pre and post demonetisation and one sample Kolmogorov Smirnov test to check the normality. The study has found that demonetisation made significant effect on the banking sector in India.

KEYWORDS

aggregate deposits, demonetisation, domestic credit, electronic payment.

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1. INTRODUCTION

The word demonetisation has become very common and familiar even to the small children in the country. Since a year has passed after demonetisation, there is no need for a preamble about this historical incident. From the date of its announcement by the Prime Minister on 8 November 2016, it fascinated the attention of entire nation as it has been affected the economy as a whole. By this massive attempt, the central government intended to contain four major evils that will curb the growth of the economy such as black money, fake currency, terrorism and corruption. Besides, the government also aimed to encourage digital transactions instead of cash transactions by making Indian economy a cashless economy. The government argued that it is the high-denominated currencies, which were sweepingly used for the above said illegitimate activities. That is why the government ceased the legal tender of high-denominated currencies of Rs 500 and Rs 1000. Instead of these demonetised notes, RBI immediately made available the new Mahatma Gandhi series of currencies of 2000 and 500 rupees with new look, color, size and design highlighting the scientific achievements and cultural heritage of the country. There are different views about the success of demonetisation. Most of them believed that the policy was fundamentally a wrong step from the part of central government, which had launched even without considering the advice of the RBI. Demonetisation slowed down the GDP growth of the country and it also enhanced the expenditure on the security printing from July 2016 to June 2017 which stood at Rs 79.65 billion as against Rs 32.4 billion during previous year. Report shows that the growth of major industries decelerated following demonetisation. In addition to this, it also raised protest, anger and agitation among the ordinary people in the country who struggled more because of non-availability of currencies and loss of employment. On the other hand, demonetisation brought some positive effects on the economy. Report shows that demonetisation enhanced the direct tax collection in the country and more than a lakh of shell companies have identified and cancelled its registration. The concerned authorities had identified various benami properties and suspicious transactions. It is also expected that the real benefits of demonetisation will manifest in long run. India has a well-developed banking system that is widespread across every nook and corner of the nation. It was this vibrant banking system that took active involvement during demonetisation to pump the new currencies into circulation. Within 2016 December 31 from 9 November, RBI pumped 5540 billion rupees in circulation and the total value of the demonetised currencies were Rs 15347 Billion, which is around 86.9% of the total currency in circulation. Following the demonetisation, RBI recently launched the bank notes on the denomination of Rs 200 and Rs 50 in Mahatma Gandhi series. The banking system takes active involvement on the execution of the policy of demonetisation. It also believed that the banks are the biggest beneficiaries of demonetisation.

2. REVIEW OF LITERATURE

Manpreet Kaur (2017) analysed the impact of demonetization on Indian banking system with special reference to e-Cash. The study argued that the banks would get low cost deposits due to demonetisation because the public will deposit the old currency in their current and savings accounts. Therefore, the current account savings account ratio of banks would improve due to demonetisation. He also argued that the E-wallet business firms would also gain due to demonetisation. **Prabhu et.al (2017)** examined the influence of demonetisation on the banking operations. The study argued that even though demonetisation disturbed the banking operation for a while due to exchange, it is highly helpful for the Indian economy for the development and growth. **Avanika Gupta (2017)** in her paper examined the impact of demonetisation on the accessibility of the disabled persons to the banks. Her study found that banks were already inaccessible by the disabled. Demonetization widened this gap rapidly. **Arvind Kumar (2017)** also analysed the status of electronic based payment system in India. India is the country where majority of the transactions are through cash. Only 2% of transactions are cash less transaction. Now, because of demonetisation, the cash less transactions are growing day by day. The system have lot of advantages. Therefore, the future of the cash less transaction system are growing day by day. is bright in India. **Sweta Singhal (2017)** found that usage of E- banking services among both rural and urban population improved after demonetisation. The study was conducted among 50 selected rural women and 50 selected urban women. **Angel Jasmine (2017)** studied the impact of demonetisation in India by taking a number of areas of the economy such as household sector, government debt, farming and fishing industry, business, industrial output, IT, jewelry, real estate, banks etc. Her study also analysed the demonetisation policies of different countries across the world and found that in developed countries they were successful but not in African countries.

Even though several studies were conducted to examine the impact of demonetisation on the Indian economy, only few studies have attempted to analyse its on the Indian banking sector. These studies were limited to E-cash, E-banking, electronic payment system, accessibility of disabled persons during demonetisation, banking operations during demonetisation etc. Present study tries to fill the gap by analysing the effects of demonetisation on the Indian banking sector by taking deposits, advances and electronic payment as the major variables.

3. STATEMENT OF THE RESEARCH PROBLEM

Demonetisation is not a novel policy executed recently in India. India had experienced demonetisation twice before. In 1946, currencies of Rs 1000, 5000 and 10000 were taken out of circulation and all those currencies were reintroduced in 1954. In 1978, the above-mentioned currencies were again demonetized. At last, in 2016, the country experienced a biggest demonetization ever in its history. The highest value currencies of Rs 500 and 1000 were demonetised, which was worth Rs 15347 Billion and it was around 86.9% of the total currency in circulation. The total currency in circulation at that time was Rs 17742 Billion, which was 13% of the GDP. History shows that demonetisation was experimented in many developed and developing countries across the globe with certain definite objectives. Countries like the United States of America, the Soviet Union, Australia, Nigeria, Zimbabwe, Zaire, Venezuela, North Korea, and Pakistan implemented demonetisation in different periods with different objectives, and the attempt of the majority of the countries had failed. Demonetisation in India was also implemented to attain certain specific objectives. The main aim of such a great initiative was to contain terrorism by the way of the proceeds of counterfeit currency and other activities such as espionage, smuggling of arms, drugs etc. On 30 August 2017, RBI reported that about 99% of the demonetised currencies have returned to the banking system that is 15.28 lakh crore out of 15.44. How far the move of demonetisation has attained its objectives needs to be elucidated by the concerned authorities. Whatever be the targets of demonetisation intended by the authorities, here the present study discusses only what changes demonetisation have made on the banking sector especially on the aggregate deposits of residents, domestic credit and electronic payment. Since it has been only a year after demonetisation, it is not able to assess its long-term impact on the deposits and advances of commercial banks, still it is highly relevant to see what short-term effects the demonetisation has made on the Indian banking sector.

4. OBJECTIVE AND HYPOTHESES OF THE STUDY

The major objective of the study is to analyse the effects of demonetisation on the banking sector in India. The effect of demonetisation on the aggregate deposits of residents, domestic credit and electronic payments are analysed in this paper. For the attainment of this objective the following hypotheses have been formulated;

1. H_0 : There is no significant difference in the aggregate deposits of residents with the scheduled commercial banks during pre and post demonetisation.
2. H_0 : There is no significant difference in the domestic credit made by scheduled commercial banks during pre and post demonetisation.
3. H_0 : There is no significant difference in the electronic payments made during pre and post demonetisation.

5. RESEARCH METHODOLOGY

The study is designed as a descriptive one based on secondary source of data. It makes use of secondary sources of information. The data was collected from various published sources of Reserve Bank of India mainly RBI Bulletin and from published journals, articles, reports, newspapers etc. The study includes all the scheduled commercial banks operating in India. The study period include 24 months divided into the periods of pre demonetisation and post demonetisation. Pre demonetisation period includes twelve months ranges from 2015 November to October 2016. Post demonetisation period ranging from 2016 November to 2017 October. For the purpose of attainment of objectives, three variables are selected which include aggregate deposits of residents, domestic credit and electronic payments. Aggregate deposits of residents include demand and time deposits of residents. These time deposits subsumed by long term and short term time deposits. Domestic credit consists of credit to the government and credit to the commercial sector. Credit to the commercial sector comprise of bank credit, net credit to primary dealers, investment in other approved securities and investment in non SLR securities. Electronic payments contain payments made through Real Time Gross Settlement, Cheque Truncation System, Immediate Payment Service, National Automated Clearing House, Mobile Banking, Prepaid Payment Instruments, Card usage at POS and National Electronic Fund Transfer. The study makes use of paired sample t test to test the significant difference between pre and post demonetisation and one sample Kolmogorov Smirnov test to check the normality. Since it has been a year after demonetisation, it is too early to assess the impact and effect of demonetisation on banking sector, but still it will be useful to analyse its short-term effects on the Indian banking sector.

6. ANALYSIS OF DATA

The present study analyse the effects of demonetisation on the banking sector in India. The effects of demonetisation on the aggregate deposits of residents, domestic credit and electronic payments are presented as follows:

6.1 EFFECTS OF DEMONETISATION ON THE AGGREGATE DEPOSITS OF RESIDENTS

A Bank deposit consists of money placed into banking institution for safekeeping. At the time of demonetisation, old high denomination bank notes could either be deposited into the bank accounts or exchanged through bank counters or at the issue counters of RBI until 30 December 2016. Initially the value of the notes exchanged limited to the maximum of 4000 in a day by a person on the production of valid identity proof. Cash withdrawals from banks over the counters were also restricted to Rs. 10000 and subject to the maximum of Rs 20000 in a week. There was no restriction on the non-cash method of operations such as cheques, demand drafts, mobile wallets, debit and credit cards and electronic fund transfers. ATM withdrawals were also restricted to the limit of Rs 2000 per day per card initially, and later it rose to Rs 4000. Most of the ATM counters had closed following the demonetisation due to the shortage of new currency. Here this paper analyse the aggregate deposits of residents with scheduled commercial banks before and after demonetisation in order to find out what changes demonetisation have made on the deposits. Table 1 shows the aggregate deposits of residents with scheduled commercial bank from November 2015 to October 2016 and November 2016 to October 2017 and their growth rate in percentage.

TABLE 1: AGGREGATE DEPOSIT OF RESIDENTS WITH SCHEDULED COMMERCIAL BANKS DURING PRE AND POST DEMONETISATION

Pre Demonetisation			Post Demonetisation		
Month	Deposits (Rs in Billion as on the last reporting Friday)	Growth rate (Percentage)	Month	Deposits (Rs in Billion as on the last reporting Friday)	Growth rate (Percentage)
Nov 2015	88249.6		Nov 2016	104846.6	
Dec 2015	88871.5	0.7%	Dec 2016	105686.2	0.8%
Jan 2016	89639.1	0.9%	Jan 2017	104650.2	-1.0%
Feb 2016	90416.6	0.9%	Feb 2017	104367.4	-0.3%
Mar 2016	90777.0	0.4%	Mar 2017	106728.9	2.3%
Apr 2016	92734.7	2.2%	Apr 2017	104804.2	-1.8%
May 2016	92604.1	-0.1%	May 2017	104147.1	-0.6%
Jun 2016	92864.5	0.3%	Jun 2017	104669.4	0.5%
Jul 2016	93706.4	0.9%	Jul 2017	104210.8	-0.4%
Aug 2016	97269.7	3.8%	Aug 2017	105401.0	1.1%
Sep 2016	100936.6	3.8%	Sep 2017	107826.7	2.3%
Oct 2016	99317.9	-1.6%	Oct 2017	107126.4	-0.6%

Source: RBI Bulletin various issues

Note: Growth rate= $(X_1 - X_0) / X_0 * 100$

Growth rate computed from secondary data

The biggest growth during pre demonetisation was found in August and September 2016, that is 3.8%. During post demonetisation period, the highest growth rate was reported in March and September 2017, which was 2.3%. Before checking whether there is any significant difference exists in the aggregate deposits of residents with scheduled commercial banks during pre and post demonetisation, one sample KS test was conducted in order to check whether the data follows normality or not. The null hypothesis of the KS test states that the data does not follow normal distribution. Table 2 shows the test result of one sample KS test.

TABLE 2: RESULT OF ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST

		Post Demonetisation Deposit	Pre Demonetisation Deposit
N		12	12
Normal Parameters ^a	Mean	105372.0750	93115.6417
	Std. Deviation	1225.31192	4092.58720
Most Extreme Differences	Absolute	0.249	0.193
	Positive	0.249	0.193
	Negative	-0.159	-0.117
Kolmogorov-Smirnov Z		0.864	0.667
Asymp. Sig. (2-tailed)		0.445	0.765

a. Test distribution is Normal.

The calculated two tailed *p* values of KS test of pre and post demonetisation aggregate deposits of residents are **0.765** and **0.445** respectively. Since the calculated values are higher than the **0.05**, the null hypotheses are rejected in both pre and post demonetisation deposits. Therefore, the test distribution is normal. Since the data follows normal distribution, parametric tests can be used. The mean value of the pre demonetisation period is 93115.6417 and post demonetisation is 105372.0750. In order to check whether these mean values show statistically significant difference, paired sample t test was used. Table 3 gives the test results of paired sample t test.

TABLE 3: RESULT OF PAIRED SAMPLE T TEST OF PRE AND POST DEMONETISATION DEPOSITS

Pair	Pre Demonetisation - Post Demonetisation	Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
1		-12256.43333	3479.15427	1004.34533	-14466.98249	-10045.88418	-12.203	11	0.000

Source: Computed from secondary sources

The test results show a *t* statistic of **-12.203** with **11** degrees of freedom. The two tailed *p* value is **0.000**, which is less than **0.05**. Earlier a hypothesis was formulated that there is no significant difference in the aggregate deposits of residents with the scheduled commercial banks during pre and post demonetisation. As the *p* value is less than 0.05, the null hypothesis is rejected at 5% level of significance. Thus, there is a significant difference between the average aggregate deposits of residents during pre and post demonetisation.

6.2 EFFECTS OF DEMONETISATION ON THE DOMESTIC CREDIT

Deposits are the major source used by banks to provide as credit to the borrowers. Giving loan is one of the important primary functions of banks. Interest received on these loans is the main source of income to the banks. Previous analysis shows that demonetisation has improved the deposits with the banks in the country. At the time of demonetisation, large funds were available with the banks. Therefore, the banks can provide loans at cheaper rate of interest. It was reported during demonetisation that the banks are providing loans at a low rate. Therefore, here the study checks whether demonetisation has improved the domestic credit in the country. Domestic credit includes credit to the government and credit to the commercial sector. Table 4 shows the domestic credit of scheduled commercial banks during pre and post demonetisation.

TABLE 4: DOMESTIC CREDIT OF SCHEDULED COMMERCIAL BANKS DURING PRE AND POST DEMONETISATION

Pre Demonetisation			Post Demonetisation		
Month	Domestic credit (Rs in Billion as on the last reporting Friday)	Growth rate (Percentage)	Month	Domestic credit (Rs in Billion as on the last reporting Friday)	Growth rate (Percentage)
Nov 2015	100633.4		Nov 2016	112247.9	
Dec 2015	102325.6	1.7%	Dec 2016	116166.5	3.5%
Jan 2016	103372.2	1.0%	Jan 2017	116578.3	0.4%
Feb 2016	104231.5	0.8%	Feb 2017	115105.0	-1.3%
Mar 2016	104595.6	0.3%	Mar 2017	115665.6	0.5%
Apr 2016	105250.0	0.6%	Apr 2017	114777.7	-0.8%
May 2016	105474.9	0.2%	May 2017	115093.2	0.3%
Jun 2016	106056.3	0.6%	Jun 2017	115949.9	0.7%
Jul 2016	106742.0	0.6%	Jul 2017	115515.1	-0.4%
Aug 2016	107228.4	0.5%	Aug 2017	117006.3	1.3%
Sep 2016	110368.2	2.9%	Sep 2017	119476.5	2.1%
Oct 2016	109643.7	-0.7%	Oct 2017	119625.6	0.1%

Source: RBI Bulletin various issues

Note: Growth rate=(X₁-X₀)/X₀*100

Growth rate computed from secondary data

The highest growth rate reported during pre demonetisation period was 2.9% in September 2016. 3.5% in December 2016 was the highest growth rate reported during post demonetisation. Kolmogorov Smirnov test was conducted in order to check whether the data follows normality or not. A null hypothesis was formulated for this purpose that the data does not follow normal distribution. Table 5 shows the test result of one sample KS test.

TABLE 5: RESULT OF ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST

		pre advance	post advance
N		12	12
Normal Parameters ^a	Mean	105493.4833	116100.6333
	Std. Deviation	2804.00391	2000.66671
Most Extreme Differences	Absolute	.101	.171
	Positive	.101	.159
	Negative	-.097	-.171
Kolmogorov-Smirnov Z		.351	.592
Asymp. Sig. (2-tailed)		1.000	.875

a. Test distribution is Normal.

The two tailed *p* values of pre and post demonetisation advances are **1.000** and **0.875** respectively. Since the calculated values are higher than the **0.05**, the null hypotheses are rejected. Therefore, the test distribution is normal. Since the data follows normal distribution, parametric paired sample t test can be used to check whether there is any statistically significant difference between pre and post demonetisation domestic credit of banks. Table 6 gives the test results of paired sample t test.

TABLE 6: RESULT OF PAIRED SAMPLE T TEST OF PRE AND POST DEMONETISATION DOMESTIC CREDIT

Pair	pre credit - post credit	Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	pre credit - post credit	-10607.15000	1591.24539	459.35298	-11618.17908	-9596.12092	-23.092	11	0.000

Source: Computed from secondary data

The test results show a *t* statistic of **-21.092** with 11 degrees of freedom. The two tailed *p* value is **0.000**, which is less than 0.05. A hypothesis has formulated in this regard that there is no significant difference in the domestic credit made by scheduled commercial banks during pre and post demonetisation. Here *p* value is less than 0.05. Therefore, the null hypothesis is rejected at 5% level of significance, which means that the average advances of pre and post demonetisation differ significantly.

6.3 EFFECTS OF DEMONETISATION ON THE ELECTRONIC PAYMENT

In India, almost 90% of the transactions were on cash basis. Indian government aimed to move the country into a cashless economy because it is very advantageous to the nation. Fake currency, black money, terrorism etc are certain evils of the nation that can be contained by going cash less. The government imposed certain restrictions on the cash transactions during demonetisation, but there was no restriction on the non-cash payment transactions. The present study analyses whether demonetisation improved the electronic payment in India or not. In this study, electronic payment includes Real Time Gross Settlement (RTGS) both customer and interbank transactions, Cheque Truncation System (CTS), Immediate Payment Service (IMPS), National Automated Clearing House (NACH), credit card usage at POS, debit card usage at POS, Prepaid Payment Instruments such as m-Wallet, PPI cards and Paper Vouchers, mobile banking and Electronic Fund Transfer (EFT) or National Electronic Fund Transfer (NEFT). Table 7 shows the value of electronic payment made during pre and post demonetisation.

TABLE 7: ELECTRONIC PAYMENT DURING PRE AND POST DEMONETISATION

Pre Demonetisation			Post Demonetisation		
Month	Electronic payment (Rs in Billion)	Growth rate (Percentage)	Month	Electronic payment (Rs in Billion)	Growth rate (Percentage)
Nov 2015	66470.01		Nov 2016	95641.49	
Dec 2015	84480.18	27.1%	Dec 2016	105992.37	10.8%
Jan 2016	80603.69	-4.6%	Jan 2017	98802.38	-6.8%
Feb 2016	84971.37	5.4%	Feb 2017	94248.15	-4.6%
Mar 2016	120945.46	42.3%	Mar 2017	151725.79	61.0%
Apr 2016	84729.93	-29.9%	Apr 2017	111615.18	-26.4%
May 2016	91699.62	8.2%	May 2017	113647.31	1.8%
Jun 2016	100289.71	9.4%	Jun 2017	115947.12	2.0%
Jul 2016	90802.58	-9.5%	Jul 2017	108536.49	-6.4%
Aug 2016	94764.00	4.4%	Aug 2017	110979.4	2.3%
Sep 2016	104683.84	10.5%	Sep 2017	125932.64	13.5%
Oct 2016	94778.78	-9.5%	Oct 2017	115899.6	-8.0%

Source: RBI Bulletin various issues

Note: Growth rate=($X_1 - X_0$)/ $X_0 * 100$

Growth rate computed from secondary data

The highest growth rate of electronic payment was reported during pre demonetisation period in March 2015 and during post demonetisation in March 2016, which was 61%. Here also one sample KS test was conducted to check whether the data follows normality or not. Table 8 shows the test result of one sample KS test.

TABLE 8: RESULT OF ONE-SAMPLE KOLMOGOROV-SMIRNOV TEST

		Pre demonetisation electronic payment	Post demonetisation electronic payment
N		12	12
Normal Parameters ^a	Mean	91601.5975	112413.9933
	Std. Deviation	13560.90278	15403.31683
Most Extreme Differences	Absolute	0.157	0.243
	Positive	0.157	0.243
	Negative	-0.133	-0.119
Kolmogorov-Smirnov Z		0.545	0.840
Asymp. Sig. (2-tailed)		0.928	0.480

a. Test distribution is Normal.

The calculated values of pre and post demonetisation electronic payments are **0.928** and **0.480** respectively. Since the calculated values are higher than the **0.05**, the null hypothesis is rejected that the test distribution is normal at 5% level of significance. Since the data follows normal distribution, parametric test can be used in the study. The mean value of the pre demonetisation electronic payment is 91601.59 and post demonetisation electronic payment is 112413.99. In order to check whether there is any statistically significant difference between pre and post demonetisation electronic payment, paired sample t test had used. Table 9 gives the test results of paired sample t test.

TABLE 9: RESULT OF PAIRED SAMPLE T TEST OF PRE AND POST DEMONETISATION ADVANCES

Pair	pre payment - post payment	Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	pre payment - post payment	-20812.39583	6069.76824	1752.19116	-24668.94258	-16955.84908	-11.878	11	0.000

Source: Computed from secondary data

The test results show a *t* statistic of **-11.878** with 11 degrees of freedom. The two tailed *p* value is **0.000**, which is less than 5% level of significance. A null hypothesis was formed in this regard that there is no statistically significant difference in the electronic payment during pre and post demonetisation. As the *p* value is less than 0.05, the null hypothesis is rejected at 5% level of significance, which means that the average electronic payments during pre and post demonetisation differ significantly.

7. CONCLUSION

From the above analysis, it is clear that the demonetisation affected banking sector significantly. Three hypotheses were formulated in this study, which are rejected at 5% level of significance. Hence, the study proves that demonetisation made significant changes on the aggregate deposits of residents and domestic credit to the borrowers. Besides, going cash less economy is one of the important missions of Indian government. The study focused on this aspect also. In this case also, null hypothesis was rejected at 5% level of significance. That means the demonetisation boosted the non-cash transactions in the country. Even though it is too early to assess the true and a correct impact of demonetisation on the banking sector, the study focused the short-term effects of demonetisation, which was found to be positive and favourable to the banking sector.

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MAKE IN INDIA: PROSPECTS AND CHALLENGES FOR TEXTILE AND APPAREL INDUSTRY OF RAJASTHAN

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ABSTRACT

Make in India initiative in the textile and garment industry offers investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetics, value-added and specialty fabrics, fabric-processing set-ups for all kinds of natural and synthetic textiles, garments and retail brands. The stress is placed on skill development, especially in new areas like medical textiles, geo-synthetics, technical textiles, nonwoven industry and organic textiles. Textile is an important industry for Rajasthan, representing over 20 per cent of the investment made in the state. The key factors responsible for development of textile industry in Rajasthan are availability of cotton and wool, skilled and unskilled manpower and low cost of production. But the state will have to proactively work on various challenges regarding Man, Machine and Management, to realise its full potential. Since the textile industry of Rajasthan plays significant role in creating employment, generating a substantial industrial output and bringing revenue through export of garments and other textile products, inviting investors through a platform like "Make in India" can be beneficial. It also promises to amplify marketability of khadi and other handloom products thus providing employment, boosts the economy and sustains indigenous artisans.

KEYWORDS

brand promotion, handloom, make in India, skill development, technology.

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INTRODUCTION

Make in India is a program designed and initiated by the government of India to promote India as a "Global Manufacturing Destination", facilitate investment, foster innovation, and build best-in-class manufacturing infrastructure⁶. The textile and apparel industry proves to be a promising sector as India is projected to have the youngest workforce in the world until 2050, while the rest of the world, including China, will be ageing. This campaign is embarked to galvanize the manufacturing sector of the country and to increase the inward investment. It aims at pushing manufacturing growth to over 10 per cent annually through sustained measures of deregulation and delicensing of industry and making India more accessible to investors¹³.

OBJECTIVES OF THE STUDY

1. To find out the challenges in implementing Make in India campaign in textile and apparel industry of Rajasthan.
2. To explore prospects of Make in India campaign for textile and apparel industry of Rajasthan.

RESEARCH METHODOLOGY OF THE STUDY

This study is a review of the Make in India campaign, especially in context of textile and apparel industry of Rajasthan. It peeps into the current status of textile and apparel production in Rajasthan – strength and problems in production and marketing, as well as challenges and prospects for the successful execution of Make in India campaign. Therefore, sources for secondary data collection were websites, censuses and reports, compendium and organisational records of various government departments, textile and apparel producers and marketers along with data from various journals and magazines that was originally collected for other research purposes. On the other hand, primary data was collected through personal interviews and meetings with the producers and dealers in the field of textiles and apparel production and marketing in Rajasthan accompanied with market surveys.

TEXTILE AND APPAREL INDUSTRY OF INDIA AND RAJASTHAN

The fashion and apparel industry is a prospective area in which investments can be expected since India offers 100 percent Foreign Direct Investment (FDI) in single brand retail and 51 percent in multi brand retail. The textile industry is currently one of the largest and most important industries in the Indian economy by way of significant contribution to GDP (4%), manufacturing output, employment generation and export earnings (12%)¹². The nation is also home to 24 percent of the world's spindle capacity and 8 percent of rotor capacity, along with a loom capacity (consisting of both handlooms and mechanized) of 63 percent, which is the highest in the world. Indian textile industry is also the second largest employment generating industry, after agriculture with direct and indirect employment of more than 95 million people⁴. It employs skilled and unskilled people, which make it extremely important from the prospective of —Make in India mission. This is a traditional, rich and well-established industry, enjoying considerable demand in the domestic as well as global markets¹⁵.

Textile industry in India basically consists of non-integrated medium, small and numerous micro ventures of spinning, weaving, finishing and apparel-making⁴. Such a structure arose due to the policies on tax, labour and other regulations that favoured small-scale, labour-intensive enterprises, while discriminating against large-scale, capital-intensive operations⁷. In view of the labour-intensive nature and de-centralised character, Indian textile industry is also in a position to make positive and meaningful contribution towards achieving the cherished objective of 'inclusive' growth.

Textile is an important industry for Rajasthan, representing over 20 per cent of the investment made in the state. Rajasthan contributes over 7.5 per cent of India's production of cotton and blended yarn and over 5 per cent of fabrics. Rajasthan has leading position in spinning of polyester viscose yarn & synthetic suiting and processing, printing & dyeing of low cost, low weight fabric. Besides, it manufactures wide range of products, ranging from handicrafts, synthetic and cotton textile yarn and garments¹⁴. The key factor favouring development of textile industry in Rajasthan is availability of cotton and wool in the state.

PROSPECTS OF "MAKE IN INDIA" FOR TEXTILE AND APPAREL INDUSTRY OF RAJASTHAN

Traditionally, Rajasthan has been a manufacturing state. A large number of textile craftspeople are still part of Rajasthan living heritage, practicing hand skills unmatched by any other country. They also have an extraordinary repertoire of motifs and designs going back generations and distinctive to each tradition. Weavers and spinners create textiles in hundreds of different techniques and traditions unique to each community and area - a cultural and economic strength whose full potential remains untapped and that still has a contemporary and global appeal. Rajasthan lies in its rich heritage and tradition of colour, creativity, craftsmen and centres which represent volumes of historic design traditions and unique textiles and techniques.

Rajasthan enjoys a comparative advantage in terms of skilled manpower and cost of production over other major textile producers, which makes the state a preferred destination for investment. Abundant availability of this key raw material has prompted many textile units to locate in the state. Make in India initiative provides investment opportunities for foreign companies and entrepreneurs across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands. Growing Indian economy and potential will lead to higher domestic demand and exports which requires large integrated set-ups and the industry should take the advantage of 'Make in India' focus.

There are ample opportunities for success of Make in India initiative in textile and apparel industry of Rajasthan:

- LARGE AND EXPANDING DOMESTIC MARKET:** The retail market of India is one of the most vibrant and fastest growing markets in the world due to high growth in per capita income. The growing Indian economy leads to higher domestic demand from household sector (60%), non-household sector (21%) and export sector (19%)¹². Increase in disposable income has doubled the domestic household expenditure on clothing from INR 1.08 lakh crores in 2004–05 to INR 2.06 lakh crores in 2010–11³. Investments in the textile and clothing sector have been growing at an average annual rate of 12%.
- INCREASE IN POTENTIAL DEMAND IN INTERNATIONAL MARKET:** Currently, India is the largest exporter of yarn and the second largest exporter of fibres in the world along with significant presence in global markets for fabrics, garments and home textiles. In overall terms, India is next only to China in exports of textile products. In 2013, India became 2nd largest exporter of textile and apparel products globally and registered a higher growth rate of 9% against the global growth of 5% since 1995. Demands from foreign markets such as the US and EU are large and continue to dominate the sector. Emerging markets with potential demand include Canada, Australia, Japan, South Africa and the Middle East. Phasing of the quota regime and consequent improvement in market access will create fresh opportunity for textile and garment exports.
- MASSIVE UNEXPLOITED POTENTIAL FOR THE DEVELOPMENT OF NEW TECHNOLOGY:** The textile industry is undergoing a major reorientation towards non-clothing applications of textiles. Technical textiles are emerging industry with a great potential. There are enormous opportunities for production of technical textiles, medical textiles, geo-synthetics, organic textiles & nonwovens in textiles and apparel industry of Rajasthan. The only need is to focus on skill development and exhibitions to provide additional thrust for consumption of value added blended textiles and technical textiles.
- INVESTMENT OPPORTUNITIES IN INDIAN SYNTHETIC TEXTILE VALUE CHAIN:** The changing global scenario of synthetic textiles is leading the rise in demand and investment in this sector. Nearly 70% of world trade in textile products is currently based on MMFs. But the share of such products in our textiles exports is around 25%, that too mostly in yarn and filament fabrics. India needs to diversify into manmade fibre based products since the real growth in synthetic textiles triggering the investment opportunities in synthetic textile value chain of Rajasthan. FDI mainly comes in MMF category as it is technology-focused and there is substantial requirement of investment in this category.
- OPPORTUNITIES FOR TRADITIONAL TEXTILE AND APPAREL PRODUCTS:** Make in India initiative promises to provide immense opportunities in the area of rich legacy of textile production of Rajasthan. Khadi, handlooms and handicrafts are part of Rajasthan's history, economics, aesthetics and culture. Achieving inclusive growth by developing handlooms quality is improving and positioning Rajasthan in global handicrafts market. Textiles are literally a text and palimpsest of our past, present, and future. Handlooms are a part of India's history, economics, aesthetics and culture. If we lose them, we lose a part of ourselves. Virtually everyone was marvelling at the beauty and diversity of Indian textiles. Khadi is the only Indian feel-good fabric as it gives employment to thousands as well as boosts the economy and sustains indigenous artisans. Supporting khadi is one way of encouraging the talented artisan to live in his ancestral village rather than give up in despair and flock to an urban slum for an alternative employment.
- BRAND INDIA HANDLOOMS:** The ministry of textiles proposes to strengthen the visibility of handloom products by promoting Brand India Handlooms to rev up their marketability and support the 'Make in India' campaign. Branding promises to amplify marketability of khadi and value-added handloom products of Rajasthan. Creating brand India is aimed to craft India as global fashion hub by 2024.
- AVAILABILITY OF LOW COST AND SKILLED MANPOWER:** Among all manufacturing industries, textile and apparel offers the biggest employment potential for the young generation. Rajasthan possesses a vast pool of low cost unskilled and skilled workers and technical-managerial personnel which provides competitive advantage to industry in terms of productivity, quality and cost to make Rajasthan truly, globally competitive. Traditionally, people seeking employment in the industry were among the poorest and least educated. As the global apparel and garment industry evolved along with consumerism, a high sense of quality, commitment and competition became an inherent part of the DNA. 'Make in India' policy initiative will create employment opportunities for young people entering the workforce, and this employment generated will also act as a multiplier on the services sector¹.
- AVAILABILITY OF ABUNDANT RAW MATERIAL:** Sourcing Strategies in the global brands and retail are shifting from cost to quality and environment, and from China to India, Bangladesh, Pakistan, etc. India is a preferred sourcing destination globally. Rajasthan enjoys strong multi-fibre raw material base, availability of large varieties of cotton and wool fibres and has a fast growing synthetic fibre industry that helps industry to control costs and reduces the lead-time across the operation together with very low import intensity.
- LARGE AND EXPANDING PRODUCTION CAPACITIES:** Supportive policy regime, increasing plan expenditure and generous incentives for investment and modernisation turns into growing capacity of production in the state. China is fast losing its cheap labour cost arbitrage and its overall production cost is also increasing rapidly. This would provide an opportunity for Rajasthan to grab a larger share of world trade in textiles.
- THE INITIATIVES OF RAJASTHAN GOVERNMENT:** The government is showing its concern to attract investments in textile industry by means of industrial infrastructure, special investment zone and investment opportunities in Rajasthan. The textile sector of Rajasthan would get top technology equipments, innovations, and quality via 'Make in India' campaign¹⁰. Foreign markets thrive on style and innovation the foreign markets thrive on style and innovation and the Rajasthan government wants to introduce these in a big way to make the state a gateway for handicrafts and textiles of Rajasthan handicrafts and textiles. The industrial policy of Rajasthan provides various incentives for industrial growth including subsidies, power concessions, land and building tax exemption, and special land package for IT industries. The state government has reserved one third of its developed industrial area for small and medium enterprises, which has led to many MSMEs set up their industrial houses in Rajasthan.
- THE INITIATIVES OF GOVERNMENT OF INDIA:** The Government of India wants to infuse the best in technology and innovation in the textile sector of Rajasthan to make the state a "one-stop and most-favoured destination" for investment. Government of India had already provided an enabling atmosphere by changing labour laws and offering concessions to attract investments It has provided an enabling atmosphere by changing labour laws and offering concessions to attract investments⁹. The Indian Government is committed to providing 15 lakh jobs in the state in the next five years and the textile sector will continue to provide a major chunk of employment.
- UTILISING OTHER MARKETING OPTIONS:** Online marketing and e-commerce are two avenues offering big opportunity for the sector. Organising buyer-seller meet, involvement of retail outlets, associating domestic brands with online retailers, application of PPP model in selling through brand outlets and exports and linking handloom-handicrafts with tourism are good options to improve market access and reduction in lead-time. The increase in the number of retail industries and shopping malls with branded readymade garments and textiles amplifies the vistas further.

Textiles have been included as a thrust sector in Rajasthan Investment Promotion Scheme 2014. In the recently released rankings for EODB Rajasthan has been given 6th rank. Reserve bank has also ranked the state as 3rd in fresh investment after Andhra Pradesh and Orissa. Thus, the state has three major feathers in its cap during the last few years. Rajasthan has modern textile manufacturing units as well as a wide variety of unique traditional textiles. The blend of traditional and modern can boost up the sector for its worldwide recognition.

CHALLENGES IN IMPLEMENTING "MAKE IN INDIA" CAMPAIGN IN TEXTILE AND APPAREL INDUSTRY OF RAJASTHAN

The post-ATC global market has not only opened a vista of opportunities but has also brought numerous challenges to execute make in India campaign in textiles and clothing industry of Rajasthan. The Indian T&C industry is not benefitted as was expected on account of plethora of challenges being faced by the sector, both in domestic and export markets⁷. The challenges to be addressed include:

- POOR INFRASTRUCTURE:** India's exceptional advantages and the expanding global market will boost the industry. But India will have to proactively work on various challenges to realise its full potential. Infrastructure tops the challenges. The textile industry in many states is facing shortage and erratic power supply, which translates to low productivity and higher manufacturing costs. Power cost is second only to raw material cost in manufacturing. The roads are pathetic, which means more hours to reach ports. On top of it, the turnaround time in ports is a lot higher than in many neighbouring countries that compete with India¹.
- TECHNOLOGICAL OBSOLESCENCE:** The technological obsolescence pervading in almost all the segments of the textile industry has placed it far behind its major competitors in the world textile economy. The reasons for technological obsolescence are structural anomalies created due to lopsided fiscal policies,

- high interest cost, excessive controls and regulations, etc. All these factors have created negative environment stifling investment in technology upgradation. Enhancement of efficiency and productivity of quality products of international standards, human resource development, capacity building of the non-wovens, technical textiles and the related machinery industry and ecology conservation are possible through effective and advanced IT solutions.
3. **BRIDGING THE SKILL GAP:** A large skill gap between the demand and availability of workers resulting in poor productivity is one of the prime challenges. To fill up the demand supply gap for exports and value addition, a focused and financially sustainable strategy for mobilizing and training workers is essential. Youngsters should be trained in textiles on the shop-floor to join the industry as trained workforce or set up their own units. Our manpower skills need to be massively upgraded, calling for serious reforms in the education system. Thorough changes in vocational training, curriculum redesign, faculty/mentor training, stronger trainer-employer linkage, apprenticeship development, etc. is still a challenge. Entrepreneurs in textile and apparel have to play a major role in this and we need top quality entrepreneurs to drive this sector like we had in the information technology (IT) industry.
 4. **MARKET DEVELOPMENT AND ACCESSIBILITY:** Today the thrust area for Rajasthan's textile industry is to increase opportunities for market development and accessibility in value-added apparel and home furnishings that cater to market demand. Moreover, government policies since Independence have resulted in a fragmented industry in many sectors like fabrics. Woven apparels were reserved for the small-scale sector until 2001 and knitwear till 2005. This has led to higher cycle times in the garment sector, which is largely unorganised. A majority of stakeholders in the industry are in need of a comprehensive marketing mechanism that will directly fetch a premium price and enhance their economic condition. The challenge is to create a good marketing scenario with a clear differentiation of products in terms of core basics, innovation and fashion over competing countries. To eliminate inefficiencies in the system for sampling, delivery and great quality need is also a big challenge.
 5. **GROWING COMPETITION IN DOMESTIC AND INTERNATIONAL MARKETS:** In the domestic market, industry must be prepared to meet growing competition from imported goods coming at lower import duties and goods produced locally by foreign controlled enterprises using their trademarks and latest technology. In the international market challenges come from other developing countries with enhanced international competitiveness and non-tariff barriers for environmental, health, safety, and technical standards. The textile industry of Rajasthan requires being competitive and cost effective by improving its productivity, product diversification, production technology and total quality control.
 6. **BRAND PROMOTION:** Brands play an important role as they assure consumers that the products are of certain quality, durability, and conform to several social, environmental and durability standards. Promotion of "Made in India" brand for global acceptance is a challenging step for market penetration. Acquisition of brands by Indian companies is another strategy for promoting exports. Ecolabeling is emerging as one of the key requirements for global competitiveness through third party accreditation or certification.
 7. **INFLEXIBLE AND RESTRICTIVE LABOUR AND INDUSTRIAL LAWS:** India's labour laws are a big drawback, especially in the garment sector where large seasonal orders require use of contract workers. The need of the hour is formulation of innovative strategy along with reforms in labour laws to address the emerging issues effectively in order to enable the country to secure a bigger share of the global textile market.
 8. **CHALLENGES IN EXPORTS:** The export community faces tariff and non-tariffs barriers from the major export destination countries of EU and the US as they practise tariff escalations in the textile import from India to provide protection to their own industries. Exporters from India need optimum export infrastructure and reduction in customs and excise duty, weeding out unnecessary customs duty exemptions and rationalizing the tax structure to make our exports competitive². Decentralised and fragmented nature of the industry and instability in the world textile trade encompass various constraints such as unstable prices, inability to avail institutional credit and diversification and inadequacies in transport, communication and banking infrastructure¹¹. The stake holders of Indian textiles industry also need to look for a mutually beneficial path to strengthen the value chain efficiency rather than resorting to inter segmental rivalry to achieve short term segment specific advantages. Among those objectives, he said, are to encourage exports of products that create more jobs; to encourage exports that earn more net foreign exchange and also encourage exports by compensating extra freight costs to distant markets

THE WAY TO APPROACH FORWARD

Despite challenges, the textile and apparel industry of Rajasthan is ready to enter its golden era with make in India campaign, determined to emerge as a manufacturing hub. Collaboration between industry and academia through skill development and vocational training programs and institutes are improving employability of the workforce. The government is rolling out initiatives which help the sectors can create a skilled workforce, which is in a position to compete globally, and support the future economic goals and initiatives like 'Make in India'. The Rajasthan Skills and Livelihoods Development Corporation (RSLDC), Technology Mission on Technical Textiles (TMTT), Apparel Export Promotion Council (AEP), Apparel Training & Designing Centres (ATDCs), National Institute of Fashion Technology (NIFT), Fashion & Design Promotion Council (FDPC), Apparel International Mart (AIM)

Investments in the value-added products manufacturing, capacity to meet the standards of international market, infrastructure development for exports, substantial increase in the size of the raw material base are the other requisites for appropriate implementation of make in India in Rajasthan.

Government needs to reduce duty burden including excise duty, customs duty and anti-dumping duties on raw materials and textile products so that the increasing opportunities can be properly utilised. The Governments, both Central and State can play a major role in development of mega clusters for powerlooms, handlooms and handicrafts by implementation of welfare schemes for handloom weavers and handicrafts artisans and provide a number of incentives for export of textile products.

CONCLUSION

Since the textile industry of Rajasthan plays a significant role in creating employment, generating a substantial industrial output, and bringing revenue through export of garments and other textile products, inviting investors through a platform like "Make in India" can be beneficial. We have to work proactively to create a great symphony and. 'Make in India' is a right platform to unify, collaborate, reach our true potential and make Rajasthan a Preferred Destination of Textiles and Apparel production.

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PROLIFERATION OF PRIVATE UNIVERSITIES AND COLLEGES IN GHANA AND ITS IMPACTS ON STAKEHOLDERS

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ABSTRACT

The proliferation and the growth of private partner participation in higher education systems in Ghana and in many African Countries is not something new. However, the rate at which this growth is steadily increasing in Ghana is having catastrophic effects on the academic institutions as well as on graduates who enters the labor market annually for jobs. Unemployment rate in Ghana increased to 9.10% in 2015 from 5.20% in 2013. According to the Labour Force Survey 2017 Report, more than 1.2 million persons from 15 years and older are estimated to be unemployed, representing the total unemployment rate of 11.9%. Unemployment rate in Ghana averaged 8.87% from 2001 until 2015, reaching an all-time high of 12.90% in 2005 and a record low of 5.20% in 2013. Finding a job after degree is a hectic thing every graduate in Ghana can attest to and majority of this problems are because of this proliferation and growth of private universities with less job creation. Currently in Ghana as at January, 2017, there were –Two hundred (200) Universities and Colleges which has been fully accredited by the National Accreditation Board of Ghana to run various tertiary Certificates, Diploma, Undergraduate and postgraduate degree programmes for both Public and private. Out of this figure, the National Accreditation Board has categories all the 195 institutions as followed: 86 Public Universities and Colleges made up of –(10 public universities, 10 Polytechnics (now technical universities), 19 public Nursing Training Colleges, 38 public colleges of education, 1 Public college of Agriculture, 7 public university/ professional, 1 Regionally-owned tertiary university) and 114 private Universities and Colleges- made up of 76 private University Colleges, 7 tutorial colleges, 2 distance learning centers, 4 private chartered universities, 6 registered foreign institutions, 2 open universities, 10 private nursing training colleges, 7 private colleges of education. Aside these accredited institutions which are mandated to run various programmes, there were many as 53 private unaccredited Universities and Colleges which were competitively competing with all the Two hundred (200) Universities and Colleges in Ghana till 2015 when the National Accreditation Board upon its routing audit found out this unaccredited Universities and Colleges and clumped them down. The spread of privatization in higher education in Ghana, as constitutional adopted to reduce the burden on state funded institutions, has rather created catastrophic effects for private owners, students and the state as a whole. Among some of the many problems are: hyper competition in the industry, lack resources, state-of the art technology, low student enrolment, lack of quality staffing, lack of marketing strategy (i.e. pricing, differential programme, effective branding), exploitation of teaching staff, and the ability to coiled into the “Blue Ocean strategy). There is also a lot of competition arising from foreign registered and open universities, which have campuses established in Ghana. Students in the private Universities and Colleges find it difficult to differentiate a university’s courses from those offered by other universities. Also quality graduate output has become a major concern to academic thinkers as majority of programmes and curriculums are not developed to meet industrial needs and demands. The proliferation these Universities and Colleges and growth of graduate output annually from both the private and the public institutions has escalated the county’s unemployment issues as graduates would be competing for employment on the same labor market. This paper revealed the challenges faced by private Universities and Colleges in Ghana and its effects on output graduates on the labor market. Aside this there has been a diminishing confidence in parents as well as industry players. The goal is to provide policy makers with a tool to assist them in the understanding of the industry environment and the development of a sustainable competitive position for the industry players. The main source of information is secondary resources on the proliferation of these universities and colleges, nature of competition, incentives of buyers (students and employers/recruiters) and sellers (faculty), and threat of substitutes (on-line degrees). It is noted that the nature of competition is a critical force affecting the private universities and colleges.

KEYWORDS

Ghana, proliferation of private universities and colleges.

JEL CODES

I2, I20.

1.0 INTRODUCTION

In order to bridge the gap left by the inadequacy of public higher institutions, most African countries, especially Ghana have created enabling environment for the establishment of Private Tertiary Universities and Colleges some decades ago. This new development has seen sweeping changes in the higher education space, the most significant of which has been the increasing competition in higher education and graduates for the job market.

Again, the proliferation of online and distance learning education has expanded the competitive landscape from the few local institutions and catapulted it onto a global level. However, the springing up of these Private Tertiary Universities and Colleges in Ghana is becoming a major problem posing serious hyper competition in the industry; among which Students and as well as parents find it difficult to choose which institution to attend and which one would be the best in terms of programmes offered and industry needed graduates. Moreover, majority of these Private Tertiary Universities and Colleges are mostly situated in the city centers have little or no facilities to cater for their over or little populated students body. As a result, there is a competition between workers, students and other residents for car park. Many foreign students are also attracted to the country and these challenges are putting pressure on private owners of such institutions to increase their facilities and faculties.

It also should be noted that even though the number of private institutions on the continent has increased dramatically and appears higher in absolute numbers than the number of public institutions especially in Ghana, the student enrolment in public institutions outnumbers enrolment in private institutions in nearly all other countries in Africa. Nevertheless, the emergence of private higher educational institutions in Africa dates back to the colonial days. The institutions were established basically by Christian missionaries for religious and educational reasons among others. In the past two decades, there has been an improved endeavor to augment higher educational accessibility in essentially every country on the globe.

Educational transformations over the years and the increasing demand for quality employable graduates in all sectors of the economy have greatly influenced the emergence and direction of private universities and education as a whole (Assessed: Sawyer, 2004; Effah, 2003). However, the proliferation rate of these Private Tertiary Universities and Colleges is adversely having effects on Ghana’s graduate unemployment, in terms of challenge the mismatch between demand and supply of skilled labor, quality of products and sustainability.

A solution to this canker can only be curtailed if the government of Ghana, under the Ministry of Education, National Accreditation Board (NAB), National Council for Tertiary Education and National Board for Professional, Technician Examinations of Ghana (NAPTEX) and Stakeholders in Education Collaborate to establish a functional unit to forecast the demands and the size of the labour market, and establish the skill requirements of the labor market. Besides, training institutions, other stakeholders have to establish linkages with employers, trade unions and Industrial and Commercial Unions; this could facilitate the recruitment of part-time staff from industry. Because, "these part-time staff should be given attractive incentive packages." as cited in Yidana Peter speech "The Role of Tertiary Education in National Development" (Access: The Central Press Newspaper-Ghana, 2012).

Many Educationists, among them is Owusu-Dankwa (2009) has put his views as cited in Varghese (2004), Ahemba (2006) that, the most important reasons behind the emergence of private universities and college in Ghana and in many African Countries is:

1. To help address the problem of paying for the development of higher education.
2. The government invitation to private sector to participate in the development of higher education.
3. To bridge the between few educated and a mass of millions who demand for university education.
4. Provision of innovation, diversity and autonomy by government in higher education as a response to public pressure on entering university.
5. The introduction of latest teaching strategies using information technology for providing quality education to youth of society.
6. The provision of latest and special instructional programmes which aim for self-employment.
7. To respond for the global call for free market opportunities, privatization and ownership of establishments.

1.1 PROBLEM STATEMENT

The proliferation of private universities and Colleges as many educational thinkers have proposed because of its benefits to the state has taking a divergence view by creating disadvantages and exploiting the society as a whole. This proliferation has created hyper competition in the industry in terms of resources, student enrolment, quality staffing, lack of marketing strategy (i.e. pricing, programme differentiation, effective branding), exploitation of teaching staff, and none which has been able to coiled into the "Blue Ocean strategy). The question now is how do these institutions do to fight competition? "Michael Porter (porter, 1980) suggests four general business strategies that could be adopted in order to gain a competitive advantage"(Abusafia, 2004).

1.2 THE OBJECTIVE OF THE STUDY

The proliferation of private universities and Colleges has become widely and favorably accepted in Ghana. There many private universities or college one could see in every major cities and towns in Ghana. There was, therefore, the need to look at the reasons why such private universities and colleges are established and assess their ability to live up to those reasons. Despite the continuous sprung of such private universities and colleges there are the need to also look at some of the challenges that have prevented these universities and Colleges from achieving fully their noble aims and objectives and how sustainable can they leave to their expectations.

The main objectives therefore in this particular study are:

- 1 To assess the proliferation and the nature of competition in the private universities and colleges in Ghana
- 2 To assess the constitutional objective for establishment of private universities and colleges in Ghana
- 3 To assess whether these institutions are producing quality graduates for the labor market
- 4 To ascertain stakeholders monitoring of these institutions.
- 5 To suggest and recommend strategies that could curtail this competition.

1.3 SIGNIFICANCE OF THE STUDY

The significance of this study cannot be over emphasized as it will go a long way to provide the academia, stakeholder such as National Accreditation Board (NAB), National Council for Tertiary Education (NCTE), National Board for Technician and Professional Examinations (NAPTEX), Mentoring Institutions with empirical evidence and statistics on the subject matter. This would also enable them on how to strategize their policies in order to curtail competition within the higher educational sector.

1.4 LIMITATION

The source of this paper was limited to the adaptation and application of Michael Porters competitive models in higher educational sector i.e. the Universities and Colleges resource-based in terms of their relations, similarities, and differences relative to Porter's model.

1.5 SOURCES OF INFORMATION

The main source of information was source from both secondary resources on the proliferation of these universities and colleges in Ghana and the nature of competition.

2.0 LITERATURE REVIEW

The democratization campaign of education in Africa as cited by Francis Frimpong Fosu and Kofi Poku has contributed to the restructuring of higher education in Ghana. Some of the changes include accrediting private universities, tax exemptions on imported books, decline in the funding of higher education by the government and decreased in enrolment by public universities in order to pave way for the private ones (Manuh, et al., 2007). Higher education in Ghana has therefore been characterized with privatization and competition. These changes have affected the operations of higher education nowadays and they are seen as the driving forces for the marketing of higher education (Maringe, 2006). As a result, the motivating factors for students in their choice of a university have become a vital issue and the role of marketing in enrolment has been given greater attention recently. As competition in the higher education increases, universities are now faced with the problem of competing for students to improve enrolment. Attempt to increase enrolment in this case calls for the application of the marketing concept.

2.1 OVERVIEW OF HIGHER EDUCATION IN GHANA

The 1992 constitution of Ghana makes the following general provisions for education and higher education in particular as follows:

- a) All persons shall have the right to equal educational opportunities and facilities and with a view to achieving the full realization of that right - (a) Basic education shall be free, compulsory and available to all;
- b) Secondary education in its different forms, including technical and vocational education, shall be made generally available and accessible to all by every appropriate means, and in particular, by the progressive introduction of free education;
- c) Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular, by progressive introduction of free education;
- d) Functional literacy shall be encouraged or intensified as far as possible;
- e) The development of a system of schools with adequate facilities at all levels shall be actively pursued.
- f) Every person shall have the right, at his own expense, to establish and maintain a private school or schools at all levels and of such categories and in accordance with such conditions as may be provided by law. (Assessed: The Fourth Republican Constitution of Ghana as cited by Amenyah, Augustine M. in his Article-Higher Education in Ghana, 2009).

2.2 THE PROLIFERATION OF PRIVATE TERTIARY UNIVERSITIES AND COLLEGES IN GHANA

The process and genesis of Private Tertiary Universities and Colleges in Ghana started in Ghana in 1993 when a structure for accrediting private universities was formed. The same year, polytechnics were upgraded to tertiary status. In the 2007 Ghana Education Reform, a goal was set to increase private sector participation in education services and aligned policies such as tax exemptions on imported books were created. Market differentiation is as important in higher education as it is in any area of commerce. Universities continually strive to build competitive advantage even though within sectors (e.g. Ivy League) their brand differences are relatively minor. But even small differences in the higher education marketplace can translate into enormous sums of money, so institutions compete at multiple levels and they compete hard.

Ahemba (2006) attributes the emergence of private universities and colleges to the failure of Africa's once glorious. An outline of reasons gleaned from answers some African Presidents gave on why they encourage the establishment of private higher institutions testifies to this truth. As summarized by Owusu Dankwa (2009), the reasons, according to them, are to help:

- a) Address the problem of who pays for higher education in the new millennium.
- b) African governments in offering environments that are conducive for teaching and learning needs in the higher education endeavor.
- c) Bridge the gap between the small number of educated Africans and the millions who need university education

- d) Governments to act in response to the pressure on entrance into the university by providing diversity, innovation and autonomy in the higher education sector.
- e) Offer quality education to enable individuals achieves their potentials through the introduction of current teaching systems and the effective use of information technology.
- f) Provide new and specialized educational programmes aimed at self-employment.
- g) Respond to the universal call for privatization, free market economy and individual ownership of establishments.

Varghese (2004, p. 11) also identified some key reasons that have contributed to the increasing participation of private universities in higher education as follows:

- a) The inability of the public sector to satisfy the growing social demand for access into higher education.
- b) The shifting political view of extensive public subvention to social sectors to lessen investment possibilities in the „productive sectors“ and thus the growth potentials of the economy in general
- c) Public universities“ inability to respond to the demand for changes in courses and subjects of study that have occurred in many countries.
- d) In some countries the public sector is being criticized for inefficiency and as such the private sector is increasingly being promoted for its efficiency in operation.
- e) In many centrally planned economies, the transition from state to market forces was also associated with the expansion of the private sector in higher education which formed an integral part of the reform measures. In fact, the privatization of higher education was, at times, part of the conditionality for receiving external funding support during the period of transition.

2.3 NATIONAL ACCREDITATION BOARD (NAB) CATEGORIZES OF TERTIARY INSTITUTIONS

NAB categorizes tertiary institutions into the following:

A University: An educational institution designed for advanced instruction and research in several branches of learning, conferring degrees in various faculties, and often embodying colleges, schools and similar institutions.

University College: An institution of higher learning that is affiliated to a university and that offers instructions based on programmes approved by the university to which it is affiliated and whose degrees/diplomas/certificates are awarded by the parent university.

Polytechnics (Now Technical Universities): An institution of higher or further education in which courses in a large range of subjects, especially, of a technical or vocational kind are available.

College: An establishment for further or higher education in the liberal arts (Pure Science/Humanities) or professional studies, sometimes, part of a university, e.g. Business College; College of Music; Naval College.

School: An educational institution devoted to a special branch of higher education, e.g. School of Education, School of Economics, School of Medicine, and School of Law.

Institute: An establishment offering advanced courses in the professions, or the arts, or science and technology.

Academy: A place of study or training in a special field, e.g. Military Academy, Academy of Dance, Maritime Academy.

Tutorial College: An institution, which prepares students to take the examinations of a university or a recognized professional body (**Assessed:** <http://www.nab.gov.gh>)

2.4 STAKEHOLDERS MONITORING OF PRIVATE UNIVERSITIES AND COLLEGES IN GHANA

i. National Accreditation Board (NAB)

The National Accreditation Board (NAB) of Ghana is the Government of Ghana agency responsible for the regulation, supervision and accreditation of tertiary institutions in Ghana. It is an agency under the Ministry of Education.

ii. National Council for Tertiary Education(NCTE)

The National Council for Tertiary Education (NCTE) was established by an Act of Parliament, ACT 454 of 1993. This Act among other things enjoins the Council to: advise the Minister of Education on the development of tertiary education institutions in Ghana; recommend national standards and norms including standards and norms on staff, costs, accommodation and time utilization, for approval of the Minister of Education; to monitor the implementation of any approved national standards and norms by the institutions; and to publish information on tertiary education in Ghana

iii. National Board for Technician and Professional Examinations (NAPTEX)

The National Board for Professional and Technician Examinations (NABPTEx) is one of three bodies with the mandate to regulate the tertiary education sector. NABPTEx is a regulatory body, which has oversight responsibility for non-university tertiary institutions, professional bodies and private institutions

iv. Mentoring Institutions (Private Institution Affiliation with Public Institution)

Mentoring as defined by Megginson and Clutterbuck (1995) is the “off-line help by one person to another in making significant transitions in knowledge, work and/or thinking”. That one wise and trusted person is called a mentor as well as motivator, adviser, facilitator just to mention a few.

To be called a university or before any of these private institution is granted a presidential charter and to have a full university status, such institution has to be mentored by any of the state public universities throughout it programme and institutional accreditation.

2.5 ACCREDITATION PROCESSES

Accreditation is a process of self-study and external quality review used in higher education to scrutinize an institution and/or its programmes for quality standards and need for quality improvement. The process is designed to determine whether or not an institution has met or exceeded the published standards (set by an external body such NAB, NCTE, or other professional bodies) for accreditation, and whether it is achieving its mission and stated purpose. The process usually includes a self-evaluation, peer review and a site visit. Success results in the accreditation of a programme or an institution.

Audit is a process of reviewing or vetting of an institution or programme to determine if its curriculum, staff, and infrastructure meet its stated aims and objectives. It is an evaluation of an institution or its programmes in relation to its own mission, goals, and stated standards. The assessors are looking primarily at the success of the institution in achieving its own goals.

An audit focuses on accountability of institutions and programmes and usually involves a self-study, peer review and a site visit. Such an evaluation can be self-managed or conducted by external body. It is an evaluation and assessment of an institution or its programmes in relation to its mission, goals and stated standards. The assessors are looking primarily at the success of the institution in achieving its goals.

Licensing is a process for granting a new institution or programme permission to launch its activities. It is sometimes a phased process whereby an institution goes through various stages before been granted a full license.

2.6 GROWTH RATE OF UNIVERSITIES AND COLLEGES IN GHANA

Government figures indicate that 136 accredited Universities and Colleges were operating in Ghana as of July 2010/2012. This figure rose to 142 in the following 2012/2013 academic year. This was 4% increase in the number of accredited institutions. With this figure, the Public universities enroll the largest number of students, taking 45.3% of the total 283,506 students in 2012/13, followed by private tertiary institutions (19.5%) and polytechnics (18.7%). In this same year there were 48 unaccredited local institutions operating in Ghana according to the National Accreditation Board 2012/13 records.

TABLE 1: DISTRIBUTION OF HIGHER EDUCATION INSTITUTIONS IN GHANA AS AT 2013

No.	Universities and Colleges	2010/2011 Academic Year	2011/2012 Academic Year
	Public universities/university colleges	7	6
	Public specialized/professional colleges	7	9
	Chartered private tertiary institutions	3	3
	Private tertiary institutions	51	55
	Polytechnics (now Technical Universities)	10	10
	Public colleges of education	38	38
	Private colleges of education	3	3
	Public nursing training colleges	13	10
	Private nursing training colleges	4	5
	Public colleges of agriculture	0	3
	Total	136	142 (4% increment)

(Source: Ministry of Education, "Education Sector Performance Report", July 2013)

By January 2017, the total number of accredited Universities and Colleges operating in Ghana rose from 142 in 2012/2013 academic year to 200. This represented about 29%. It means the number within 4 years increased by additional 25% as at 2017 as statistically indicated in the table 2 given below.

Again, the number of unaccredited institution also rose from 48 in 2012/2013 academic year to 53 in 2016/2017, this is over 9% increased.

TABLE 2: STATISTICS OF CATEGORIES OF TOTAL NUMBER OF ACCREDITED 200 PRIVATE & PUBLIC UNIVERSITIES AND COLLEGES IN GHANA

No:	Type and Category	Total Number	Recognized Certification
Public Funded			
1.	Public Universities,	10	Certificates, Diploma, Undergraduate and postgraduate degrees
2.	Polytechnics (Now Technical Universities)	10	Certificates, Diploma, Undergraduate
3.	Public Nursing Training Colleges	19	Certificates, Diploma
4.	Public Colleges Of Education	38	Certificates, Diploma, Undergraduate and postgraduate degrees
5.	Public College Of Agriculture	1	Certificates, Diploma, Undergraduate
6.	Public University/ Professional	7	Certificates, Diploma, Undergraduate and postgraduate degrees/professional
7.	Regionally-Owned Tertiary University	1	Certificates, Diploma, Undergraduate and postgraduate degrees
Total : 86			
Private Funded Institutions			
1.	Private University Colleges,	76	Certificates, Diploma, Undergraduate and postgraduate degrees
2.	Tutorial Colleges	7	Certificates, Diploma, Undergraduate and postgraduate degrees
3.	Distance Learning Centers	2	Certificates, Diploma, Undergraduate and postgraduate degrees
4.	Private Chartered Universities	4	Certificates, Diploma, Undergraduate and postgraduate degrees
5.	Registered Foreign Institutions	6	Certificates, Diploma, Undergraduate and postgraduate degrees
6.	Open Universities	2	Certificates, Diploma, Undergraduate and postgraduate degrees
7.	Private Nursing Training Colleges	10	Certificates, Diploma
8.	Private Colleges Of Education	7	Certificates, Diploma, Undergraduate and postgraduate degrees
Total: 114			
Ground Total : 200 (Excluding Unaccredited Institutions)			
1.	Private Unaccredited institution- clumped	53	Unrecognized Certification

(Access: <http://www.nab.gov.gh>)

TABLE 3: REGIONAL DISTRIBUTION OF THE 76 UNCHARTERED PRIVATE UNIVERSITIES IN GHANA

Regions	Total number of private universities for Degree programmes only	Percentage (%)
Ashanti	15	20
Brong-Ahafo	1	1
Greater Accra	37	49
Central	6	8
Eastern	7	9
Northern	2	3
Western	2	3
Upper East	2	3
Upper West	1	1
Volta	2	3
Total Regions 10	76	100%

2.7 TOTAL ENROLMENT LEVEL IN TERTIARY INSTITUTIONS AS AT 2014/2015 ACADEMIC YEAR

Total tertiary enrolment increased by 2.2% from 313,846 students enrolled in 2013/14 to 320,746 in 2014/15 as indicated in the table 4 below. This can entirely be attributed to an increase in enrolment in public institutions; enrolment in private institutions declined in 2014/15 compared to 2013/14.

TABLE 4: TOTAL ENROLMENT LEVEL IN TERTIARY INSTITUTIONS AS AT 2014/2015 ACADEMIC YEAR

Details	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Public Institutions						
Public Universities	107,058	115,452	109,278	128,326	138,416	147,180
Polytechnics	46,079	43,113	47,294	53,078	54,897	53,978
Colleges of Education (Public)	26,861	26,703	27,580	27,906	33,526	36,563
Specialized/Professional Institutions	14,951	7,715		11,735	10,786	
Total Public Institutions	179,998	185,268	202,063	221,632	238,574	248,507
Private Institutions						
Total Private Institutions*		32,275	59,899	61,874	75,272	72,239
Total tertiary enrolment		217,543	261,962	283,506	313,846	320,746

*includes: private universities and private Colleges of Education

2.8 ENROLLMENT LEVEL OF DISTANCE EDUCATION IN GHANA

Distance education is making a lot of impact in Ghana now, as majority of mature people want to remain to work and at the same time have education. This Distance Education is mostly run by the Public Universities. However, distance enrolment in distance education has remained more or less stagnant, with a less than one percent decline in total enrolment in 2014/15 compared to 2013/14. While enrolment in distance education programmes at UCC and UEW have increased, these figures have declined in UG and Kwame Nkrumah University of Science and Technology (KNUST), as indicated in the table 5 below:

TABLE 5: ENROLLMENT LEVEL OF DISTANCE EDUCATION IN GHANA

Institution	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/15
University of Ghana (UG)	4,816	7,210	8,331	9,175	6,954	6,593
KNUST	2,186	3,165	4,787	6,453	10,981	7,939
University of Cape Coast(UCC)	13,586	19,007	29,914	28,348	35,462	37,413
University of Education	17,001	23,607	20,264	15,563	13,256	14,416
TOTAL	37,589	52,989	63,296	59,539	66,653	66,361
Annual increase	17%	41%	19%	-6%	11%	-0.44%

2.9 ENVIRONMENTAL ANALYSIS OF PRIVATE UNIVERSITIES AND COLLEGES IN GHANA

The SWOT and the PESTLE model have become so important in the education sector these days due to the influx and the proliferation of private universities and colleges in Ghana. This analysis also makes it possible for educational marketers to determine environment changes that might impact the planning, management and future financing of the industry.

TABLE 6: PESTLE ANALYSIS (MACRO)

Political factors
<ul style="list-style-type: none"> • Privatization of Universities and Colleges • Changes in skills needed for one to become a tutor or a lecturer • The expectations to become self-financing • Government initiatives that create risk of the industry failing • Curriculum changes that come with shorter lead times
Economic factors
<ul style="list-style-type: none"> • Cost of resources such as books or papers, teaching and support staff and technology solutions such as laptops etc. • Material shortage on international and national markets • Risk of high valued staff members moving from the low performing schools/institutions to high performing ones • Parents ability to raise funds needed for optional activities • Local industry closure can affect the industry's fund raising plans • Local or central government funding decisions can affect the general performance of the industry
Social factors
<ul style="list-style-type: none"> • Birth rate decline which reflects national trends • Changes in the local population. This can either be an increase or decrease in the numbers. • Inability for the industry to attract qualified staff • Parental preference has increased the tendency of parents to choose which schools their children are going to attend. • Demographic changes can affect pupil rolls or nature of the needs of students • Inability of the staff to acquire or access training that is needed to ensure the industry continues to flourish.
Technological factors
<ul style="list-style-type: none"> • Shift from paper based to e-book readers. • Out of date computer hardware • New computer viruses that affect the operations of the industry • Risk of choosing the inappropriate technology • Change to equipment or standards required • Disturbing/illegal images on the internet that affect security measures
Legislative factors
<ul style="list-style-type: none"> • New legislation that creates non-compliance with law and also creates administrative burdens • Child protection changes • Raise in the age of those leaving school • Lowering or raise of age starting age • Change in the opening hours of schools • Safety and health legislation
Environmental factors
<ul style="list-style-type: none"> • Reduction in green space that is availed for activities • Use of huge amounts of photocopier toner and paper to deliver printed information • New developments that pose a threat to students in the industry • Disposal of waste • Changes in the local bus routes

(Assessed: <http://www.trainingindustry.com/blog/blog-entries/pest-to-pestle.asp>)

TABLE 7: SWOT ANALYSIS (MICRO)

Strengths	Weaknesses
<ul style="list-style-type: none"> brand name through more effective marketing and communications location in state capital small size expertise in teaching non-traditional students Positive Campus Climate accessibility – regular day, weekend, and Evening school interdisciplinary and experiential education at both the undergraduate and graduate levels Access through direct entry and mature entry 	<ul style="list-style-type: none"> underfunding in many departments and programs lack of financial support for faculty Scholarship thin on cultural/racial/ethnic diversity Lack of Political Representation Lack of willingness to recognize weaknesses and make improvements, e.g., the administrators lack the willingness to openly discuss challenges the university faces -- recruitment, retention, lack of diversity -- and develop plans for making improvements. declining enrollment from due to competition, followed by uneven patterns of growth understaffing at many levels inadequate resources for recruitment, retention, advising, and marketing – all the things needed to recruit and retain students lack of infrastructure – including physical, financial, and human resources; inadequate capital funds to support all that we want to do underdeveloped campus life and facilities not enough undergraduate degree programs lack opportunity of becoming a leader in interdisciplinary and integrated learning lack more conversations and partnerships with local employers – those in the private, nonprofit, and public sectors – so that our students are more appealing to them lack international and off-campus study and exchange programs
Opportunities	Threats
<ul style="list-style-type: none"> continuing education for intellectual enrichment and for people of all ages New Lecture and Residence Halls opportunity to build an undergraduate experience using the best practices from throughout the country Multi-state access to students. Location and proximity Leverage on diversity and mix of academic programs and schools/colleges to create new areas of study. Growth opportunities in emerging sectors -- research and economic development such as science, Mathematics manufacturing, information solutions and Engineering 	<ul style="list-style-type: none"> lack public funding through the Ghana Education Trust Fund Poor Academic Preparation risk of losing prominent faculty and staff for genuinely better opportunities at other universities or locally to the Public Universities growing competition from nearby public universities and small privates in Colleges Part-time faculty teach most classes, and there is no strong bond and a high level of interaction between faculty and students

3.0 COMPETITORS ANALYSIS IN TERTIARY EDUCATION

Hyper competition is a situation brought by modern technology and speed of business, globalization, rapid transport and manufacturing in which there is global very strong competition between companies, markets are changing very quickly, and it is easy to enter a new market, so that it is not possible for one company to keep a competitive advantage for a long time (Assessed: "Hyper Competition and the Speed of Change" by Jorgen Eriksson, 2012.

According to Mr. D'Aveni, business has entered a new era of hyper-competition, shifting dramatically from slow-moving stable oligopolies to an environment characterized by a quick-strike mentality on the part of companies aimed specifically at disrupting the competitive advantage of market leaders as cited in "This business is intensely, vigorously, bitterly, savagely competitive" by Robert Crandall, 2013.

As cited by Philip G. Altbach, Academic competition has its good and bad points. Universities are tempted to "follow the leader" and to emulate the most prestigious universities. This is often counterproductive, since higher education institutions have different missions and everyone cannot--and should not--be Harvard (<http://www.forbes.com/2010/08/01/higher-education-competition-opinions-best-colleges-10-altbach.html>).

Porter (1998) states that competition in an industry depends on Porter's competitive forces, which are: The bargaining power of suppliers, Threat of new entrants, bargaining power of buyers, rivalry among existing firms and threat of substitute products or services. He further notes that the goal of competitive strategy for a business unit in an industry is to find a position in industry where the company can best defend itself against these competitive forces or can influence them in their favour.

Michael Porters' five forces or model is a classic framework, which can be used to analyze the nature of competition in the education sector, especially i with the trend of proliferation of Universities and Colleges in Ghana. Each industry has five "forces" that reflect the degree of competitiveness are:

- Existing competitive rivalry between suppliers
- Threat of new market entrants
- Bargaining power of buyers
- Power of suppliers
- Threat of substitute products (including technology change)

The model's application according to Martinez, Mario; Wolverton and Mimi vary from exploring leadership and differentiation in professional service firms (Ou and Chai 2007). As clearly cited by Martinez, Mario; Wolverton and Mimi (2009), Academicians from a variety of disciplines have used Porter's five forces model to describe different industries.

- Ondersteijn, Giesen, and Huirne (2006) conducted an industry analysis using Porter's model to interpret the external context of Dutch dairy farming.
- Fratto, Jones, and Cassill (2006) employed it to better understand apparel retailers and price competition within the apparel industry.
- Siaw and Yu (2004) were interested in the impact of the Internet on banking competition.
- Pines's (2006) application of the model to emergency medicine allowed him to develop a set of recommendations for how players within the field--including emergency departments and physicians--might better work together to strengthen their services and ultimately offer improved care.
- In an article about building a firm's lobbying strategy, Vining, Shapiro, and Borges (2005) used Porter's model to identify the environmental context in which the firm operates.
- Dobni and Dobni (1996) provide one of the few examples of an industry analysis in higher education planning. They applied Porter's model to Canadian university-based business schools and uncovered pathologies that were incompatible with the realities for which they were supposedly preparing their

students. The relative absence of industry analysis in college and university planning suggests a need for more serious consideration and application in the field (Assessed: Martinez, Mario; Wolverton and Mimi (2009).

FIGURE 1: APPLICATION OF MICHAEL PORTERS' FIVE FORCES OR MODEL IN EDUCATION



Threat of New Entrants (open, registered foreign, local universities)

According to Martinez and Wolverton (2009a) as cited in Porter’s 2008 article, extend the barriers of new entrance to supply-side economies of scale, demand-side benefits of scale, customer switching costs, capital requirements, incumbency advantages independent of size, unequal access to distribution channels and restrictive government policy. Martinez and Wolverton (2009a) have stated that, the potential for the entry of a new competitor into existing higher education marketplace depends on several factors among them:

- a) Economies of scale – this refers to an organization’s ability to increase productivity or decrease its average cost of production by more efficiently employing resources over time. If the existing providers can create economies of scale, then the threat of new entrants’ decreases;
- b) Capital requirements – this pertains to the monetary infrastructure requirements needed to produce or deliver a good or service.
- c) Competitor reaction – competitors often react negatively to new or potential entrants
- d) buyer resistance – new market entrants face two forms of buyer resistance (a) a failure to accept the new goods and services as equal to or better than current ones and (b) an unwillingness to bear the cost of switching to the new goods and services. As the number of providers grows, the competition increases, and more competition leads to more efficiency, higher quality, more innovation, more differentiation and more choice for consumers (De Boer et al., 2009 as cited by Pringle and Huisman, 2011).
- e) There is also a proliferation of new courses and initiatives available to students of all ages beyond the traditional extension schools or adult education programs associated with universities.

The recent technological revolution brings a new dimension into higher education and Michael (1995) described that technology has potential to change how instructions are delivered in higher education, that is, if this technology is adopted fully.

Bargaining power of suppliers (Industry players, government, Outsourcing Agents)

Porter suggests that a supplier group is powerful if:

- a) It is dominated by few companies and is more concentrated than the industry to which it sells.
- b) The input supplied is unique, differentiated or requires significant switching costs.
- c) Suppliers pose a credible threat of forward integration.
- d) Industry is not an important customer of the supplier group.

The biggest supplier power in the educational Sector is the challenge of highly skilled labour in terms of lecturers, researchers and administrators as cited in Pringle and Huisman, 2011.

The power of buyers (Students and Parents)

Porter (2008) argues that buyer power is needed, given that many buyers do not purchase in volumes that are large relative to the size of a single vendor, as is clearly the case of the higher education industry. In an industry where options are plentiful, customers have more choices and buyer power increases (Martinez and Wolverton, 2009a).

Threat of substitutes (Institutes, Colleges, Technical Universities, Distance Learning, On-line)

Porter cites six major barriers to entry:

- a) Economies of Scale – force entrants to enter on a large scale or accept a cost disadvantage
- b) Product Differentiation — implies finding a position to overcome entrenched customer loyalties
- c) Capital Requirements - need for large sums of upfront capital which may not be recoverable
- d) Cost Disadvantages independent of size advantages attained through learning curve, proprietary technology, geographic location, etc.
- e) Access to distribution channels – new entrants must find room or displace current competitors to get their product to market
- f) Government policy – industry regulations, controls, accreditation and licensing requirements may prohibit entry to potential competitors

According to Martinez and Wolverton (2009a, b), the threat of substitutes is defined by three attributes: time, convenience and application, with time being the most important factor driving students to seek substitute products. This means that a competitor that offers substitutes often combine convenience, time and application, largely because of expanded delivery options made possible by technology. The availability of and demand for substitutes for higher education is increasing as describe by Francis Mathooko Martin Ogutu, (2015), Perhaps most significant is that many employers no longer regard the one-time provision of an undergraduate (or graduate) degree as sufficient for the lifetime learning needs of their work force. Increasingly, they are meeting these ongoing training needs in-house or with a third party supplier (Collis, 1999a).

In a research undertaken during 2005–2007 by D.J Bradmore and K.X Smyrniotis on Australian public universities, indicates that universities in Australia were not taking the threat of rapidly intensifying competition seriously enough at a time when foreign competitors were making inroads into their markets and when deregulation and new communication technologies were spawning rivals in many new forms.

Intensity of Rivalry (Private Universities and Colleges)

Rivalry among competitors can be brought about by price discounting, new product introduction, advertising campaigns and service improvements (Porter, 2008). The intensity of the rivalry among competitors is according to Porter related to the following factors:

- a) Number and relative size of competitors
- b) Level of industry growth
- c) Degree of differentiation
- d) Relative magnitude of fixed costs
- e) Level of exit barriers
- f) Diversity of strategies employed by rivals

In the higher education industry, the intensity of rivalry depends on the object of the competition: students, teaching staff (faculty), donors or government-based funding and research funds (Martinez and Wolverton, 2009a). It is influenced by two structural factors: (a) the profile of existing institutions – this is defined by the number of institutions in the pool, which will then determine the degree to which each institution must compete for students, faculty, government-based funding and research money (b) industry context – the higher education is strongly influenced by political, economic, social and technological variables. The political and economic context of the higher education industry is intricately connected, especially for public universities (Martinez and Wolverton, 2009a). Due to a high concentration of similar institution and a perceived incentive to compete on price, it is likely that HEIs revenue will be reduced and this is likely to create financial management challenges to the management of HEIs, now and in the future (Anand, 2012).

Both private and public institutions have existed within a competitive environment in that they have had to compete with each other for students over the year (Walsh, 1994). Competition among the numerous universities and colleges in Ghana competing to recruit international students has increased tremendously overnight; this was worsening with the advent political crises engineered by book haram group in Nigeria.

4.0 COMPETITIVE ADVANTAGE APPLICATION IN THE TERTIARY EDUCATION

Competitive advantage is also defined as the strategic advantage one business entity has over its rival entities within its competitive industry. Achieving competitive advantage strengthens and positions a business better within the business environment.

Research has indicated that competitive environment within the higher tertiary education is driven by a number of forces, including the growth in corporate and for-profit institutions, a buyers-market for students, and advanced telecommunications-delivery systems. As a result, most institutions compete with an identifiable group of other public, private and for-profit institutions for students and faculty and for funding from state, federal, corporate, foundation, and other private sources (Dorothy Leland and John Moore, 2007)

Competitive advantage is “when a company is able to outperform its rivals, as commonly measured by the attainment of profits above the industry norm” (Hill et al, 2007). It is the combination of the generic building blocks of superior efficiency, superior quality, superior innovation and superior customer responsiveness, which “influence a company’s ability to build and sustain a competitive advantage” (Hill et al, 2007).

According to Abusafia (2004), gaining competitive advantage enhances firms with many benefits, but the main challenge is to develop and sustain this competitive advantage.

□ Sources of Competitive Advantage: Sources of competitive advantage can be one or more of, but not limited to, the following (QuickMBA, 2010):

- a) Making the best product on the market.
- b) Delivering superior customer service.
- c) Achieving lower costs than rivals.
- d) Being in more convenient geographical locations.
- e) Using appropriate technology.
- f) Having highly skilled human resources.
- g) Possessing a well-known brand name and reputation.
- h) Providing buyers more value for each dollar they pay.

According to Thomas and D’Aveni (professor of strategic management at Dartmouth College’s Tuck School of Business), hyper competition is “an environment characterized by intense and rapid competitive moves, in which competitors must move quickly to build new advantages and [simultaneously] erode the advantages of their rivals.” Some analysts say hyper competition is “high-velocity competition” because of the speed of technological change.

D’Aveni specifically stated, “instead of seeking a sustainable advantage, strategy in hypercompetitive environments now focuses on developing a set of temporary advantages” (D’Aveni, 1994: 7). He reiterated this when he said, “If companies are not seeking a sustainable competitive advantage, what is the goal of strategy in hypercompetitive environments?”

In a paper titled “The Rise of Hyper competition in the U.S. Manufacturing Sector, 1950–2002,” researchers L.G. Thomas and Richard D’Aveni says, “Achieving and sustaining a competitive advantage,” Thomas said, “may mean that the best strategies for winning will be short-term and constantly revised.”

In his book, Porter developed three generic strategies that, he argues, can be used singly or in combination to create a defensible position and to outperform competitors, whether they are within an industry or across nations. Porter stresses the need for firms to “transfer” skills and expertise among autonomous business units effectively in order to gain competitive advantage. Depending upon factors such as type of industry, size of firm, and nature of competition, various strategies could yield advantages in cost leadership, differentiation, and focus.

Michael Porter discusses competitive strategy for emerging, mature, declining, and fragmented sector by presenting his five forces and generic strategies and then discusses how to recognize and act on market signals and how to forecast the evolution of industry structure as indicated in the table below

TABLE 8: APPLICATION OF PORTERS GENERIC STRATEGY

Industry Force	Generic Strategies		
	Cost Leadership	Differentiation	Focus
Entry Barriers	Ability to cut price in retaliation deters potential entrants.	Customer loyalty can discourage potential entrants.	Focusing develops core competencies that can act as an entry barrier.
Buyer Power	Ability to offer lower price to powerful buyers.	Large buyers have less power to negotiate because of few close alternatives.	Large buyers have less power to negotiate because of few alternatives.
Supplier Power	Better insulated from powerful suppliers.	Better able to pass on supplier price increases to customers.	Suppliers have power because of low volumes, but a differentiation-focused firm is better able to pass on supplier price increases.
Threat of Substitutes	Can use low price to defend against substitutes.	Customer's become attached to differentiating attributes, reducing threat of substitutes.	Specialized products & core competency protect against substitutes.
Rivalry	Better able to compete on price.	Brand loyalty to keep customers from rivals.	Rivals cannot meet differentiation-focused customer needs.

(Access: www.quickmba.com › Strategy)

DIFFERENTIATION

Differentiating the product or service, requires a firm to create something about its product or service that is perceived as unique throughout the industry. In Ghana the many newly emerging private universities is threatening the already existing ones. To survive and succeed in the face of increased competition, universities are at risk of losing their market share and in such environment, the universities will need a clearly differentiated market position and a strong alignment of the student experience and brand promise. Positioning is one tool universities can use to review their position in the market and adjust their strategy accordingly according to Ernst & Young Educational Team 2011 research.

Caroline Muthoni Nthiiri, Patricia Gachambi & Lewis Kahuna (2014), concluded that for universities to remain focus needs to develop and implement academic programmes that are perceived as unique throughout the industry. Whether the features are real or just perceived by customers, the programmes must show that they have desirable features not commonly found in competing products.

COST LEADERSHIP

Overall, cost leadership requires firms to develop policies aimed at becoming and remaining the lowest-cost producer and/or distributor in the industry. Research has however indicated that, the public institutions have a competitive advantage in terms of costs over their higher-priced private and for-profit counterparts. Private and proprietary institutions counter this advantage by promoting their academic reputations, emphasizing convenient delivery of services, leveraging of financial aid, etc. Many private-sector institutions also have developed distinctive market niches example is based on religious affiliation, gender, etc. (Dorothy Leland and John Moore, 2007). Educational Thinkers have also said that cost leadership is deemed inappropriate for the education industry as up to date modern facilities, technology and attractive premises are the standard hallmarks for a quality institution and these make low cost strategy unachievable at best (Hua, 2011).

FOCUS

The final generic strategy, focusing (also called niche or segmentation strategy), involves concentrating on a particular customer, product line, geographical area, channel of distribution, stage in the production process, or market niche. The underlying premise of the focus strategy is that a firm is better able to serve a limited segment more efficiently than competitors can serve a broader range of customers.

In its findings the Ernst & Young Educational Team 2011 research said that as the market becomes more consumer-driven, incumbents should consider strategies and techniques used in consumer marketing industries, for example, the creation of focused market positions based on the principles of psychographic segmentation, and multi-brand strategies, which could enable competing universities to serve multiple segments without diluting their core brand.

In their book "Strategic" Dorothy Leland and John Moore, 2007 have stated that in a very environment, conventional strategic planning may not be sufficient to provide colleges and universities with a viable strategy for positioning themselves competitively. Such conventional planning typically means seeking broad strategies for advancing institutional interests related to teaching, research and service. Such planning usually focuses on enhancing effectiveness in selected core missions for instance, improving the quality of undergraduate teaching, increasing research opportunities, and fostering community partnerships.

Dorothy Leland and John Moore are of the view that advancing core missions is commendable; however, the core missions of colleges and universities overlap within higher-education sectors and may not serve to sufficiently differentiate an institution from its competitors.

TABLE 9: APPLICATION OF ANSOFF MATRIX IN UNIVERSITY ADMINISTRATION

Present	New
Market Penetration • Recruiting more Students following existing courses and models	Product Development • Recruiting more Students following new courses and modes
Market Development • Expansion of Existing Courses and Modes to new group of Students –Non-traditional learners	Diversification • Development of new courses and modes for new group of students

Source: Ansoff (1988), Corporate Strategy Adapted from Ahmed et al. (2015)

5.0 CONCLUSION

On how best to curtail the practice of NAB/NCTE accrediting more private universities and ensure that those already accredited institutions implement requisite standards should look at. The board monitoring of private institutions should be intensified and universities with satellite campuses that are not accredited should also be controlled. Courses developed by these private universities that do not help graduates find job after graduating should not be accredited. A good educational system and structures should yield more positive fruits than negative, however in Ghana, educational system after 61 years of independence still remain a challenge.

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APPENDIX

TABLE 10: SUMMARY OF VARIOUS SECONDARY RESEARCH SOURCES

No.	Author	Title	Merit	Credibility	Reliability
	E. B. Ampomah and Luke N. Onuoha Babcock (2013)	The Performance and Challenges of Private Universities in Ghana and Nigeria	The merit is to access the impacts of the emergence of these private Universities on individual students and the state	International Journal of Business and Social Science Vol. 4 No. 5	Center for Promoting Ideas (CPI), USA Access: www.ijbssnet.com
	Taiwo A. Olaiya (2015)	Expanding Private Higher Educational Institutions in Africa: Implications for Good Governance	The proliferation of and concomitant increase in access to, tertiary education is central to bridging poverty gap in developing country and fast tracking development.	ISSN 2055-0219(Print), ISSN 2055-0227(online)	Published by European Centre for Research Training and Development UK- Vol.3, No. 12, pp.9-28 Access: (www.eajournals.org)
	Ministry of Education 2016 Report	Education Sector Performance	This is to report assessed educational sector performance over the 2015/16 academic year via a review of sector activities	Ghana - Camilo Guerrero - Higher education in African countries.indd	http://www.moe.gov.gh/assets/media/docs/ESPR2016
	Francis Mathooko Martin Ogutu, (2015)	Porter's five competitive forces framework and other factors that influence the choice of response strategies adopted by public universities in Kenya	This was to help academic thinkers to understand how Porter's five forces among other factors shape the choice of response strategies adopted by public universities in Kenya.	International Journal of Educational Management, Vol. 29 Iss 3 pp	Emerald Insight Publishing Access: http://dx.doi.org/10.1108/IJEM-12-2013-0187
	Gaurav Bisaria (2013)	Achieving Competitive Advantage by Private Management Colleges or Private Universities	This was to assess the impact and effectiveness of competitive advantage used by private colleges or universities.	International Journal of Social Science & Interdisciplinary Research	IJSSIR, Vol. 2 (3), MARCH (2013)-SSN 2277 3630 Access Online - http://indianresearchjournals.com
	King'oo Ruth Ndanu	Determinants of Competitive Advantage among Private Universities in Kenya	The purpose of this paper was to investigate the determinants of competitive advantage which each university is using in order to remain relevant in the market	A Research Project Submitted In Partial Fulfillment for the Award of a Degree of Master of Business Administration in Strategic Management	Department of Business Administration School of Business, Kenyatta University
	D'Aveni, Richard A., and Robert E. Gunther (1994)	Hyper competition: Managing the Dynamics of Strategic Maneuvering	This was to bring to bear the goals of strategy in hypercompetitive environments	New York: The Free Press APA (6th ed.)	http://www.worldcat.org/title/hypercompetition-managing-the-dynamics-of-strategic-maneuvering/oclc/29389846?
	Dorothy Leland and John Moore, (2007)	Strategic	Institutions focusing on securing Competitive Advantage through Conventional strategic planning and "strategic positioning"	Public Purpose Magazines Issue/sep.oct07strategic.pdf	http://www.aascu.org/uploaded-Files/AASCU/Content/Root/Media AndPublications.
	Caroline Muthoni Nthiri, Patricia Gachambi & Lewis Kathuni (2014)	Effectiveness of Competitive Strategies on Student Enrolment, Staff Attraction and Retention in Kenyan Universities: A Case of Universities in Tharaka Nithi and Meru Counties	This was to determine the effectiveness of the competitive strategies that have been adopted to increase enrolment and staff attraction and retention by the universities in kenya	European Journal of Business and Social Sciences, Vol.3, No. 9, December, 2014.	http://www.ejbss.com/recent.aspx-/ISSN: 2235 -767X
	Needesh Ramphul (2011)	Using the Ansoff Matrix to develop strategies for tertiary education in Mauritius	To use Ansoff's matrix to identify the various strategies that are available and recommend the best strategy that can be relevant for the Mauritian tertiary education sector.	University of Technology, Mauritius library,	http://tec.intnet.mu/pdf_downloads/confpaper/conference2011/confpaper7.pdf
	Ahmed et.al (2015)	Managing Strategies for Higher Education Institutions in the UK: An Overview	this article considers a form of strategic issues such as strategic management in higher education,	2015 The Kerala State Higher Education Council	SAGE Publications http://hef.sagepub.com

TABLE 11: 76 PRIVATE TERTIARY INSTITUTIONS OFFERING DEGREE PROGRAMMES AS AT JANUARY 2017

Name of University	Affiliation/Certificate Awarded by	Regional Location
Abot College of Health Sciences and Technology	University for Development Studies	Kumasi, Ashanti
Academic City College	University of Cape Coast	Accra
Accra College of Medicine	University of Ghana	Accra
Accra Institute of Technology (AIT)	Kwame Nkrumah University of Science and Technology	Accra
Advanced Business College	University of Education, Winneba	Accra
Akim State College	Kwame Nkrumah University of Science and Technology	Eastern
Almond Institute (formerly Graduate School of Governance and Leadership)	Kwame Nkrumah University of Science and Technology	Accra
Anglican University College of Technology	Kwame Nkrumah University of Science and Technology	Central
Asanska College of Design and Technology	University of Cape Coast	Accra
Ashesi University College	University of Cape Coast	Eastern
Baldwin College	NABPTEX	Accra
Bimaks College of Business and Health Sciences	University of Cape Coast	Central

BlueCrest College (formerly NIIT Ghana College)	University of Education/NIIT	Accra
Catholic Institute of Business and Technology	University of Ghana	Accra
Community College	University of Cape Coast	Western
Christ Apostolic University College	University of Cape Coast/Kwame Nkrumah University Science and Technology	Ashanti
Christian Service University College	University of Ghana	Ashanti
CSIR College of Science and Technology	University of Eastern Finland	Ashanti
Data Link Institute	Kwame Nkrumah University of Science and Technology/Jiangsu University-China	Accra-Tema
Dominion University College	University of Cape Coast	Accra
Ensign College of Public Health	Kwame Nkrumah University of Science and Technology	Eastern
Entrepreneurship Training Institute	University of Education	Accra
Evangelical Presbyterian University College	University of Cape Coast	Volta Region
Family Health Medical School	University of Ghana	Accra
Fountainhead Christian College	Kwame Nkrumah University of Science and Technology	Accra-Tema
Garden City University College	Kwame Nkrumah University of Science and Technology	Accra
Ghana Christian University College	University of Development Studies	Eastern
Ghana Technology University College	Kwame Nkrumah University of Science and Technology/Coventry University	Accra
Golden Sunbeam International College of Science and Technology	University for Development Studies	Accra
Heritage Christian College	Kwame Nkrumah University of Science and Technology	Accra
Institute of Development and Technology Management	Kwame Nkrumah University of Science and Technology	Central
Islamic University College		
International Center for Management Studies	University for Development Studies	Northern Region
Jayee University College	University of Education	Accra
Joyce Ababio College of Creative Design	University of Cape Coast	Accra
KAUF University College	Kwame Nkrumah University of Science and Technology	Accra
Kessben College	Kwame Nkrumah University of Science and Technology	Ashanti
Kings University College	University of Cape Coast	Accra
Knutsford University College	University of Ghana	Accra
Lancaster University, Ghana Campus	Lancaster University	Accra
Laweh Open University College	Franklin University Columbus, Ohio	Accra
Lucas College	Ghana Institute of Management and Public Administration	Accra
Madina Institute of Science and Technology	Kwame Nkrumah University of Science and Technology	Accra
Marshalls College	University of Cape Coast	Accra
Medicare College of Applied Sciences	Kwame Nkrumah University of Science and Technology	Ashanti
Methodist University College – Ghana	University of Ghana	Accra
Mfantseman Institute of Technology	University of Cape Coast	Central
Millar Institute for Transdisciplinary and Development Studies	University of Development Studies	Northern Region
Mountcrest University College	Kwame Nkrumah University of Science and Technology	Accra
Neumann College	University for Development Studies	Ashanti
New Life College	University for Development Studies	Northern Region
Nobel International Business School	Ghana Institute of Management and Public Administration/Swiss Business School	Accra
Nyansapo College	University of Cape Coast	Accra
Organization Development (OD) Institute	University of Cape Coast	Accra
Pentecost University College	University of Ghana	Accra
Perez University College	University of Cape Coast	Central
Presbyterian University College	University of Ghana	Eastern
Princefield College of Health and Research Institute	Kwame Nkrumah University of Science and Technology	Volta Region
Radford University College	Kwame Nkrumah University of Science and Technology	Accra
Regent University College of Science and Technology	Kwame Nkrumah University of Science and Technology	Accra
Regentropfen College of Applied Sciences	University for Development Studies	Northern Region
S S Peter and Paul Pastoral and Social Institute	University of Cape Coast	Northern Region
Shiv-India Institute of Management and Technology	Karantaka State Open University	Accra
Spiritan University College	Kwame Nkrumah University of Science and Technology	Ashanti
St. Nicholas Seminary	University of Education	Central
St. Margaret College	Kwame Nkrumah University of Science and Technology	Ashanti
Technical University College of Tamale	University of Development Studies	Northern Region
University College of Agriculture and Environmental Studies	Kwame Nkrumah University of Science and Technology	Eastern
University of Applied Management	University of Applied Management in Bavaria	Accra
University College of Management Studies	University of Education	Central
Webster University, Ghana	Webster University	Accra
West End University College	University of Cape Coast	Central
Wisconsin International University College	University of Ghana/University of Cape Coast	Accra
Withrow College	University for Development Studies	Central
Yeshua Institute of Technology		
Zenith University College	University of Cape Coast/ CIM, UK, CIMA, UK, ICA Ghana, ACCA	Accra

TRAINING AND DEVELOPMENT PROCESS AT THDCIL AND DETERMINING THE EFFECTIVENESS OF TRAIN THE TRAINERS PROGRAM

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ABSTRACT

In the age of stiff competition, sustenance and survival depends on so many factors. Human Resource is one such important factor on which the competitiveness of an organization depends. Training and Development is a crucial Human Resource function on which the organizational development and success rests. Training and development is vital part of the human resource development. Achievement of objectives and good returns on investment could only be attained if human resources aspects of the human enterprise are properly developed through training and manpower development. Famous Management author Peter Drucker said that the fastest growing industry would be training and development as a result of replacement of industrial workers with knowledge workers. Most organizations look at training and development as an integral part of the human resource development activity. In India, particularly in Public Sector Undertakings, Training and Development has been seen now as a strategic tool for up gradation of skill, increasing productivity and dealing with several other organizational aspects. Tehri Hydro Development Corporation (THDC) India Limited is a Schedule "A" Mini Ratna CPSE under Ministry of Power, Government of India. THDC has a defined training and learning policy and gradually the HRD department has started contributing to overall success of the organization by making training an investment centre and an effective tool to groom polish and prepare a pool of talented personnel to handle the upcoming challenges. The present paper is a study of gradual shift in the thrust area of HRD, formulation and implementation of a dedicated training and learning policy, how the training is being imparted and how it is being strategically used in several related aspects of HR together with gradually making effort to prepare a pool of talent. It proposes to explore the importance & effectiveness of Training & Development at THDCIL.

KEYWORDS

PSU, THDCIL, training effectiveness, train the trainers & phenomenology.

JEL CODE

M53

I. INTRODUCTION

In an age of stiff competition and when performance is the only litmus test for survival, organizations are continuously striving to find out ways to improve their efficiency and competitiveness. Training is one of the tools being used by organizations to gain that cutting edge advantage. Training is said to be the acquisition of knowledge of skills, and the competencies. It has specific goals of improving one's knowledge, skills and their capacity, capability, performance and their productivity.

Thus, the skills which are utilized by the human resource of an organization can increase in output, quality, improvement at the company if these skills are sharpened, upgraded with the help of constant training and development. Training & development increase in efficiency, increase of morale of employees, better human relations, reduction in supervision, increased in organizational liability & flexibility. Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone R J. Human Resource Management, 2002).

Managerial training is an essential ingredient of organizational performance. Training programmes try to enhance the knowledge, skill or change in behaviour of the individual employee, majority of the training programme try to address the causes of performance deficiency.

Learning & development is a key strategic issue for organization. It helps organizations to determine the extent to which their human assets are viable investments. Training acts as a tool in developing human capital and influencing behavior and attitude of the employees.

Training is said to be both physically, socially, intellectually very essential in facilitating the level of Performance & Productivity. The employee performance depends on various factors. But the most important factor of employee performance is training. Training is important to enhance the capabilities of employees. The employees who have more on the job experience have better performance because there is an increase in the both skills & competencies because of more on the job experience.

At THDCIL Training and development function is considered to be a vital function and in recent past the function has evolved from being a cost centre to an investment centre with larger emphasis on development of internal trainers, carrying out training need analysis and calculating return on investment of some of the vital training programs.

II. NEED OF THE STUDY

The rationale of the study is to find out the journey of training and development function in THDC India Limited, how the function has evolved in these years into a scientific system of managing performance and preparing pool of trainers and talents, helping out in grooming and preparing leaders for tomorrow and contributing in succession planning initiatives.

III. OBJECTIVES OF THE STUDY

The objectives of the study are mentioned below:

1. To study the training and learning initiatives at THDCIL
2. To understand the importance of training and development in increasing organization effectiveness.
3. The effectiveness and strengths of train the trainers program in THDCIL.

IV. LITERATURE REVIEW

Human Resource is the most importance resource on which an organization banks upon. So organizations invest huge amount on the human resource capital because the performance of human resource will ultimately increase the performance of the organization. Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000). Performance is the key element to achieve the goals of the organization so to performance increase the effectiveness and efficiency of the organization which is helpful for the achievement of the organizational goals. Training interventions affect performance of organization rather it is the only tool to improve the skill level and knowledge level of employees to contribute towards better productivity.

This makes it very crucial for organizations to design the training very carefully. The design of the training should be according to the needs of the employees (Ginsberg, 1997). Those organizations which develop a good training design according to the need of the employees as well as to the organization always get good results (Partlow, 1996; Tihanyi et al., 2000; Boudreau et al., 2001).

Today's economy is knowledge driven and therefore power of knowledge cannot be undermined. The resource on which any company can depend upon in a knowledge driven economy is its human resource. Therefore, it is important to care the knowledge up-gradation of this resource.

One of the established process of such knowledge and skill up-gradation is imparting of training therefore importance of training and learning initiative become immensely important.

Training is a continuous process that spans across the entire work period of the employees. When employees attend the training with dedication and carry with them the skills learnt and put into practice at their job, it produces excellent results. Training contributes in continuous development of employee as well as organization per se.

V. TRAINING AND LEARNING AT THDCIL

Human Resource development is extremely important because organizations recognize that any value added to an employee is value added to the organization. Training presents a prime opportunity to expand the knowledge. It is the only tool to deal with dynamic changing business requirement, meet skill up gradation of personnel, updating competencies and combating with organizational future requirement aligned with organizational goal.

In THDCIL, the structured functioning of HRD as a department started from the year 2007 onwards. In a short span of HRD has established its position as a strategic business partner and a contributor in the growth of Organization.

VI. OVERVIEW OF HRD DEPARTMENT

THDCIL has a full-fledged Corporate Training Department, to augment the learning and development requirements of its employees.

In THDCIL the structured HRD activities took pace from 2007 onwards (after commercial generation from Tehri HEP as prior to that training activities were taken care by the Personnel Department. The department was not only set up to meet the organization's Training and Development requirements but was conceived as an Centre for Excellence for providing training to its employees, employees of other Organizations as well as sustainable development and livelihood trainings for stakeholders from in and around areas.

VII. LEARNING AND DEVELOPMENT PHILOSOPHY

The basic philosophy of the training and learning is to make training an effective instrument in transforming the organization by aligning the current and future training and development requirement to achieve organizational goals articulated in terms of vision, mission and objectives. Training and learning initiative shall be administered as a tool to unlock the potential of human capital to develop leadership pipeline at all level and help in building critical organizational capabilities required to achieve Organizational plans.

VIII. HRD CENTRE & BROAD STRUCTURE OF THE HRD DEPARTMENT

THDCIL has a dedicated HRD centre at Pashulok, Rishikesh situated at a location which is unique and few of its kind in India besides river Ganges. The HRD centre is surrounded by lush green Mango trees and the whole atmosphere and ambience is peaceful and serene for learning experience. The HRD centre is called Sustainable Livelihood and Development Centre.

The organizational learning and development initiatives are taken care by Corporate HRD and HRD departments at Units. Corporate HRD Group: The HRD Centre at Rishikesh is situated amidst idyllic surroundings and has modern facilities and infrastructure that includes:

Lecture Rooms, Conference Rooms, equipped with teaching and audio visual aids together with smaller syndicate facilities are under development stage and are soon to be completed.

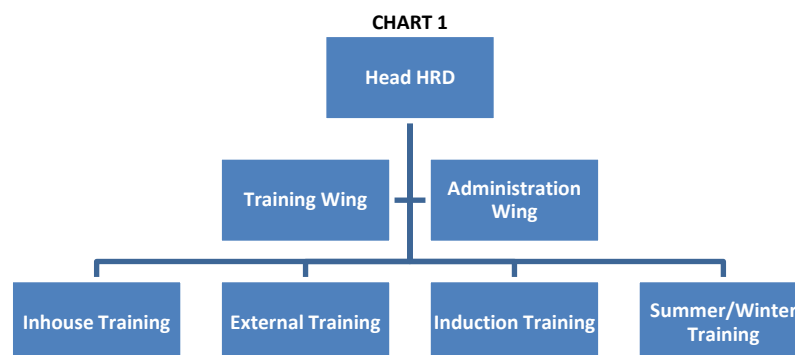
HRD also offers following services:

- Open Learning Services
- Testing and coaching services for conduct of departmental examinations.
- Integrated personality development
- Professional updates sessions including screening of management, inspirational or technical films

The structure of HRD is as under:

The thrust area of HRD is to work for the HRD interventions and carrying out associated learning and developments plans/initiatives for employees and external stakeholders. that include:-

- Framing Guidelines, policies and procedures for planned TNA and HRD interventions
- Liaison/Tie Up with training institutions/consultancies and individual trainers for imparting HRD interventions
- Planning and reviewing the annual training calendar for executives.
- Tie-Up with reputed institution for imparting training at National/ International Level



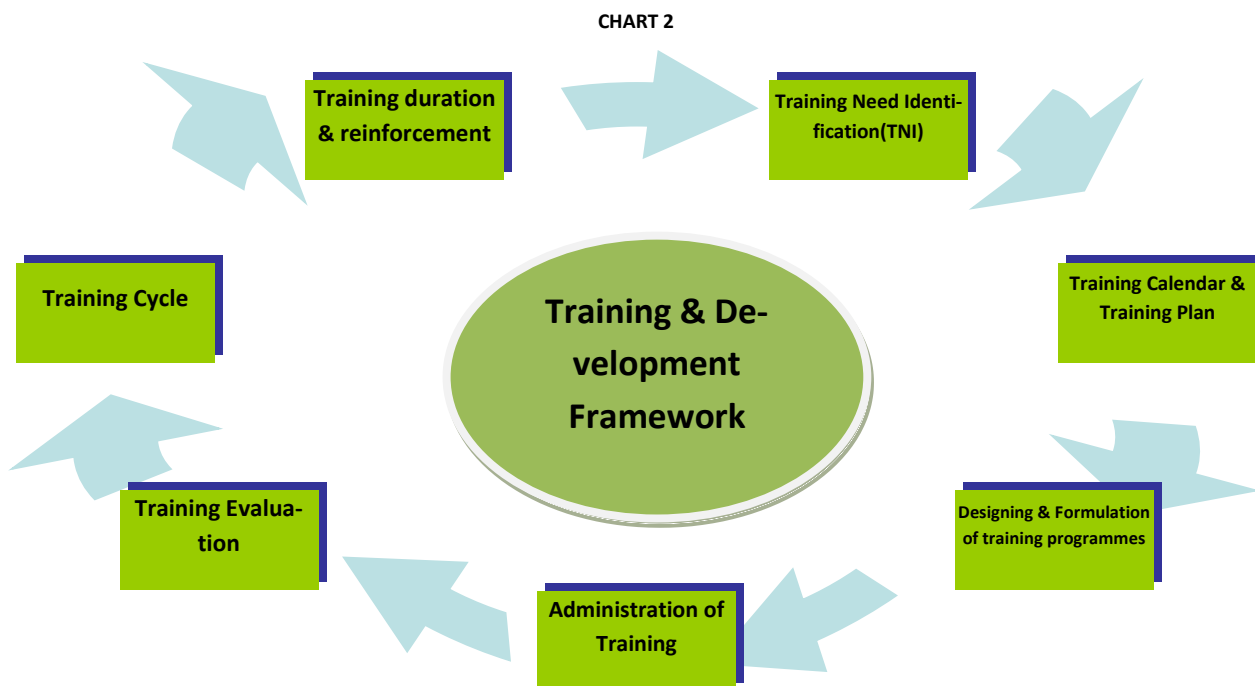
Site Training Wing: To implement the training plan at sites, respective P&A deptt. have been entrusted with responsibility of implementing the training plans specially for Non-Executives. The HRD department at project site is headed by Head of P&A department and works in collaboration with Corporate HRD.

IX. LEARNING AND DEVELOPMENT FRAMEWORK

The Learning and Development Framework helps understand key elements and value chain of Learning and Development Framework activities. The framework defines the thrust areas of HRD. The framework consists of following elements:

- Training Need Identification(TNI),
- Training Calendar and Training Plan,
- Designing and formulation of training programmes,
- Administration of training,
- Training Evaluation,

- Training Cycle,
- Training duration and reinforcement.



1. Training Need Identification (TNI)

It is a systematic process of identifying the training requirement of the organization from multiple sources taking into consideration the organizational goals.

2. Training Calendar and Training Plan

The training calendar lists down the schedule of all the training programs which are to be conducted in a given year/training cycle and training plan would provide details of the participants' profile, bodies responsible for hosting and conducting the training program, Faculty/trainer, location, kind of training evaluation to be done if any etc. of the training program.

3. Designing and formulation of training programmes

It covers deciding the content of the training program based on skill, knowledge to be imparted, mode of delivery, profile of participants, trainer, training budget, internal or external faculty etc.

4. Training administration

Training administration is the actual implementation of the training program as per the agreed training plan and design as detailed in the training and learning policy. The administration of training shall be done by Corporate and Unit HRD group under the approved training plan.

5. Training Evaluation

Training evaluation is the process of assessing the value added by the training program to bring about the intended benefit and also to bring out improvement in future programs. Training program effectiveness shall be evaluated at one or more of the following levels as agreed in the training plan:

- 1. Reaction level (Level-1):** First reaction of participants in terms of likeness, relevance, engagement levels, participation levels, perceived practicability, potential for applying the learning, level of effort required to make use the learning. A questionnaire is used for such evaluation.
- 2. Learning Level (Level-2):** Enhancement in knowledge and Skill level of the participants and key learning after attending the training program is the second level of evaluation. Level 2 evaluations can be done by assessments before and after the training. A questionnaire is distributed before and after the training by the trainer.
- 3. Behavioral Level (Level-3):** Level 3 evaluation is intended to know if the individual is able to apply the learning from the training in his work. The evaluation may be done by receiving feedback from individual and his superior.
- 4. Business impact Level (Level-4):** Training program are evaluated for their impact on actual business results. Metrics such as value added per executive, productivity in terms of Output/ increased productivity, engagement level of employee and other HR analytics may be used to evaluate the effectiveness of training program.

However, it is not possible always to quantify and measure the change brought about by the designated training program module in exact terms and as such the perception & feedback of participant and feedback of superiors act as criteria for evaluation.

6. Training Cycle

Training cycle is basically is the cycle which starts from commencing from the year of implementation of the training program. It also consists of any follow up program to be conducted.

7. Training duration and reinforcement

Training duration is basically to decide the time frame of training. It can be of one day, one week or depending upon nature of training and MOU target and mandays requirement the duration varies. It also consists of follow up of programs if required even repetition of some programs to ensure reinforcement and enrichment.

Categorisation of programmes

On the basis of duration/training programmes (both - in-house/external) are categorized as under:

- (a) Short duration : upto three training days
- (b) Medium duration : upto five training days
- (c) Long duration : above five training days

Limit on the number of programmes

An employee may be nominated for training programmes (in house or external) within the limits stipulated herein.

- Short duration : maximum of three in a year
- Medium duration : maximum of two in a year
- Long duration : once in two years

Training programs are divided into following heads:

1. **Leadership Development Programs:** The purpose of such training is to develop executives on basic leadership competencies. The aim is also to consider the succession planning into consideration and conduct Transformational leadership programs for senior executives.
2. **Management Development Programs/Managerial /Behavioral Competency Development program:** Such programs aim at to help employees develop their personal and organizational skills, either as managers in a management job or with an eventual management job in mind.
3. **General Management Program:** The aim of such training is smoothing and accelerating transition from functional/technical manager into general management. It prepares experienced managers for moving from mastery of one area to a broader business leadership role.
4. **Cross Functional Training:** The aim of such training program is to help acquire competencies in multiple functional areas of management to address the emerging business challenges and to give exposure of cross functional domain viz:
 - Finance for Non Finance
 - HR for Line Managers
 - CSR/Community development for all
 - Environment management for all.
5. **O & M Training:** O&M training is also as per requirement of CERC guidelines. The aim is to provide hands on and simulation experience of actual Operation & Maintenance to new technical inductees. Such training helps in maximizing training efficiency by exposing trainees to cutting edge power plant simulators, methods and equipments.
6. **Domain Specific Training:** Domain-specific training help in having independent, specialized knowledge structures, rather than one cohesive knowledge structure. It enriches the existing domain knowledge of the trainees and helps them keep abreast with the changes around.
7. **Induction level training:** This training provides employees with a smooth entry into the organisation by providing them with the information they require to get started and is generally for new inductees and it comprises of orientation program, classroom training in internal workplace and training centre as well as in external institutes. It comprises of on the job and off the job mode of training.
8. **Ethics/Value Refresher Programs:** Such training programs aim at setting standards of behaviour at workplace. Such training program defines commitment to good corporate governance, responsible business practice. They also provide the structure through compliance with legal obligations is also maintained. Such programs ensure that behaviour of employees is aligned with their values.

The above training program classification shall act as a base for other focus areas and shall aim at achieving the organizational goal by using training as an effective tool.

I. Leadership Development Programs/ Succession Planning

Training program shall be organized for leadership development for executives across different management levels. The basic leadership development program is intended to train the lower management executives on basic leadership competencies. Middle level management will undergo advanced leadership development programs to equip them in assuming higher roles. Transformational leadership program shall be intended for senior executives as these executives are in a transition point and they would have to be prepared for top management roles. Therefore, succession planning shall also be one of the objectives of such training. Such programs shall be conducted in-house or in prestigious institutions in India or abroad.

The participants shall be identified on the basis of three categories:

1. High performers
2. Scope for improvement
3. Not Engaged or Not interested

The succession planning policy of the organization shall also be taken into consideration for devising leadership training/ developmental plans. Data derived from PMS score, assessment/development centre and balance service left shall also be used in deciding nomination.

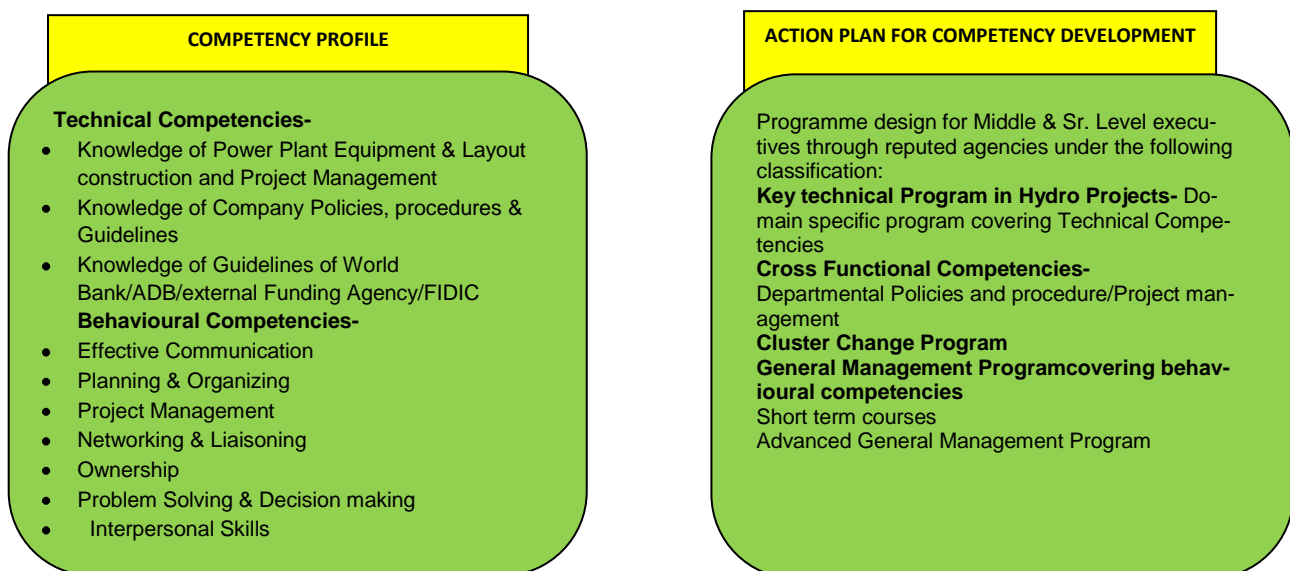
Generally, high performers are exposed to latest trends and required competency at next level, Skill and Knowledge improvement-training programs are conducted for those who show scope for improvement. and attitudinal training to those identified as not engaged or interested.

II. Competency/Capacity Building & Institutional Strengthening

The main thrust area of HRD shall be capacity building & institutional strengthening (CBIS). Under this initiative, the services and recommendations of consulting agencies viz. CRISIL etc. shall also be taken into consideration. The main aim of this initiative shall be to improve institutional capacity of organization and to understand the challenges that may exist in various functional areas with special emphasis on human resources and to channelize the efforts and potential of employees towards taking up new challenges faced by organization. These training programs are devised on the basis of identified competencies for all functions/roles in the organization. The succession planning policy shall also act as an aid in devising such training programs.

COMPETENCY DEVELOPMENT PLAN FOR MIDDLE AND SR. LEVEL EXECUTIVES

CHART 3

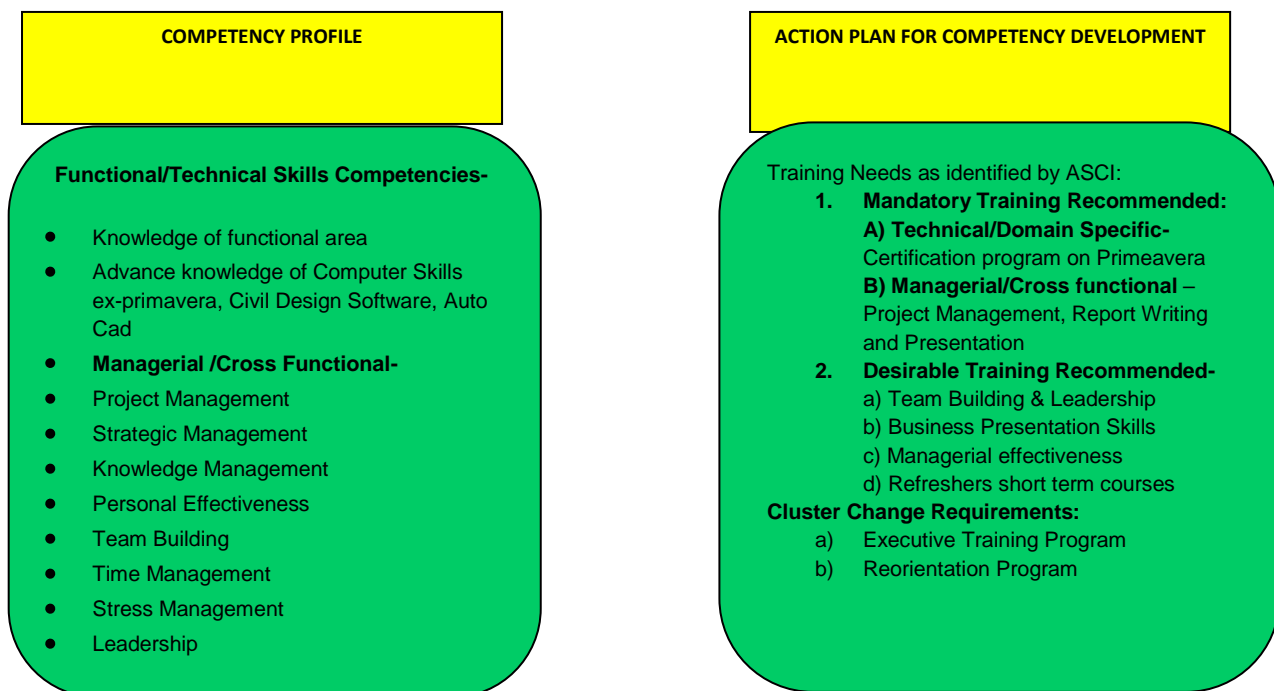


DEVELOPMENT PLAN FOR JR. LEVEL EXECUTIVES (Up to -5 Level)

Based on the description of role and responsibility, interview with senior functionaries of different departments and departmental need as identified by the Jr. Level executives, ASCI team and training need identified by HRD through internal TNA following set of skills required to perform the functions efficiently has been identified.

The training need of different department has been classified under three categories: **Mandatory Training, Desirable Training and Cluster Change training before change of cluster.**

CHART 4

**III. Transfer of Knowledge and Technology**

Transfer of Knowledge and Technology Training is aimed for deriving specific benefit to power sector CPSEs and build confidence and gain technical expertise required during design and operational stage of projects. Transfer of Technology (TOT) program is part of the consultancy agreement with indigenous/ foreign contractor and supplier for design and execution of power projects. This initiative consists of following processes:

Technical Managers are deputed along with the consultant right from conceptualization till completion stage of projects. Technical Managers are deputed with OEMs/ Vendors/Suppliers right from conceptualization to manufacturing stage. Inspections are carried on in different stages of manufacturing.

Training programs under Transfer of Technology generally cover all levels of employees in batches who are involved in project implementation work covering both managerial to operational level personnel. Such training helps in imparting knowledge and instilling confidence among technical managers for undertaking similar works in-house for future projects.

IV. Reinforcement increases impact of training

For training to be effective, the employee has to apply what is learned on the job and constant reinforcement of knowledge gained through training improves effectiveness and bring desired result with which the training was imparted.

V. Faculty Development

Concerted endeavour shall be made to develop internal trainer. HRD has already started this initiative of identifying and grooming faculty for sharing the knowledge and expertise that the officers have gained over the years. In-house expertise shall be encouraged for imparting training in the area of Hydro Power and other areas of managerial and behavioural training.

VI. Vocational training & Building a learning culture in organization

One of the important aspect of focus area of HRD is related to external stakeholders. The learning and development policy of THDCIL aims at catering to the training needs of its external stakeholders as well.

Summer & Winter Internship: To provide the students with the industry exposure and to meet the academia requirements of the students, there is a provision for summer and winter training for a stipulated period under the mentorship of executives without any charge. Internship is provided on first come first serve basis. The guidelines on summer training is to formulate a procedure for allowing students from different Institutes/Universities and Colleges for training in THDCIL under Industrial training and internship curriculum. The duration of summer training is fixed as maximum six weeks to commence in or after April and completes by August.

The students are enrolled for summer training on receipt of letter/ application in prescribed format from Institution/College/University duly stating the details of the candidate viz. session, specialization, cumulative grade points/score etc. shall be submitted to HRD deptt. Generally, a maximum of 550 students are enrolled for summer training. Students pursuing MBA (Finance), MBA (HR) or equivalent, MCA, BBA, BCA, B.Tech. and Diploma in Engg. etc. There is separate guidelines for CA/ICWA/ICSI trainees for long-term training with stipend. Completion Certificate for Summer Training is issued by HRD Department on recommendation of mentor and receipt of project report.

Basic Literacy Training for Illiterates- Efforts are made to identify the illiterate masses from the society and plan literacy training for them in collaboration of CSR deptt.

Skill up gradation and livelihood training- As a responsible stakeholder THDCIL also arranges/imparts training for skill up gradation and livelihood development and agriculture training to stakeholders. Such training are planned through premier agriculture or livelihood development centers in collaboration with CSR deptt.

VII. Employees Survey

HRD also carries out internal organizational surveys. Such surveys go beyond generic TNA. HRD not only administers the survey but also performs related activities viz. compilation of data, presenting recommendation, making presentations and laying out action plans etc.

VIII. Knowledge and skill development for organizational and national cause

HRD aims at skill and knowledge enhancement of not only its employees but it also cares for its external stakeholders, students and women folk, other related groups thus contributing in national cause. HRD imparts training to youth, organizes counseling and coaching sessions for educational and career development.

X. TRAINING EFFECTIVENESS: TRAIN THE TRAINERS PROGRAM**THE STUDY**

A common method of trying to evaluate training has been through simple questionnaires completed by participants at the end of a training session. This basic approach relies on subjective judgments. It can be the source of misleading conclusions. As per Bedinham the questionnaires rarely take account of the complexity of the topics covered in the training session or the difficulties which different classes might have with unfamiliar subjects.

Questionnaire method might exclude several factors, which the participants value the most during the training session versus an open-ended question where the participant is free to express the strength and weakness of the programme without being confined to the specific item in a questionnaire.

Train the Trainers program was conducted by THDCIL in association with IIM-Lucknow and a batch of 20 executives were sent.

The program was designed with an objective of:

- Comprehend principles of adult learning styles
- Be familiar with different training methods and their applications
- Be aware of methods to evaluate training effectiveness
- Be able to act as internal trainers in the organization

In order to adjudge the effectiveness of the program a study was conducted. The open coding method was used to identify the concepts.

The research question was:

What are the factors, which determine the effectiveness of a training programme particularly in context of train the trainers program?

The content analysis tool employed for the data analysis resulted in several concepts after coding which can be considered as the factors of training effectiveness. The frequencies of appearance of such concepts were also recorded by using a tally bar. The objective of this analysis was to find an answer to the research question as stated above.

The coding was done separately for the two groups of participants and a consolidated list was generated for both the programmes. Table 1 presents a summary of those concepts, which are identified after coding. The data analysis saw the emergence of eight factors, which can be considered, as the factors, which influence the effectiveness of the training programme.

Programme design

The programme design can be defined as the topics included in the programme, which covers the tools and techniques, which are useful for the function of the participants. The covered topics must have practical application, which has relevance in the current or future role of the participants. It should focus on the new research and development in the areas of training and provide exposure to the modern management techniques.

TABLE 1

Factors Identified	Frequency	Percentage
Programme Design	32	62%
Faculty	22	37%
Pedagogy	17	32%
Course content Design	14	26%
Scheduling	9	18%
Learning outcome	2	4%
Programme Objective	1	59%
Classroom environment	5	8%

The expertise of the faculty member with in-depth knowledge and the ability to interact with the participants is considered to be a parameter of training effectiveness.

The participants appreciated the use of different pedagogy used by the trainers, which had facilitate their learning. Some of the tools liked by the participants are group activity, role-play, simulation, survey/questionnaire, experiment, exercise, video, and case study.

The relevance of the course content was highlighted by the participants. The curriculum was conducive to future work roles and had immediate application back in their job as internal trainers.

The participants were keen on the knowledge and definite take away from the training and the emphasis was given to the learning that can be implemented back in their job. The participants have come with a defined learning objective and focused on the take away. As the programme was on 'general management' participants expressed their satisfaction of receiving the 'broad overview on how to become an effective trainer and confessed that the training program will help them beyond profession.

The finding of this paper is that appropriate consideration of training design factors improves transfer of knowledge, hence needs analysis as well as training content and design plays a pivotal role in determining the training effectiveness.

Pedagogy as a factor of training effectiveness is highlighted by 32% of the participants. While describing the delivery for application Wick et al. [23] emphasize the importance of pedagogy particularly in an adult learning environment. Adult learning is effective if the training narrows the learning-doing gap motivates the learners, make relevance clear, improve perceived utility, provide know-how, and make learning memorable.

Participants were comfortable with the scheduling, the accommodation and other peripheral arrangements provided by IIM-Lucknow. Classroom environment was also insightful as conveyed from responses. The response with regard to program objective reveals that the program met its designated objective.

As the training is conducted in an outsourced environment, there are chances of factors, which are beyond the control. But if the program objective is clear and the program is well designed with proper pedagogy the learning objective is sure to meet.

The findings reveal that the train the trainers program was highly effective and participants got lots of insight, necessary skill and confidence to act as internal trainers for the organization.

XI. CONCLUSION

Organizations design and execute professional development plans for their employees that entail vast resources and time. Training plays a significant role in enhancing knowledge and skills of employees. THDCIL has started not only to nominate their employees for internal and external training programs but also to groom trainers to impart training to other fellow employees using their expertise and skills.

The eight factors identified though this qualitative study such as programme design, faculty/trainer, pedagogy, course content design, scheduling, learning outcome, classroom environment, programme objective are found to be vital and relevant factors which can influence the effectiveness of any training programme. The qualitative method has helped in open exploration of these parameters without deliberating on the standard parameters found through many a quantitative research. This research is an effort to adjudge the effectiveness of a humble beginning of preparing trainers of tomorrow in the organization. The research also has implication for the HR managers and the learning and development professional that identify the training need select the participants and also are responsible for the return on investment. This research will also add value to the training managers those who are coordinating and designing the programme, instructional designers those who are into content development, the trainers those who design and deliver a defined learning.

XII. LIMITATIONS

This paper only evaluates one training program at a reaction level but necessarily comes with an evidence of transfer of knowledge to workplace. The program was followed by another follow up session of the same participants at IIM-Lucknow campus. The author also plans to conduct further research comprising same

set of participants after a gap of six months or so to explore the behavior and result level outcomes of this training. Some of the themes identified during the coding process have generated relevant factors that are vital from the training effectiveness point of view. However, the frequency against those parameters is quite low. The relevance of such parameter may be validated further by the author or other researchers in the training programmes conducted in similar environment.

XIII. ACKNOWLEDGEMENT

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CONSUMER PREFERENCE TOWARDS THE SELECTED MESSAGING APPS IN COIMBATORE CITY

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ABSTRACT

The channel of communication is widened with lot of new features in the present time. The technological advancements enlarges the scope of media. Mobile messaging apps helps individual in communicating instantly. These apps include exchange of voice messages, text messages, documents etc. Messaging apps these days play an important role and this has replaced various other forms of communications like letters, e-mail, telegram, fax, etc. Three out of every smart phone users in India is now high on mobile chatting making the market a lucrative one for chat app companies.

KEYWORDS

instant messaging, messaging apps, play store.

JEL CODE

O14

INTRODUCTION

A mobile application is a software application designed to run on smart phone, tablet, computers and other mobile devices. They are usually available through applications distribution platforms, which are typically operated by the owner of the mobile operating system such as the Apple app store, Google play, Windows phone store and BlackBerry app world. Some apps are free, while others must be bought, they are downloaded from the platform to target device, such as an iphone, BlackBerry, Android phone or windows phone.

As more messaging channels become available and communication choices diversify, consumers increasingly expect their interactions with businesses to be contextually relevant. The mobile messaging and social media are combining to fundamentally reshape digital communication. This phenomenon has profound implications for businesses that use e-mail, SMS text messages, other messaging channels to interact with their customers, a trend first recognized by Dave Lewis and David Daniels, preparing for message convergences.

The texts or voice messages are sent within fraction of second. Communications are made easy through such apps. There are innumerable apps available today, all focus on enabling an effective communication. These apps has increased large in number because of change in mind set, trend and these apps helps in contacting people as soon and as early as possible. Messaging apps has become one of the easy forms of communication and helps in contacting people of different country. Though there are too many updates given by the owner, each update has some new feature.

REVIEW OF LITERATURE

Jyothi Kumari (2014)¹ made a study on "customer satisfaction towards whatsapp in Lucknow". The main objective of the study was to know customer satisfaction and behavior of customer towards whatsapp. The data were collected from 100 respondents using the questionnaire by adopting convenience sampling technique. It is identified that features of whatsapp such as video calling, privacy, voice-call are considered important. The study concludes that whatsapp is the most used app among the chat apps like facebook, wechat and it shows the users of whatsapp are satisfied and they will suggest others for using whatsapp. It is also revealed that the customers use whatsapp a lot and it is popular among youth and working professionals.

M.D. Ejaz Raza (2015)² conducted a study on customer satisfaction towards various features of whatsapp messaging application. The main objective of the study is to find the best feature in the whatsapp. The study was conducted, based on the questionnaire answered by 75 respondents. The best feature given by the respondents was, contacting people easily through message, voice and video call. It is concluded that the study by saying, whatsapp has the best customer satisfaction and it also took over or replaced other apps like we chat, line, tango etc.

Suraj singh (2015)³ made a study on "User satisfaction towards whatsapp in Chennai". The main objective of the study is to find out the level of satisfaction of users towards whatsapp in Chennai. The data was collected from 58 respondents using the questionnaire by adopting convenience sampling technique. It is identified that nine factors are considered important and the opinion of respondents are collected. The study concludes that the demographic variables such as age group, gender and occupation are having less impact on the factors of user satisfaction. The research outcome indicates that, most of the users are satisfied towards whatsapp with respect to the choosing factors such as preference of being in touch with the people, preference of social media app, basis of usage, reasons for not using whatsapp, purpose, medium, feature, charges to be made by whatsapp in future, the amount expected to be paid by the users. The study also reveals that the users are satisfied towards whatsapp with respect to chosen nine factors.

STATEMENT OF THE PROBLEM

The main purpose of using smart phones these days are messaging apps and social media websites. It has become one of the trendsetter and helps in contacting people easily. Each day there is a new app that has been created for instant messaging. Out of these Whatsapp, hike, line and hangouts are the apps that are being preferred by the people. Whatsapp users are increasing day by day, as it widespread among the people and the features of the app is comfortable for the users. With this view, an attempt was made to study the customer preference towards messaging apps in Coimbatore city.

OBJECTIVES OF THE STUDY

1. To study the source of awareness of the selected messaging apps by the respondents.
2. To analyze the purpose of using the selected messaging apps.
3. To evaluate the features provided by the selected messaging apps.

RESEARCH METHODOLOGY

Area of the study - The area of the study is Coimbatore city.

Sample size - The sample of 200 respondents dealing with messaging apps in Coimbatore was chosen for the study. For the purpose of the study, convenient sampling technique has been adopted.

Data sources - Primary data and secondary data has been used for the study. The primary data has been collected using the questionnaire by issuing it to the consumers in the Coimbatore city. The questions in the questionnaire were prepared in such a way that it will be easy for the consumers to understand for filling it. The secondary data was collected from magazines and websites.

Tools for analysis - The data collected were analyzed using simple percentage analysis.

LIMITATIONS OF THE STUDY

1. The study confines only to the consumers in Coimbatore city. Hence, the generalization is not possible at national level.
2. This study is based on the information given by the respondents and there is a chance for getting biased view from the respondents.
3. The sample size of this study is limited to 200 respondents.

ANALYSIS AND INTERPRETATION

TABLE 1: SOURCE OF AWARENESS OF THE RESPONDENTS

Questions	Options			
Source of awareness	Friends (50.5%)	Relatives (27%)	Advertisements (16%)	Others (6.5%)

Source: Primary Data

Majority (50.5%) of the respondents are aware of the messaging apps through friends.

TABLE 2: USAGE OF SELECTED MESSAGING APPS

Questions	Options			
Preferred Messaging App	Hike (27%)	Line (7%)	whatsapp (63%)	Hangouts (3%)
Reason for using messaging app	Convenient (50%)	Find friends to express the feelings and emotions (27.5%)	Have a feeling of belonging to society (16%)	None (6.5%)
Years of usage of messaging apps	Less than 1 year (14%)	1 year to 2 years (40%)	More than 2 years (46%)	-
Purpose of Usage of messaging apps	Education (20%)	Entertainment (44.5%)	Business (21.5%)	Others (14%)

Source: Primary Data

1. Majority (63%) of the respondents prefer to use Whatsapp.
2. Majority (50%) of the respondent are using the messaging app as it is convenient.
3. Most (46%) of the respondents have the experience of using the messaging app for more than 2 years.
4. Most (44.5%) of the respondents are using the messaging app for entertainment purposes.

TABLE 3: FEATURES OFFERED BY MESSAGING APPS

Questions	Options			
Features	Privacy (75%)	Voice call (55%)	Video call (52%)	Low data consumption (62.5%)
Value added services offered by messaging app	Current news (25%)	Motivational quotes (23.5%)	Jokes (21.5%)	Concession coupons (30%)

Source: Primary Data

1. Majority (75%) of the respondents agree that the selected messaging app offers privacy as the better feature.
2. Most (25%) of the respondents are provided with current news.

TABLE 4: OPINION OF THE RESPONDENTS BASED ON THE USAGE OF MESSAGING APPS

Features	Options							
	whatsapp		Hike		Line		Hangout	
	No. of respondents	%	No. of respondents	%	No. of respondents	%	No. of respondents	%
Provides better features	154	77	30	15.0	10	5.0	6	3.0
User friendly	118	59	70	35.0	11	5.5	1	0.5
Frequent hanging	24	12	55	27.5	37	18.5	84	42.0

Source: Primary Data

Majority 77% of the respondents agree that whatsapp provides better features, 59% of the respondents agree that whatsapp is user friendly, 42% of the respondents agree that frequent hanging is possible in Hangout.

SUGGESTIONS

On the basis of results of the study and discussions held with the customers, the following are the recommendations made:

INFRASTRUCTURE - Majority of the respondents suggested to increase the number of base stations in the city. By doing so, the service providers can expand their customer base and can retain their existing customers.

ENTERTAINMENT TO EDUCATION - The messaging apps are used mostly for entertainment purposes. It should rather have a greater focus on the educational aspects. It must have some arithmetic or mathematical, general knowledge and current issues to make the students aware of it.

UNWANTED MESSAGES - The unwanted messages that the customer receive may make them feel uncomfortable. So it has to be avoided. To reduce these unwanted messages some privacy alert app has to be introduced.

UNIQUENESS IN DOWNLOAD - As the respondents feel each update is worth downloading, so it must have some uniqueness in each download. The update must have some unique features, easy to use; it must be entertaining and must be educative.

SERVERS TO BE IMPROVED - Most of the respondents feel that the messaging apps hang very frequently. In order to overcome this, the servers have to be well developed. Each update must pave way for the betterment of the app.

CONCLUSION

In today's world, smart phone users are increasing more in number as it has become one of the trendsetters. Smart phone helps people in knowing each and every incident that happens in and around the world. It updates the user in a moment the incident has occurred. As smart phone users are increasing day by day, new apps are created each day in order to provide various features and make them use the apps in increased rate. Each app that is created has better feature than the app used before. More and more people are upgrading from feature phones to smart phones, which accelerates the move from traditional calling and SMS to social messaging applications.

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INFLUENCE OF SOCIAL MEDIAS IN COIMBATORE CITY WITH SPECIAL REFERENCE TO MARKETING OF MOBILE APPS

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ABSTRACT

Social media is defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user-generated content". Social Media contains two words. The first one is "Social" which means interaction, sharing and so on. Another word is "Media" where to say that social media is a medium for publication. Social media contains a lot of tools and applications which let the users express their opinion, publish articles, sharing videos and so on easily.

KEYWORDS

social media marketing, mobile apps, social media.

JEL CODE

M30

INTRODUCTION



social media marketing refers to the process of gaining traffic or attention through social media sites. It is basically internet marketing that utilizes social networking websites as a marketing tool. The goal is to produce content that users will share with their social network to help company increase brand exposure and widen customer base.

Social Media history began in 1969 when CompuServe Company offers internet services for public using dial-up technology in United States. Then in 1979 Usenet become first bulletin board, which connects Duke University and University of North Carolina. The development process continuously moving until Tripod introduced online community for college students and young adults in 1992. In 1997 there have more than one million sites on the internet including social media sites like AOL Instant Messenger. Friendster become biggest social networking site in 2002 with more than 3 million users. In 2003 MySpace, Friendster clone site launched and LinkedIn also launched their business-oriented social networking site for professionals. In 2004 Facebook started their operation which offers networking opportunity for Harvard College. YouTube come to the world in 2005 and give excitements to the world with video sharing features.

In 2011 social media can be accessed from anywhere in the world and become one of the important thing in our life. Thousands of sites offers social media services in 2012 and all this sites very flexible and can be accessed through many different devices. Companies are now forced to use social media to make sure their brand always in customers mind.

SOCIAL MEDIA INFLUENCE

According to Sir Andrew Likierman, London Business School Dean, "social media has completely disrupted the way businesses assess their performance". This statement is completely true because social media not longer an option but is a must especially companies that dealing straightly with customers. Some business can completely avoid thinking about social media like wholesalers because they just dealing with another business. Since social media become more power, organization facing difficulties to measure their performance. They must have specific strategy for social media or even companies could have one special unit that handle feedbacks and responses from user.

REVIEW OF LITERATURE

Bekoglu (2016) in his research paper titled "Strategic Approach in Social Media Marketing and a Study on Successful Facebook Cases". Development of internet and social media has led to significant change in marketing change in marketing. Companies are now making serious efforts to integrate social media into marketing strategies. **Curley (2014)** in her research paper titled "Social Media Marketing Effects on Corporate Social Responsibility". It discussed about the social media marketing effects on corporate social responsibility. Social media marketing is a natural platform for cultivating and instilling such corporate messages. **Gul and et.al (2014)** in their research paper titled "The Relationship of Social Media with Fashion Consciousness and Consumer Buying Behavior". The people use to spend their money proportion on fashion changes as it plays a significant role in life style. The result of the study indicated that there is a weak significant relationship between social media and fashion consciousness

OBJECTIVES OF THE STUDY

1. To study the factors influencing to choose apps for mobile through social media advertisements.
2. To find out the relevance of age and choice of mobile apps.

LIMITATIONS OF THE STUDY

- The sample size is limited to 200 due to time constrains.
- This study was concluded only in Coimbatore city, which may not give a general conclusion.
- Since the time was limited, convenient sampling method is used.

DATA ANALYSIS AND INTERPRETATION

TABLE 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

S.No.	Demographic Variables	Category	Frequency	%
1.	Gender	Male	88	44.0
		Female	112	56.0
2.	Age	18-25 Years	140	70.0
		26-35 Years	36	18.0
		36-45 Years	16	8.0
		45 Years and above	8	4.0
3.	Educational Qualification	No formal education	0	0
		UG level	32	16.0
		PG level	72	36.0
		Professional Degree	16	8.0
		Others	80	40.0
4.	Occupation	Student	104	52.0
		Business	24	12.0
		Private Employee	52	26.0
		Government Employee	4	2.0
		Home maker	12	6.0
		Others	4	2.0
5.	Monthly Income	Below Rs 10,000	124	62.0
		Rs 11,000-Rs 20,000	28	14.0
		Rs 21,000- Rs 30,000	12	6.0
		Rs 31,000-Rs 40,000	4	2.0
		Above Rs 40,000	32	16.0
6.	Marital Status	Single	132	66.0
		Married	68	34.0
7.	Mode of Availing net connection	Broad band	8	4.0
		Mobile data	144	72.0
		WIFI	28	28.0
		Personal hotspot	20	20.0
8.	Online Spending Hours	0-5 hours	108	54.0
		6-10 hours	88	44.0
		11-15 hours	4	2.0

Source: Primary Data

RANK ANALYSIS

TABLE 2: FACTORS INFLUENCING TO CHOOSE MOBILE APP VIA SOCIAL MEDIA

S.no	Factors	Mean value	Rank
1	Attractive display	2.68	1
2	Special videos of apps	3.42	5
3	Review and comments availability	2.98	3
4	Friends request to avail the apps	2.72	2
5	Graphics and special effects	3.02	4

Source: primary data

INTERPRETATION: From the above table it is inferred that "Attractive display" with mean value 2.68 has obtained First rank, "Friends request to avail the apps" has a mean value of 2.72 and it obtained second rank, "Review and comments availability" has a mean value of 2.98 and it obtained third rank, "Graphics and special effects" has a mean value of 3.02 and it obtained fourth rank, "Special videos of apps" has mean value of 3.42 and it obtained fifth rank.

Thus, it concluded that attractive display ranks first with the mean value of 2.68 and it is the main factor influencing to choose mobile app via social media.

CHI-SQUARE

TABLE 3: ASSOCIATION BETWEEN AGE AND CHOICE OF MOBILE APPS

S.No	Age	Mobile Apps							Total
		Entertainment Apps	Games Apps	News Apps	Productivity Apps	Social networking Apps	Sports Apps	Search tools Apps	
1	18-25 years	12 (14.0)	8 (14.0)	8 (8.4)	12 (11.2)	76 (70.0)	8 (5.6)	16 (16.8)	140
2	26-35 years	8 (3.6)	4 (2.2)	4 (2.2)	0 (2.9)	16 (18.0)	0 (1.4)	4 (4.3)	36
3	36-45 years	0 (1.6)	8 (1.6)	0 (1.0)	4 (1.3)	4 (8.0)	0 (.6)	0 (1.9)	16
4	Above 45 years	0 (.8)	0 (.8)	0 (.5)	0 (.6)	4 (4.0)	0 (.3)	4 (1.0)	8
	Total	20	20	12	16	100	8	24	200

*Source: Primary Data Note: figures in parenthesis are expected frequencies

TABLE 4

Factor	Chi-square value	Df	P-value	Significance	Remark
Age and mobile apps	67.237	18	0.000	S	Reject

Significance level 5%

H₀: There is no significance association between age of the respondents and choice of mobile applications.

INTERPRETATION: From the above table it is clear that the P-value is Less than 0.05 level of significance; hence, the null hypothesis is rejected. Thus, it can be concluded that there is associated between age of respondents and choice of mobile applications.

CONCLUSION

Social media marketing is a powerful way for businesses of all sizes to reach peaks. Customers are already interacting with brands through social media. Social media marketing is a perfect channel for sharing the best site and blog content. While using social media for marketing is a great way to leverage unique, original content to gain followers, fans. Thus, the study concludes that Attractive display is one of the fundamental factor to choose the apps via social media and there is definitely an association between the age of the respondents and their choice of mobile applications preferred.

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TAX PLANNING MEASURES OPTED BY COLLEGE TEACHER'S WITH REFERENCE TO KERALA STATE

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ABSTRACT

Tax planning is the analysis of a financial situation or plan from a tax perspective. The purpose of tax planning is to ensure tax efficiency, with the elements of the financial plan, as reducing tax liability and maximizing eligibility to contribute to retirement plans are both crucial for success. Tax planning encompasses many different considerations, including the timing of income, purchases and other expenditures; the selection of investments and type of retirement plans; and a person's filing status and common deductions. In India, there is a number of tax saving options for all tax payers. These options allow for a wide range of exemptions and deductions that help in limiting the overall tax liability. The deductions are available from sec 80 C through to 80 U and can be claimed by eligible tax payers. These deductions are made against the quantum of tax liabilities. The current paper is an effort to trace the awareness of Income Tax provisions and tax planning measures adopted by the teacher's in Kerala state.

KEYWORDS

deductions, tax planning measures.

JEL CODE

M49

INTRODUCTION

Tax planning can be defined as "an arrangement of one's financial and business affairs by taking legitimately in fully benefit of all deductions, exemptions, allowances and rebates so that the tax liability reduces to minimum." Tax saving practices includes tax avoidance, tax evasion and tax planning. Out of this tax planning is the only legal manner of reducing your tax liabilities. The government offers the different opportunities to save on tax burden on a tax payer through legal income tax planning methods. The primary objectives of tax planning should be the following:

- Reduction in overall tax liability
- Economic stability
- Litigation minimization
- Productive investment

Tax planning involves in every case a thorough and up to date knowledge of tax laws. Not only is an up to date knowledge of the statute law necessary, but one must also be aware of the judge made laws in the form of various decisions of the Court. One of the best method to study tax planning is through the case law. The judgments of the Supreme Court and various High Courts reveal instances of successful and unsuccessful tax planning. a sound method of tax planning should be carefully charted after considering that whatever is done is not only strictly within the framework of law but is also in consonance with the legislative intensions and should sound sensible to any reasonable person.

REVIEW OF LITERATURE

Sathyavathi Parol (2006) studied the tax policy and tax administration towards salaried class from colonial period till date, tax compliance of the salaried as against non salaried, computation of salary in comparison with other sources and other factors relevant to progressivity of tax and its impact on salaried. The study revealed that there is no change in the circumstances, which justifies the shift in tax policy towards the salaried class from soft to hard. **Rajni Bedi (2007)** studied and evaluated the performance, reforms and incentives of personal income tax system in India. The period opted for the study was AY 1993 - '94 to 2002 - '03. The study examined the changes in respect of deductions and exemptions available under the various heads of income for the period under study and their impact. **Singh and Sharma (2007)** made an attempt to study the perception of tax professionals with regard to Indian Income Tax System by collecting primary data from 100 tax consultants operating in Punjab and Haryana. It was observed that most of the tax consultants were satisfied with tax rates. **Ankita Gupta (2009)** studied the trends and responsiveness of personal income tax in India after the tax reforms initiated in the liberalization era. The study concluded that simplification of tax rate and broadening of the tax base are the important reforms that could be undertaken for reforming the tax structure and increasing its responsiveness. **Ria Sinha (2010)** observed that tax systems around the world have undergone significant reforms in the last twenty years due to the varying ideologies and levels of development.

OBJECTIVE OF THE STUDY

To identify the most preferred tax saving scheme opted by college teacher's.

RESEARCH METHODOLOGY

The study is analytical as well as descriptive in nature. It makes use of both primary data and secondary data. Primary data was collected through a structured questionnaire to collect information relating to savings behavior, investment pattern and tax planning measures adopted by the college teachers of the state. The sample for the study consists of 100 college teachers working under seven prominent colleges of the Kerala state. Out of the 100 college teachers, 50 were commerce teachers and 50 were non commerce teachers. On the basis of designation again the college teachers were classified into two namely Assistant Professors and Associate Professors. The SPSS 16.0 version was used to interpret and analyze the data. Techniques of percentage analysis and ranking was used.

ANALYSIS AND INTERPRETATION**TABLE 1: STREAM WISE CLASSIFICATION OF RESPONDENTS**

stream	Frequency	percentage
commerce	50	50
Science	24	24
Arts	26	26
total	100	100

Table 1 represents the scheme wise classification of respondents. Out of the total respondents 50% are commerce teacher's, 24% are science teacher's and 26% are from arts stream.

TABLE 2: AMOUNT OF INCOME SAVED IN A YEAR

Amount	No. of respondents
Up to 10%	19
10% to 20%	27
20% to 30%	29
30% above	25
total	100

Table 2 reveals the amount of income saved by the respondents during the FY 2016-17. As per the above table, 19 respondents save about 10% of their income, 27 respondents save 10% to 20% of their income while 29 respondents save 20% to 30% of their income and 25 respondents save above 30% of their actual income.

TABLE 3: PREFERENCE FOR INCOME TAX SAVINGS SCHEMES

Schemes	Rank
Insurance policy	4
PF	1
NSC	5
Infrastructural Bonds	6
House loan repayment	2
ULIP	7
Bonds of NABARD	8

Table 3 shows the preference level of the respondents towards various tax saving schemes by using ranking. Accordingly, the most preferred scheme is provident fund scheme whereas the least preferred is the bonds of NABARD.

CONCLUSION

Tax planning reduces not only the tax burden but also gives mental satisfaction. When the Government has given a wide chance of investing money according to the assessee's financial condition and taste, it is the prime duty of every salaried assessee to utilize his/her chances and reap the harvest. To make proper tax planning there should be knowledge in tax laws and opportunities in the country. Tax Planning is not at all complicated and could be done with a certain degree of awareness and application. By proper tax planning, both the assessee and the Government shall equally be benefited.

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DEMONETIZATION IN INDIA: AN OVERVIEW

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ABSTRACT

The history of Indian currency is very rich. There are many ups and downs in the forms of currency. It get changes continuously. Demonetization of currency is a part of it. Although demonetization was happened many times in the past but the decision of demonetization of PM Narender Modi on 8th Nov. 2016 brings a great change in the economy of India and history of currency. Due to demonetization Indian economy moves towards cash to cashless economy. It promotes digitalization in India. According to a report up to 28th Oct. 2016 total money in circulation is 17.77 Lakh Crore. Although all the objectives of demonetization may not be achieved, but these have a great effect upon Indian economy. There are several positive and negative aspects of this decision that we discuss in this paper.

KEYWORDS

digitalization, cashless economy, demonetization.

JEL CODE

G28

INTRODUCTION

To move forward the economy of a country there are many factors like agriculture, industry and flow of currency etc. regarding that decisions have to be taken plays an important role in it. In this, the flow of currency is most important because so many things depend upon it. It is rightly said that money plays an important role in the movement of a country's economy as the blood in the human body.

In flow of currency, inflow and outflow of currency is to be considered. In between all these things, demonetization is also very important point.

MEANING OF DEMONETIZATION

Demonetization means discontinuing a particular currency from economy and adding a new currency in place of it as its replacement. In other words, when a currency that is continue at present in the market of a country is lost its legal status and in placement of it a new currency is added, then it is called demonetization. So we can say that demonetization is outflow of an old currency from market and inflow of new currency as a replacement of it.

On 8th Nov. 2016, PM Narender Modi took a historical decision to demonetize the Indian currency of value Rs. 1,000 and Rs. 500. This currency is replaced with the new notes of value Rs. 2000 and Rs. 500. After this decision, people were rushed to banks to deposit their old currency. At this time, many people had devised various methods for transforming their black money into white money. Some of these methods are as follow-

- Purchasing the gold by old currency.
- Depositing the old currency into their relatives or friends' accounts.
- Paying 6 to 8 months salary advance to employees.
- Payment of amount taken as loan with interest.
- Enticing the people with some percentage of money for exchange and so on.

OBJECTIVES OF THE STUDY

The following are the objectives of this study:

- 1 To know about the history of Indian currency.
- 2 To know about the steps taken by the government before the decision of demonetization.
- 3 To know about the objectives of demonetization in India.
- 4 To find out the positive and negative effects of demonetization in India.

RESEARCH METHODOLOGY OF THE STUDY

This study is based upon the secondary data mainly collected from various sources like published reports, newspapers, journals and from various websites etc.

HISTORY OF INDIAN CURRENCY

The history of Indian currency is old up to 6th century BC. Along with Chinese, ancient Indians were the earliest issuers of coins in the world. The first Indian punched marked coins were called 'Pana' with different shapes and symbols. After this, this Indian currency was converted and marked in different ways by many emperors. By the 12th century AD, the Turkish Sultan of Delhi further modified the Indian currency, then it was called 'Tanka'. After this in 1600's Sher Shah Suri issued a coin of silver called as 'Rupiya' that is divided into 40 parts called 'Paisa'.

In 18th century, British India issued first paper money association with Bank of Hindostan and the Bangal Bank. After the 1857 revolt, the British made the rupee the official currency. In 1935, the RBI was formally set up and empowered to issue Indian currency. The first Indian currency was issued by RBI was a five rupee note bearing King George VI's portrait in January 1938. After the independence for some time the monetary system of India remains unchanged. The first currency note issued by the independent India was one rupee note. In 1950, the new 'anna system' was introduced and the British king's portrait was replaced with the engraving of Ashoka's Lion Capital of Sarnath. After this so many changes were took place in Indian currency. In 1996, the 'Mahatma Gandhi Series' was introduced as a new feature that was replaced in 2005 by the 'MG Series' notes with some extra security features.

HISTORY OF DEMONETIZATION

Before India, there are many countries in the world used the demonetization to balance their economy. Some of these are following—

- United States (1873)
- India (1946)
- United States (1969)
- India (1978)
- Ghana (1982)
- Nigeria (1984)

- Myanmar (1987)
- Soviet Union (1991)
- Zaire (1993)
- Australia (1996)
- European Union (2002)
- North Korea (2010)
- Zimbabwe (2015)
- India (Nov. 2016)
- Venezuela (Dec. 2016)

DEMONETIZATION IN INDIA

The history of demonetization in India is no so old. Such decision first of all was taken in 1946 by the Congress Party for value Rs. 10,000 and Rs. 1,000. After that new currency was introduced in 1954 for Rs. 5,000. It was not much affect the citizens of the country because currency with such high denomination is not under reach of ordinary man. In this, notes for value Rs. 500 and Rs. 1,000 were introduced in 1934 and Rs. 10,000 note was introduced in 1938.

After this on 16 January 1978, currency for value Rs. 1,000, Rs. 5,000 and Rs. 10,000 were demonetized by PM Morarji Desai of Janta Party. It's main aim was to curb the black money. At this time, 'The High Denomination Bank Note Act' was implemented. On 30 June 2011, 25 Paise was lost its existence.

Last year, on 8th Nov. 2016 PM Narendra Modi take decision to demonetize the currency note for value Rs. 500 and Rs. 1,000 and new currency comes into force for Rs. 500 and Rs. 2,000. At this time, the whole opposition was shocked against this move. They wanted the government to roll back it. At this time, PM also addressed the people of the country many times telling the people that it was a **Mahayajya** and they must offer their own **Ahuti** in it.

Before this decision of demonetization, government takes many steps in this direction like

- Government encourage people to open free bank accounts under Jan Dhan Yojna
- Encourage people to do transactions by people banking procedure
- It promotes the digitalization

In this regard, banks also motivated their customers to use internet banking for the transparency in banking transactions.

OBJECTIVES OF DEMONETIZATION

The following are the main objectives of demonetization:

- To curb the black money.
- To make transparency in the banking transaction.
- To make India a corruption free country.
- To encourage the digitalization.
- To stop the terror funding and funding to other illegal activities.
- To increase tax revenue.
- To stop the circulation of fake currency in the market.

EFFECT OF DEMONETIZATION

There are both positive and negative effects of demonetization in the country. These are discussed as below:

POSITIVE EFFECTS

The following are the main positive effects of demonetization:

- **HELPFUL IN TRAPPING CORRUPTORS**

The most positive effect of demonetization is that it was very much helpful in trapping the black money holders. Many of the black money holders used various methods to convert their black money into white money.

- **HELPFUL IN TRACKING BLACK MONEY**

Demonetization in India also helpful in tracking black money. For this, government fixes the limit of cash after which PAN card number was required for depositing the currency. In this way, government easily tracks those people who deposits cash more than that limit in their bank account.

- **HELPFUL IN STOPPING FINANCING TO ILLEGAL ACTIVITIES**

Demonetization helps in preventing the fund supply to illegal activist and terrors. Besides this it also prevents the supply of funds to all those causes those are harmful to the country's economy.

- **STOP CIRCULATION OF FAKE CURRENCY**

Before demonetization, there was a flow of fake currency in the market that causes loss to those ordinary people who are not able to make difference between original and fake currency. With the help of demonetization, economy is prevented from fake currency.

- **RESPECT IN INTERNATIONAL MARKET**

Due to its good steps towards progress, long vigil eyes and by such decision making power, Indian economy gets respect in the international market. Many countries open their trade doors for India.

- **DIGITALIZATION OF ECONOMY**

It also helps in digitalize the Indian economy. For this Indians moves forward with slogan-'Less cash' first, 'Cashless society' next. By this, transactions through e-wallet, point of sale and debit cards were rose by 108% and by credit card 60% up to Dec. 2016. In Dec. 2016, government of India launched BHIM App (Bharat Interface For Money) for online transactions. In September 2017, Google launched its first India only banking app using BHIM called GOOGLE TEZ.

- **RAPID INCREASE IN INCOME TAX REVENUE**

After demonetization, central government's main revenue source income tax return filling increases rapidly. According to a report, income tax filling for the assessment year 2016-17 grew by 25% to 2.82 crore.

- **BOOM IN INDIAN ECONOMY**

Due to demonetization with other positive effects, there is another point that a boom in Indian economy is seen and booming real estate fall on the ground. This boom opens the door for business for many industries.

NEGATIVE EFFECTS

The following are the main negative effects of demonetization:

- **INCONVENIENCE**

Due to demonetization, a lot of inconvenience was faced by the ordinary people. On 9th Nov. people were rushed to banks and wait to deposit, exchange or draw the currency in endless queues hourly. It caused many deaths also.

- **UNEMPLOYMENT**

Demonetization also affects the employment. Due to this decision, there was a shortage of currency in the market for some time. People were not able to pay wages to their workers. It results in unemployment in the market that affects adversely to poor working class people.

- **LOWER EXPENDITURE POWER**

Due to old currency out of circulation and new currency is less in circulation, there was a shortage of currency in the market and it also reduces the purchasing power of people.

- **DIFFICULT TO PUT NEW CURRENCY IN CIRCULATION**

It was very difficult to put the new currency in circulation. Government had to change its plans and policies so many times. People were always under doubt to follow which rule or not to follow which rule.

- **STOCK MARKET DECLINING**

Due to demonetization, stock market dropped to around six months lower in the week following the announcement.

- **EFFECT ON AGRICULTURE**

Demonetization in India also affects the agriculture. Due to this, many farmers had insufficient cash to purchase seeds, fertilizers and pesticides etc.

- **TRANSPORTATION DISRUPTION**

According to a report, around 8 lakh truck drivers affected with 4 lakh trucks stranded at major highways across India.

- **RECESSION IN TRADE AND BUSINESS**

Demonetization adversely affects the trade and business also. Business falls by 30-40% after the demonetization decision.

- **REDUCTION IN INDUSTRIAL OUTPUT**

Due to the slow movement of cash and shortage of cash, the industrial output was also affected. There was a reduction in the industrial output was noted.

CONCLUSION

As we see in the objectives, sometimes it is necessary for the government to take such decision for the benefit of economy, country and the whole society. Although it has both positive and negative effect. On looking all these points, in 2012, the Central Board of Direct Taxes (CBDT) had recommended against demonetization saying in a report that 'demonetization may not be a solution for tracking black money or shadow economy, which is largely held in the form of Benami Properties, Bullions and Jewellery. According to data from Income Tax reports, black money holders kept only 5% or less of their wealth as cash.

But it does not mean that demonetization is not successful in achieving its objectives. It achieved its many of the objectives like stop terror funding, increase in tax revenue, stop circulation of fake money etc. and many of the other objectives it is going to be achieved.

Here, for achieving all the objectives, government has to take proper steps, like-

- Government must have a clear vision for its activities.
- Government must make its policies by keeping in view the problems of ordinary people and the society.
- People must be motivated to contribute with government in their plans.
- For every plan or decision, its positive or negative points must be cleared before public.

At last, by keeping in view all the aspects it can be said that such strict decisions of government are for the betterment of the country's future.

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REVIEW ON CORPORATE GOVERNANCE PRACTICES ACROSS THE GLOBE

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ABSTRACT

Kautilya's Arthashastra, which dates back to Fourth Century BC maintains that for good governance, all administrators, including the king were considered servants of the people. Good Governance and stability were completely linked. There is stability if leaders are responsive, accountable, and removable. These tenets hold good even today. Corporate Governance has become one of the most important dimension in order to run companies by ensuring transparency, accountability, complying to the applicable laws, rules and regulations and to promote the interest of all the stakeholders including the minority shareholders. The aim of this paper is to study the literature available on the Corporate Governance Practices prevailing across the Globe. The paper also emphasizes the problems faced by the corporate and suggestions are also made to overcome these problems. The paper also states the future prospects of Corporate Governance as an important cornerstone to efficiently and effectively run the Corporate.

KEYWORDS

accountable, corporate governance, good governance, stakeholders.

JEL CODE

G3

INTRODUCTION

Corporate Governance (CG) is a term which is related to the management of corporate bodies. Corporate bodies are managed and controlled through a mechanism or system of governance. The system or mechanism includes- board of directors, shareholders, employees and other stakeholders. The relative effectiveness or ineffectiveness of management of corporate bodies is generally rests with these people. In today's world, the corporate bodies are putting all their efforts for good governance of their entities. The need of best management practices or good governance emerged as a result of this quest. In this direction, Corporate Governance provides corporate bodies with certain guidelines, principles and best practices in managing the corporate.

CORPORATE GOVERNANCE - THE CONCEPT

The root of the word Governance is from 'gubernate', which means 'to steer'. Corporate Governance would mean to steer an organization in the desired direction. The responsibility to steer lies with the board of directors/ governing board. Governance is concerned with the intrinsic nature, purpose, integrity, and identity of an organization with primary focus on the entity's relevance, continuity and fiduciary aspects. Nobel laureate Milton Friedman defined Corporate Governance as "the conduct of business in accordance with shareholders' desires, which generally is to make as much money as possible, while conforming to the basic rules of the society embodied in law and local customs".

RATIONALE FOR CORPORATE GOVERNANCE

A good corporate governance regime is central to the efficient use of capital. First, it promotes market confidence; helps to attract additional long-term capital, both domestic and foreign; and fosters market discipline through appropriate disclosure and transparency. Second, good corporate governance helps to ensure that corporations take into account the interests of a wide range of constituencies, particularly when the board recognizes that corporate social responsibility can mutually benefit the company and its operating environment. Those actions, in turn, help to ensure that corporations operate for the benefit of society as a whole, and induce stable business development and growth, lower risk, and sustainability. The experiences of economic transition and all too frequent financial crisis in developing and emerging market economies have confirmed that a weak institutional framework for corporate governance is incompatible with sustainable financial markets and private sector development. As a result, good governance structures are valued increasingly highly by investors, particularly those seeking to diversify their portfolios to include stakes in developing countries. They also mitigate the risks posed by weak institutions. Furthermore it is expected that poor corporate governance is going to become critical foreign policy issue as cross border investors and the importance of securing their rights gain more importance.

CHALLENGES OF CORPORATE GOVERNANCE

1. Asymmetry of power
2. Asymmetry of information
3. Interests of shareholders as residual owners
4. Role of owner management
5. Theory of separation of powers
6. Division of corporate pie among stakeholders

REVIEW OF LITERATURE

Review of literature is an important dimension which helps a researcher to evaluate the work done by researchers and find out the research gap in relation to study undertaken by them. In this paper, extensive literature is reviewed and the summary of the same is presented below:

Arun T. G. and Turner J. D., (2004)¹ pondered upon the special nature of financial institutions necessitates a broad view of corporate governance where regulation of financial activities is required to protect depositors. In developed economies, protection of depositors in a deregulated environment is typically provided by a system of prudential regulation, but in developing economies such protection is undermined by the lack of well-trained supervisors, inadequate disclosure requirements, the cost of raising financial capital and the presence of distributional cartels. The corporate governance of financial institutions in developing economies is severely affected by political considerations

Balasubramanian P. and Radhakrishnan R., (2011)² concluded that most of the companies in India are managed by promoters as against the ones in western world. There is need for home grown solutions to tackle this type of problems for vanishing companies, the companies act already prescribes barriers that such promoters will be barred from raising further capital in that market and their names are entered on the governments websites etc. It is suggested that promoters should be barred from holding management positions after some times. But at least when promoter's management is caught in a crime and their punishment should be exemplary and the trial must be conducted on a day-to-day basis with a time limitation. So, we can conclude that the Corporate Governance in India

needs to be overwhelmed. Regulatory body like SEBI, TRAI, RBI etc. Should be more empowered and tighten to take quick and prompt action against the equity entity. The concept of corporate governance hinges on complete transparency. For this, several restructuring measures in company's regulation are to be made.

Berle A. Jr and Means, G., (1932)³ during their study had examined the role of ownership distributions in mitigating the potential conflict of interest between managers and dispersed shareholders.

Bischoff Sir Winfried, Financial Reporting Council (2017)⁴, observed and recommended about board evaluations, diversity policies and targets, role descriptions, the search process, the selection of candidates, the role of the nomination committee and means of improving diversity in the talent pipeline and candidate pool. The Equality and Human Rights Commission also produced a six-step practical guide for companies to help them improve board diversity, both when making an appointment and in respect of ongoing action that can be taken to increase diversity across the entire workforce, particularly to ensure a pipeline of diverse talent for future board appointments in United Kingdom's Corporate.

Goswami Omkar, (1996)⁵ concluded that increased competition to which Corporate India has been exposed since the mid-1990s has forced companies to drastically restructure their management practices. The companies have been increasingly managed by modern, outward oriented professionals who place a great deal of value on corporate governance and transparency. Due to phenomenal growth in market capitalization, creating and distributing wealth has become a rather popular maxim. Foreign investors have repeatedly demanded better corporate governance, more transparency, and greater disclosure, and have made this requirement felt by increasing their exposure in well-governed firms. A strong financial press has induced a new level of disclosure, both with regard to companies' financial statements and to internal governance matters. It is widely recognized among Indian corporations that improving corporate governance and applying internationally accepted accounting and disclosure standards is likely to facilitate access to global capital markets.

Hussain Mostaque M., Hany Marian & Mohamed Ehab K. A., (2014)⁶ examined the effect of CG on firms' performance and earnings management. Board characteristics are used as the proxy for it, while performance is measured using the return on equity and the return on assets ratios. Earnings management is measured using the magnitude of accruals in a firm. Three Ordinary Least Square (OLS) regression models are used to test the research hypotheses. The findings of the study reveal that CG has significant effect on the performance of a firm as well as its earnings management practices. This study also finds that some characteristics of boards significantly affect firms' performance and earnings management.

Larcker David F., Reiss Peter C., & Xiao, Youfei (2017)⁷, on review of corporate, legal and state documents concluded that much of the literature takes the definitions, accuracy and precision of existing data for granted.

Loh Lawrence, Ibrahim Muhammad, Nguyen Huong, Wong Nicholas (2017)⁸, found that there is a need for across the board improvement in meeting corporate governance standards where board responsibilities, rights of shareholders, accountability and audit, and disclosure and transparency are concerned. Notable improvements include increased disclosure of the threshold of material transactions, as well as the disclosure of key risks and how they are managed. More companies are also disclosing detailed Annual General Meeting (AGM) results.

Lowe Simon (2017)⁹, chair at Grant Thornton compiled the prescription for good corporate governance from the voice of nearly 2500 business leaders across the globe. The prescription includes understanding culture, setting culture, testing culture, refining & improving culture by those leading the corporations.

Ovsianikov Kostiantyn (2017)¹⁰, presented evidence of corporate governance discourse of Japanese stock-listed companies being increasingly influenced by the demands of government and foreign institutional investors to raise share-value returns. Importantly, companies were not forced to comply with new requirements. In turn, the "comply or explain" principle gave Chief Executive Officer's (CEO's) and board a freedom of choice on whether to adopt an American-like system. Although not coerced directly to alter their policies, executive directors have been increasingly linking own performance to indices reflecting shareholder orientation of their companies.

Sibanda Progress Hove-, Sibanda Kin & Poee David (2017)¹¹, found that Corporate governance positively influences Small and Medium Enterprises (SMEs) performance. This can help improve the survival and growth of SMEs that have been reported to have a high failure rate in South Africa. Corporate governance positively influences SME firm competitiveness. The government and other SME developmental organizations should formulate corporate governance standards and principles that are exclusive to SMEs in order to improve compliance. SME owners or managers need to be trained and educated about the importance of conforming with corporate governance traditions and principles.

Taruna & Shailesh Arpit (2015)¹² discovered that firms in India at present are following good quality governance practices as per mandatory and non-mandatory guidelines of clause 49 of the listing agreement, but at a halt there is a vast span for expansion towards an ideal state of governance in India for brilliance. Furthermore, there are no momentous differences in corporate governance practices followed by firms across different sectors.

NEED/IMPORTANCE OF THE STUDY

It has been considered essential to take up the study of Corporate Governance Literature, as it play an important role in knowing the Corporate Governance practices prevailing in various parts of the world, in order to compare and select the best practices, which would be practical, and result oriented for all the stakeholders.

OBJECTIVES OF THE STUDY

1. To analyze the role of Corporate Governance Practices in promoting Transparency, Accountability, and Shareholder Satisfaction.
2. To evaluate the contribution of Corporate Governance Practices in Enhancing Shareholder Value

RESEARCH METHODOLOGY

The study is based on the secondary data. Published and unpublished article, ongoing academic working paper and internet are used extensively as a source of information.

PROBLEMS IN ADOPTION OF CORPORATE GOVERNANCE CODE

1. The Corporate Governance Code followed across the Globe seems somewhat mechanical.
2. Corporate Governance Code are not followed willingly, but forcibly and to some extent do not comply with the cultural setup of the state.
3. Developing economies are following the practices followed by the developed economies, letting very little scope for regional and cultural dimensions to be accommodated.
4. Training to Independent Directors is almost missing; Non-Executive Directors have less experience to provide any sort of guidance to the functioning of the Board of Directors.

SUGGESTIONS

1. Corporate Governance Code should be more corporate representative rather than imposed from above.
2. Non-Executive Directors and Independent Directors need to be given regular training for better working of Board being dominated by these directors.
3. Auditors need to be more vigilant while reporting on the performance of the company.
4. Proper implementation of Accounting standards and secretarial standards should be ensured.
5. The regulators need to be more interactive with the corporate to ensure smooth development and implementation of regulations.
6. Stock Exchanges need to be vigilant in case of any non-compliance by the corporate.
7. Rating agencies should perform fair valuations and should give truly representative ratings to the corporate.
8. Corporate rating should be delinked with the sovereign rating of the state, so that the funding requirement of the corporate who are performing exceedingly well could raise money from international markets at cheaper rates.

FUTURE PROSPECTS OF CORPORATE GOVERNANCE

The issues of governance, accountability and transparency in the affairs of the company, as well as about the rights of shareholders and role of Board of Directors have never been so prominent as it is today. India has become one of the fastest emerging nations to have aligned itself with the international trends in Corporate Governance. But, as the global environment changing continuously, there is a greater need of adopting and sustaining good corporate governance practices for value creation and building corporations of the future. It is true that the 'corporate governance' has no unique structure or design and is largely considered ambiguous. There have been many instances of failure and scams in the corporate sector, like collusion between companies and their accounting firms, presence of weak or ineffective internal audits, lack of required skills by managers, lack of proper disclosures, non-compliance with standards, etc. As a result, both management and auditors have come under greater scrutiny. But, with the integration of Indian economy with global markets, industrialists and corporate in the country are being increasingly asked to adopt better and transparent corporate practices. The degree to which corporations observe basic principles of good corporate governance is an increasingly important factor for taking key investment decisions. Quality of corporate governance primarily depends on following factors, namely:- integrity of the management; ability of the Board; adequacy of the processes; commitment level of individual Board members; quality of corporate reporting; participation of stakeholders in the management; etc. Since this is an important element affecting the long-term financial health of companies, good governance framework also calls for effective legal and institutional environment, business ethics and awareness of the environmental and societal interests. As owners of equity, institutional investors are increasingly demanding a decisive role in corporate governance. Individual shareholders, who usually do not exercise governance rights, are highly concerned about getting fair treatment from controlling shareholders and management. Thus, it is necessary to apply governance practices in a right manner for better growth of a company.

LIMITATIONS

The present study suffers from the inherent limitations of the secondary data which includes the representative nature of the data, authenticity in disclosing true and correct information and bias of the people working for the corporate sometimes tend to hide crucial piece of information.

SCOPE FOR FURTHER RESEARCH

While going through the literature review, it has been observed that no specific study has been conducted so far as regards to specific sector from the perspective of Corporate Governance Practices, which should be specific to the sector. Apart from the specific sector neglect, issues such as transparency, accountability, shareholder value, Corporate Governance literacy and role of regulators to strengthen Corporate Governance Framework have not been studied in an integrated manner so far.

CONCLUSIONS

Corporate Governance Code needs to be fine-tuned with the wider opinion of the representatives of various sectors and there is urgent need of it being revised in every couple of years to be more time suited and practically easy to be followed. Informal institutions are important for corporate governance. Independent directors have so far failed to perform their monitoring role effectively and in the present times they need to perform their mandated duties with utmost transparency, accountability, integrity and to the best of their Professional talent so as not to become subservient to the Promoters of the Companies on whose Board they are serving thereby saving the interests of the society at large.

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PERFORMANCE EVALUATION OF SELECTED MUTUAL FUND SCHEME'S IN INDIA

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ABSTRACT

Mutual fund plays a crucial role in the Indian economy. Mutual funds are considered to be the vehicle for mobilization and channelization of savings from individual investors to towards the various capital market instruments. Evaluation of the performance of mutual funds particularly is of a great interest to the researcher across the world. The study attempts to evaluate the past performance of selected open-ended equity funds. The study is based on the secondary data restricted for a period of one year i.e. from 1st January 2016 to 31st December 2016. To analyze the performance of selected mutual funds, which are open-ended, equity funds four conventional or unconditional methods of performance evaluation are used. They are Sharpe's Ratio, Treynor's Ratio, Jensen's Measure and Information Ratio. Investors today's have a wide range of investment avenues available and choosing one of them is a quite horrifying task for any investor. Every investment has its own characteristics in terms of risk with while choosing a best fund to park the resources is a crucial task for any investor certain predetermined developed and widely accepted models and techniques are available to determine the performance of funds and make decision of investment. The present paper aims at throwing light on such model and helps to analyze funds in terms of risk-return analysis.

KEYWORDS

risk-return, beta, alpha, net asset value, performance, benchmark.

JEL CODES

G20, G21, G22, G23, G24, G29.

INTRODUCTION

An Investment shaped with Insight pay's the best returns' thus from the handy pool of securities accessible by the investors from the capital markets viz. shares, bonds, mutual and so on, choosing one of it is a effortful task, mere choosing a security will not provide the benefits assumed by the investors as each stock is subject to certain risk factor and gains too thus a continuous watch over the market has to be done so as to gaze the market sentiments which determine the future of a security but, this is inconceivable for small retail investors who usually due to such limitations make enormous losses of the invested funds thus to facilitate over this limitation Mutual Fund is the best available key Mutual fund is a trust that collects resources from a number of investors and thereby investing the same in a diversified portfolio comprising of all the securities i.e. shares, debenture, and other securities. It is managed by professional managers known to be portfolio managers or fund managers who take the decisions regarding allocation of the pooled funds into various investment avenues investment. Mutual fund companies are of a great significance to the growth of the Indian economy it channelize the resources and thus act as a device facilitating transfer of money from surplus units i.e. the households to the defects i.e. the industry.

Buying of a mutual fund is like eating a small slice of a big pizza. Where benefit of a diversified portfolio is enjoyed comprising of debt, equity etc. The owner of a mutual fund called as the unit holder they share amongst a proportional share of the funds gains, losses, income and expenses, thus the term mutual is well justified.

REVIEW OF LITERATURE

Sharpe (1966) proposed a measure of evaluating the portfolio performance. His finding revealed that the mediocre performance of mutual funds is inferior to the market proxy, subsequently **Jensen** in (1967) developed a risk-adjusted measure of portfolio performance that evaluate how much a manager's ability of forecasting the market contribute to fund's returns at large.

Gupta LC (1981) proposed a detailed and well based estimate of portfolio rate of return on equities. His study established a basis of rate of return concept in performance evaluation of stocks.

Sharma (2013) analysed the performance of equity mutual funds industry against risk-free rate and benchmark rate of return over a stipulated period. The results revealed that the Treynor's ratio of all funds outperformed the benchmark and concluded that the benchmark market return index has a significant impact over the mutual fund return.

Dhume P. S. S. (2013) analysed the performance of open ended mutual funds over a period of 11 years and significantly evaluated the factors affecting the performance by concluding that the size of the fund and the timing and the new money flowing into the fund every year and applying tools like Sharpe's model, Treynor's model, Jensen's Alpha and other several models have shown that the performance is affected by the performance of the market index

Hudson (1997) 'whenever performance evaluation is implemented, there will always be two key ingredients a) a measure of return and b) a measure of risk, over a given time horizon. Proper evaluation and comparison is possible only when the reporting standard is of high quality and there are well based standards for calculating NAV's.

OBJECTIVES OF THE STUDY

1. To evaluate the performance of selected mutual funds schemes with the tools of returns, Standard deviation, and Beta.
2. To assess the selected funds on the basis of various performance analysis ratios i.e. Sharpe, Jensen, Treynor's and information.
3. To compare the performances of selected mutual funds schemes with the BSE 200 index.

RESEARCH METHODOLOGY

Data: The study is completely established on secondary data and the sources of the data collection include fact sheets on mutual funds, articles, AMFI reports and websites and various other web sources.

Period of Study: the study is based on selected equity growth fund schemes floated by the selected funds during the period of January 2016 to December 2016 have been considered for the study.

Benchmark index: For conducting the study BSE – 200 index of BSE has been chosen as the benchmark index as BSE National index of 200 stocks is comparatively broad as compared to BSE S&P constituted of only 30 stocks. BSE - 200 and will cover most percentage of scheme portfolios.

TOOLS USED FOR DATA ANALYSIS

Returns: Returns on any investment consist of two ingredients namely the income in the form of dividends, interest received in cash and secondly the change in price of the asset due various several aspects which lead to capital gain or loss. This element relates to the gains or losses made as against the purchase and sale of an asset this return is calculated as given below:

$$\text{Portfolio Return} = \frac{\text{Today's NAV Price} - \text{Yesterdays NAV Price}}{\text{Yesterdays NAV Price}} * 100$$

Where R_{it} is the difference between Net Asset Value of two consecutive days divided by the NAV of the preceding day.

$$\text{Market Return} = \frac{\text{Todays Index Price} - \text{Yesterdays Index Price}}{\text{Yesterdays Index Price}} * 100$$

Where R_{mt} is the difference between Index values for two consecutive days divided by the Index value of the preceding day.

Risk: Risk is neither good nor bad. When investor holds securities with himself, the holding is associated with possibility of realizing lower returns than that which are expected. The difference between the expected rate of return on mutual funds and the risk free return is the risk premium. The risk can be measure in terms of Beta and Standard deviation

Standard Deviation: It is used to measure variation in the individual returns from the average expected returns over a certain period of time. The concept of standard deviation is commonly used in risk of portfolio investment. A higher standard deviation means greater fluctuation in expected returns and vice versa.

Beta: Beta measures the systematic risk and shows how the stock prices respond to changes in the market factors. It is calculated by relating the returns of the stock with the returns of the market index. Markets usually have Beta '0' thus when the mutual fund have a Beta value higher than that of the market it is said to be more volatile and thus riskier than the market. If the Beta is less than 1 than the stock is less risky as compared to market and if beta is 0 than the risk is same as market risk. A negative beta is very rare.

$$\beta = \frac{N \sum XY - (\sum X) (\sum Y)}{\text{Variance X}}$$

Where N = No. of days. X = Rolling returns of market Y = Rolling returns of scheme

Alpha: the size of the alpha exhibits the unsystematic returns and its average returns independent of market return. If the fund produces the expected returns at a particular level of risk assumed, than the fund will have an Alpha equal to Zero. A positive alpha indicates that the fund manager produced returns greater than that expected for the risk taken. Alpha is calculated by comparing the risk-adjusted expected returns.

$$\alpha = (R_p - R_f) - \beta (R_m - R_f)$$

Where

R_p = returns of the Portfolio

R_f = Risk free rate of return

R_m = Average market return

Sharpe's Index

It is a ratio indicating the relationship between the portfolios additional returns over risk free return and total risk of the portfolio measured in terms of standard deviation. It is a measure of risk adjusted performance that use a benchmark based on the Ex post (past) capital data. It is measured relative to the total risk of the portfolio where total risk is the standard deviation of portfolio return.

$$S_p = \frac{(R_p - R_f)}{\sigma_p} - S_m = \frac{(R_m - R_f)}{\sigma_m}$$

Where S_p = Sharpe's Ratio for portfolio S_m = Sharpe's ratio for market index

R_p = rate of return on portfolio R_m = Rate of return on market

R_f = Risk free return R_f = Risk free return

σ_p = Standard deviation of portfolio σ_m = standard deviation of Market

Treynor's Ratio

This ratio measures the relationship between the funds additional returns over the risk free return i.e. ($R_p - R_f$) and fund volatility measure by (β). Higher the ratio it indicated that the stock performed better than the benchmark and vice versa.

$$\text{Treynor's Ratio} = \frac{\text{Portfolio average return}(R_p) - \text{Riskfree rate of return}(R_f)}{\text{Beta Coefficient of Portfolio}(\beta_p)}$$

Jensen's Performance index

The risk adjusted return measure was developed by Jensen (1968). It is mentioned as a measure of absolute performance as a definite standard is set and against that the performance is measured. It is based on Capital Asset Pricing Model (CAPM).

$$\alpha = (R_p - R_f) - \beta_p (R_m - R_f)$$

Where

α = Jensen's measure. R_p = returns of the portfolio

R_f = risk free rate of return β_p = Beta of the fund

R_m = Market return.

Information Ratio

The information ratio, developed in the year 1973 by Treynor and Black, assesses a manager's skill in deviating from a benchmark to produce excess returns. The information ratio, which is sometimes called the appraisal ratio is defined by the residual return of the portfolio when compared to its residual risk.

$$IR = (R_p - R_m) / TE$$

where R_p is portfolio rate of return R_m is Market return

TE is Tracking error (it is defined as time series standard deviation of the difference between a fund return and its market index return) = $TE = \sigma(R_p - R_m)$

LIMITATIONS OF THE STUDY

1. The paper only studies open-ended schemes and closed ended schemes were not take into consideration.
2. The data collected is for a period of 1 year only due to time constraints.
3. The study has been conducted and analysed based on the set of data available, which is governed by time factor.

DATA ANALYSIS AND INTERPRETATION

TABLE 1.1: SUMMARY STATISTICS OF SELECTED FUNDS

Sr. no	Name Of The Scheme	Avg (Rp)	Min	Max	Skew	Kurt	r	r ²
1	DSP Black Rock Equity Fund (g)	0.021%	-3.79%	3.62%	-0.5	1.79	0.73	0.86
2	JM Equity Growth fund	0.017%	-2.98%	3.12%	0.03	1.39	0.78	0.88
3	Tata Equity Opportunities Fund (g)	0.014%	-3.66%	3.51%	-0.45	1.84	0.75	0.87
4	SBI Small & Mid cap Fund (g)	0.007%	-4.97%	2.91%	-1.06	3.44	0.63	0.79
5	L & T Equity Fund (g)	0.020%	-3.41%	3.13%	-0.31	1.04	0.76	0.87
6	Sahara Growth Fund (g)	0.017%	-3.58%	4.53%	0.08	1.94	0.75	0.87
7	Sundaram Diversified Equity Fund (g)	0.031%	-4.07%	3.58%	-0.55	1.91	0.73	0.86
8	Escorts Opportunities Fund (g)	-0.010%	-2.38%	2.18%	-0.17	0.98	0.63	0.80
9	Canara Robeco Equity Diversified Fund(g)	-0.005%	-4.41%	3.21%	-0.69	2.32	0.74	0.86
10	HDFC Midcap Opportunities fund (g)	0.046%	-3.34%	2.93%	-0.61	1.43	0.70	0.83

Where R_p – average returns of the portfolio

Min and **Max** are the minimum and maximum return paid by the fund over the year.

Skew – Skewness

Kurt- Kurtosis

r and r² is the correlation and coefficient of determination respectively

Table 1.1 highlight the summary statistics of the sample open ended equity growth fund scheme for a period of 1st January 2016 till 31st December 2016. The table reveals that out of the 10 funds 8 funds are giving an average positive returns over the period and from the above 8 funds the highest returns are offered by HDFC Midcap opportunities fund i.e.(0.046%) however the lowest returns are paid by Canara Robeco Fund i.e. (-0.005%).

All the selected 10 funds have shown a positive Correlation. Coefficient of determination displays the percentage of explained variance. The fund which displayed a high degree of positive correlation is JM Equity growth fund, Tata equity opportunities fund and L & T equity growth fund.

In terms of the minimum and the maximum returns given by the funds all the 10 funds are giving negative returns however Escorts opportunity fund offers the lowest negative return i.e. -2.38% and Canara Robeco offered the highest negative return from the sample. Apart from this Sahara growth fund provided the highest return as compared to others.

The skewness and kurtosis of "0" indicate that the distribution is symmetric and normal respectively

TABLE 1.2: SUMMARY STATISTICS OF SELECTED OPEN-ENDED EQUITY FUNDS

Sr. no	Name Of The Scheme	δ	δ (annualized)	β	T.E	RFR.
1	DSP Black Rock Equity Fund (g)	0.010	0.166	0.80	0.010	0.0611
2	JM Equity Growth fund	0.008	0.128	0.65	0.009	0.0611
3	Tata Equity Opportunities Fund (g)	0.010	0.151	0.74	0.010	0.0611
4	SBI Small & Mid cap Fund (g)	0.011	0.167	0.68	0.010	0.0611
5	L & T Equity Fund (g)	0.010	0.154	0.77	0.010	0.0611
6	Sahara Growth Fund (g)	0.010	0.165	0.81	0.010	0.0611
7	Sundaram Diversified Equity Fund (g)	0.011	0.168	0.81	0.010	0.0611
8	Escorts Opportunities Fund (g)	0.006	0.102	0.42	0.008	0.0611
9	Canara Robeco Equity Diversified Fund(g)	0.010	0.166	0.80	0.010	0.0611
10	HDFC Midcap Opportunity (g)	0.010	0.152	0.69	0.010	0.0611

Where 'δ' is the standard deviation β is the Beta returns

T.E is tracking error RFR – is risk free rate of return (T-bill 91 days yield)

Table 1.2 highlight the beta and standard deviation of the selected funds Beta value measure the market risk. The funds having a beta value of 1 indicate that the returns of the fund and the index move in tandem. However no funds from the sample have a beta value of equal to or higher than 1 thus the fund and the index return are not moving proportionately but 4 funds from the above have a beta more than 0.80 which are DSP Black rock Equity fund, Sahara Growth fund, Sundaram Diversified equity fund, Canara Rebeco equity diversified fund.

Tracking error refers to the difference between fund return and benchmark return. The fund manager should always try to minimize the tracking error, lesser the tracking error better it is thus from the above table JM Equity growth fund and escorts equity fund has the lowest tracking error, but out of the 10 funds total of 8 funds are having a tracking error of 0.010.

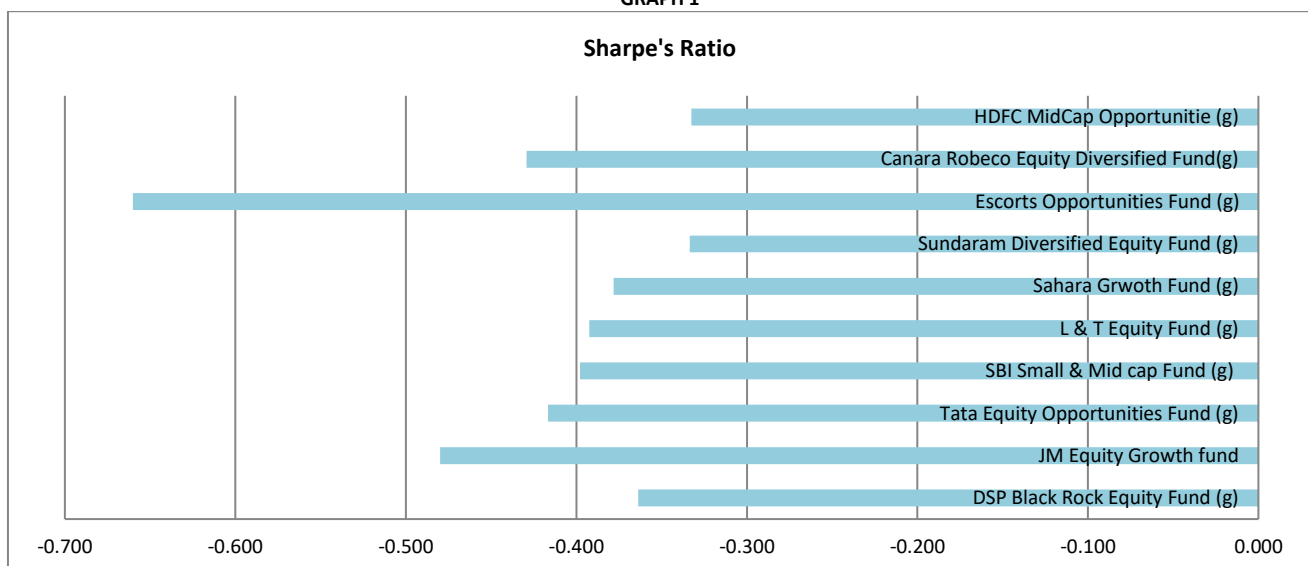
Standard deviation of fund indicates the variation in fund returns. It measures the amount of risk. The funds having a low percentage of standard deviation of returns is considered to be a better fund as having a lower risk. The funds that exhibit a lower standard deviation of risk are escorts opportunity fund and JM Equity fund.

TABLE 1.3: SHARPE'S RATIO, TREYNOR'S RATIO, JENSEN'S RATIO AND INFORMATION RATIO OF SELECTED MUTUAL FUND SCHEMES WITH RESPECTIVE RANKS

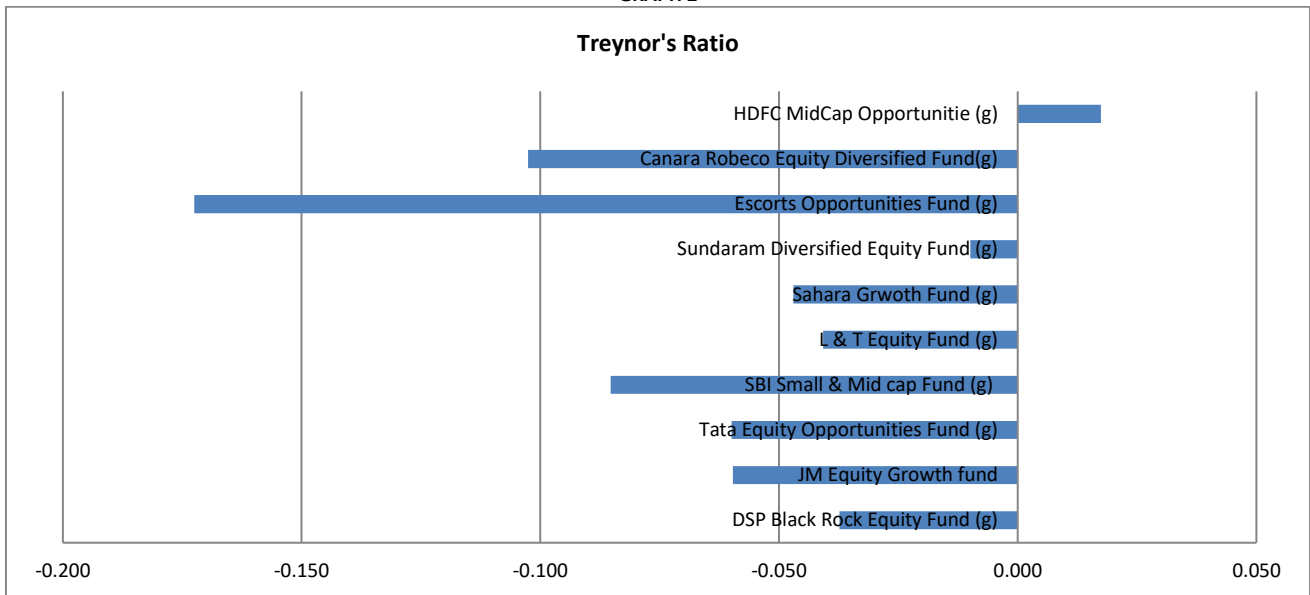
Sr. no	Name Of The Scheme	Sharpe's Ratio	Ran k	Treynor's Ra- tio	Ran k	Jensen's Al- pha	Ran k	Information Ra- tio	Ran k
1	DSP Black Rock Equity Fund (g)	-0.364	3	-0.037	3	-0.0014	4	0.37	3
2	JM Equity Growth fund	-0.480	9	-0.060	6.5	-0.0125	5	-0.13	5
3	Tata Equity Opportunities Fund (g)	-0.417	8	-0.060	6.5	-0.0188	8	-1.30	7
4	SBI Small & Mid cap Fund (g)	-0.398	6	-0.085	8	-0.0306	9	-3.13	8
5	L & T Equity Fund (g)	-0.392	5	-0.041	4	0.0215	3	0.34	4
6	Sahara Growth Fund (g)	-0.378	4	-0.047	5	-0.0147	6	-0.72	6
7	Sundaram Diversified Equity Fund (g)	-0.334	2	-0.010	2	0.0311	2	2.98	2
8	Escorts Opportunities Fund (g)	-0.660	10	-0.172	10	-0.0915	10	-7.81	10
9	Canara Robeco Equity Diversified Fund(g)	-0.429	7	-0.103	9	-0.0157	7	-6.15	9
10	HDFC Midcap Opportunity (g)	-0.333	1	0.017	1	0.1053	1	7.39	1

GRAPHS SHOWING SHARPE'S RATIO, TREYNOR'S RATIO, JENSEN'S ALPHA AND INFORMATION RATIO REPRESENTING THE RESPECTIVE RESULTS OF THE MUTUAL FUNDS

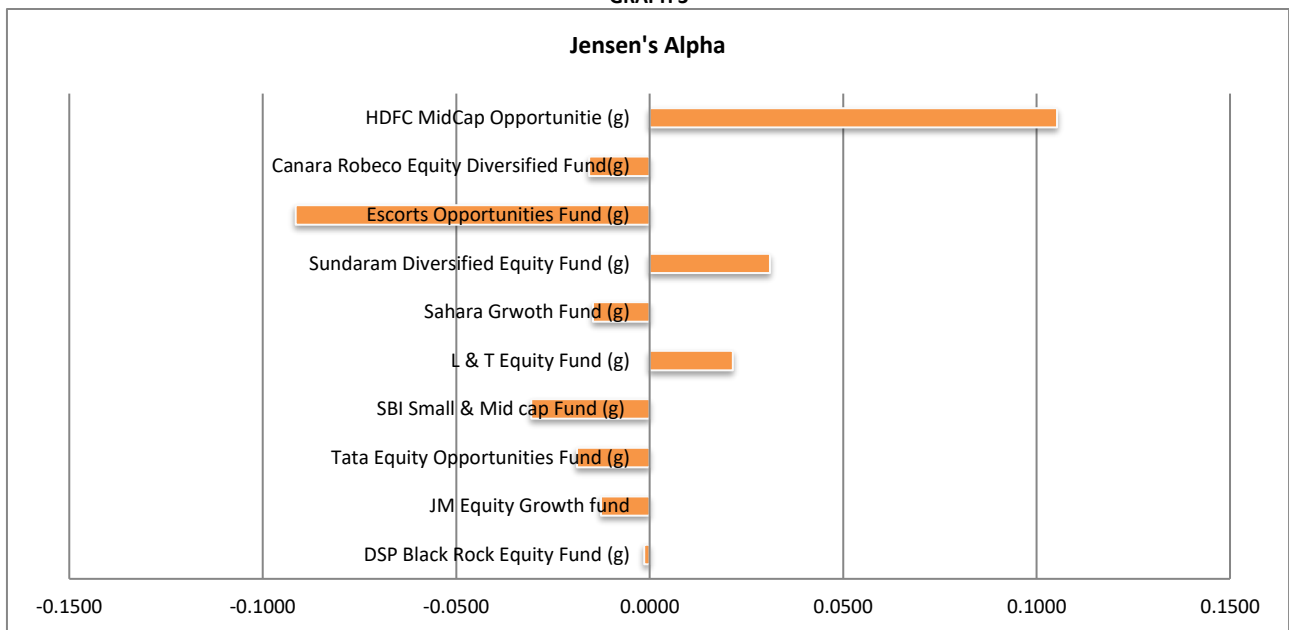
GRAPH 1



GRAPH 2



GRAPH 3



GRAPH 4

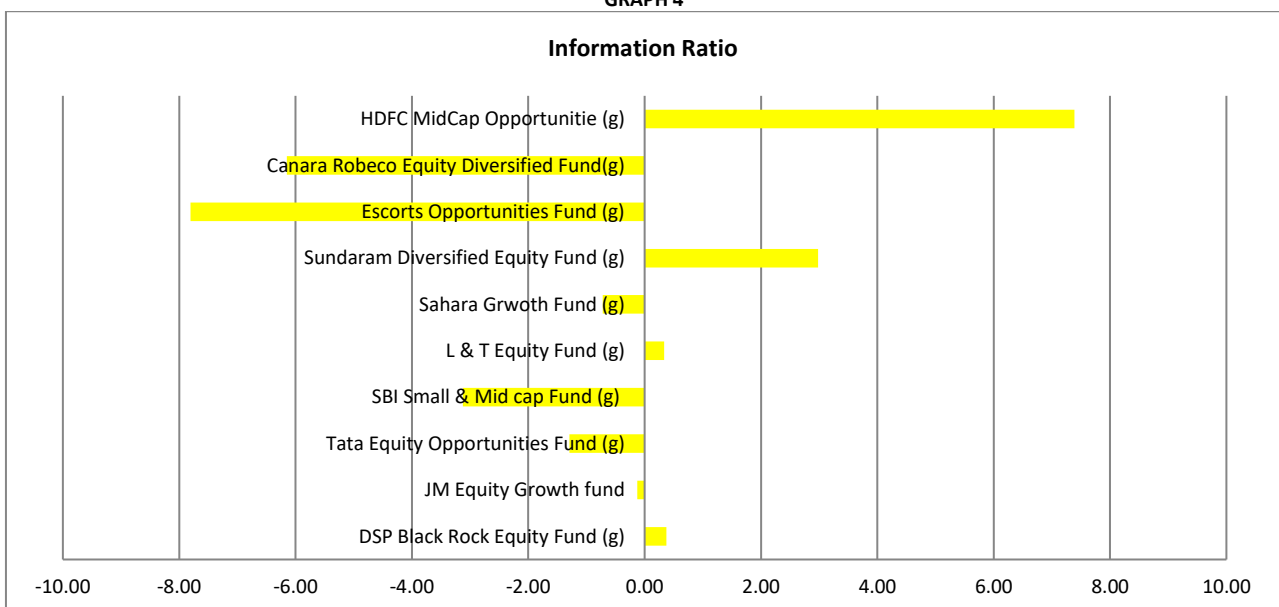


Table 1.3 and the respective graphs of ratios and measures reveals the results of computation of Sharpe's ratio, Treynor's ratio, Jensen's Ratio and Information ratio for the sample funds selected. The table also depicts the ranking given to each of the funds based on the performance. Out of the total 10 funds not a single fund shows a positive Sharpe's Ratio which means that they are not able to earn a risk premium to the risk per unit.

Computation of Treynor's ratio also reveals the same result however HDFC Midcap opportunity fund show a positive Treynor's ratio and hence only HDFC fund outperformed as compared to the benchmark i.e. BSE 200.

Jensen's alpha is also represented in the above table as per which only 3 funds have a positive result which means that they have outperformed the index. However the rest 7 funds show a negative result for Jensen's Alpha indicating that the performance was below the market proxy index.

Information ratio displays the fund manager's skills to deviate from the benchmark in order to earn excess returns. This usually depends on the level of knowledge and experience of the fund manager and also information to which he has access to. As seen from the above table out of the 10 selected funds 4 funds showed a positive information ratio indicating that they are able to earn a superior returns as compared to the index i.e. BSE 200, which are HDFC Midcap opportunity fund (7.39), Sundaram Diversified equity fund (2.98), L & T equity fund (0.34) and DSP Black rock Equity fund (0.37). However the remaining 6 fund depicted a negative Information ratio.

As per the analysis in case of Sharpe's Ratio and Treynor's ratio the 1st rank is secured by HDFC Midcap Opportunity fund and the 2nd rank is given to Sundaram diversified Equity Growth fund, however in Jensen's ratio and Information ration both the funds have secured the same ranks. Thus they are top 2 funds out of the sample 10 funds. The worst 2 performing funds which secured lowest ranks i.e. 10 in all the ratios is Escorts opportunity fund (g) and the next worst performers are Canara Rebeco equity diversified fund, SBI Small midcap fund and JM Equity growth fund.

CONCLUSION

Mutual fund is a safe avenue of investment and one of the best alternatives available for small retail investors in India. The main goal of any investment is to earn returns followed by other goals like liquidity, safety etc. however returns is a function of risk, higher the risk higher the return on this basis mutual funds can be categorized as moderate risky form of investment as a result this investments are beneficial for investors willing to assume a certain level of risk.

The above models discussed in the paper are very useful in assessing the risk level and the equivalent returns earned by the portfolio funds on basis of which investments can be decided upon by investors. An investor should always be alert and responsive towards changes in the market thereby ensuring an optimum portfolio which maximizes returns over time and help investors to book profits and escape losses.

Investment in mutual funds is subject to market risk which is associated with returns thus a careful evaluation of securities is a must while framing a portfolio. Mutual funds are a mine of diamonds in the basket of securities which can be assessed at any time and be exploited without getting exhausted.

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