

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)],

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 2592 Cities in 161 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	DIRECTION AND TRENDS OF INDIA'S PINEAPPLE EXPORTS: A STUDY IN THE FREE TRADE REGIME <i>JOMY M THOMAS & DR. MARY JOSEPH</i>	1
2.	A STUDY ON HOUSEHOLDS' CONSUMPTION PATTERN OF AAVIN MILK IN ERODE DISTRICT <i>SARAVANAN. R., YOGANANDAN. G., RUBY. N & KARTHI.C</i>	6
3.	A JOURNEY FROM FERA TO FEMA & ITS IMPACT ON FOREX <i>DHEERAJ GANDHI & DR. I.C.KASHYAP</i>	10
4.	EMERGENCE OF MORAL PRINCIPLES AND ETHICS IN MANAGEMENT EDUCATION <i>U. PADMAVATHI</i>	15
5.	EMPOWERMENT OF WOMEN THROUGH MICROFINANCE: A STUDY IN CHITTOOR DISTRICT <i>K. RAMANAMMA & P. MOHAN REDDY</i>	18
6.	THE IMPACT OF MACROECONOMIC VARIABLES ON STOCK MARKET INDEX: AN EMPIRICAL STUDY <i>PRADEEP K & DR. Y. NAGARAJU</i>	22
7.	IMPACT OF COALMINE INDUSTRIAL EFFLUENTS ON PRODUCTIVITY OF PULSE CROP <i>DR. S. RADHA KRISHNA</i>	29
8.	IMPACT OF MERGER ON THE PROFITABILITY PERFORMANCE OF REGIONAL RURAL BANKS (RRBs) IN BIHAR STATE OF INDIA: AN EMPIRICAL STUDY <i>DR. MANAS CHAKRABARTI</i>	32
9.	PERFORMANCE OF MGNREGA IN MANIPUR: A CROSS DISTRICT ANALYSIS <i>JIYAU RAHMAN & ZEBA SHEEREN</i>	37
10.	A STUDY ON PROSPECTS AND FINANCE PROBLEMS OF FOOD BASED SMALL SCALE INDUSTRIES WITH SPECIAL REFERENCE TO MADURAI <i>DR. S.FATIMA ROSALINE MARY & D.ANUSANKARI</i>	42
11.	PROGRESS AND PERFORMANCE OF PRIMARY AGRICULTURE CO-OPERATIVE SOCIETIES IN INDIA <i>PARDEEP KUMAR CHAUHAN</i>	48
12.	SUSTAINABLE GROWTH: UTILIZATION OF NATURAL RESOURCES <i>V. VANEENDRA SASTRY</i>	51
13.	HEALTH INFRASTRUCTURE IN HARYANA: AN ANALYSIS <i>ISHU GARG</i>	54
14.	CHALLENGES AND OPPORTUNITIES FOR RURAL WOMEN ENTREPRENEURS <i>JAINENDRA KUMAR VERMA</i>	58
15.	A STUDY ON PERFORMANCE OF STATE CONSUMER DISPUTES REDRESSAL COMMISSIONS IN INDIA <i>GURLEEN KAUR</i>	60
16.	STUDY OF SENSITIVITY TOWARDS IMPORTANCE OF GEOGRAPHICAL INDICATION REGISTRY IN UTTARAKHAND <i>DEEPAK JOSHI</i>	63
17.	MARKET MIX STRATEGIES FOR DESTINATION AS A RURAL TOURISM PRODUCT <i>AJAZ AHMAD DAR, HAMID ABDULLAH & PRIYA SINGH</i>	70
18.	SPECIES-WISE MAJOR MARINE FISH PRODUCTION: TRENDS AND GROWTH PERFORMANCE IN SINDH <i>DR. MOHAMMAD PERVEZ WASIM</i>	74
19.	GOVERNMENT EXPENDITURE AND ECONOMIC GROWTH IN ASEAN-5: LONG-RUN TENDENCIES AND SHORT-TERM ADJUSTMENT <i>EHSAN RAJABI & JUNAINA MUHAMMAD</i>	85
20.	AN ASSESSMENT OF COMPETITIVE STRATEGIES ADOPTED BY COMMERCIAL COLLEGES IN NAIROBI, KENYA IN IMPROVING THEIR ENROLMENT CAPACITY <i>ALICE WAIRIMU KANDE</i>	90
21.	ORGANIZATIONAL ANALYSIS OF PANCHAYATI RAJ INSTITUTIONS IN INDIA <i>PARDEP KUMAR CHAUHAN</i>	95
22.	RELATIONSHIP BETWEEN EXCHANGE RATE AND TRADE BALANCE OF SOUTH ASIA: THE J-CURVE PATTERN <i>ADNAN ALI SHAHZAD</i>	99
23.	VOLATILITY IN GOLD PRICE IN INDIA: AN UPDATE <i>MADHUSMITA BHUYAN</i>	106
24.	A STUDY ON PERFORMANCE OF CONSUMER DISPUTES REDRESSAL AGENCIES IN STATE OF KARNATAKA <i>GURLEEN KAUR</i>	111
25.	THE LONG RUN RELATIONSHIP BETWEEN STOCK MARKET RETURNS AND INVESTMENT GROWTH IN NIGERIA: (1960 - 2010) <i>DR. FREDRICK ONYEBUCHI ASOGWA</i>	113
26.	THE EFFECT OF PENSION FUNDS ON THE GROWTH OF NIGERIAN ECONOMY <i>SAMUEL, KEHINDE OLUWATOYIN & OKE, MARGARET ADEBIMPE</i>	117
27.	AGRICULTURE AND WOMEN ENTREPRENEURSHIP IN INDIA <i>HRIDESHWER GUPTA</i>	123
28.	WOMEN ENTREPRENEURSHIP: AN EMERGING WORKFORCE IN 21ST CENTURY <i>JAINENDRA KUMAR VERMA</i>	126
29.	AN EMPIRICAL STUDY ON THE DYNAMICS OF COMMODITY DERIVATIVE MARKET'S IMPACT ON INDIAN INVESTMENT <i>PRASAD R.A</i>	128
30.	AGRICULTURAL GROWTH AND FOOD SECURITY: PROBLEMS AND CHALLENGES <i>KUMARI MARY MATHE</i>	131
	REQUEST FOR FEEDBACK	138

CHIEF PATRON

PROF. K. K. AGGARWAL

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON

LATE SH. RAM BHAJAN AGGARWAL

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

DR. BHAVET

Faculty, Shree Ram Institute of Business & Management, Urjani

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. SAMBHAV GARG

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P.J.L.N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S.M.S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

TECHNICAL ADVISOR

AMITA

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript anytime** in ***M.S. Word format*** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:
Affiliation with full address, contact numbers & Pin Code:
Residential address with Pin Code:
Mobile Number (s):
Landline Number (s):
E-mail Address:
Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION**REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

AN EMPIRICAL STUDY ON THE DYNAMICS OF COMMODITY DERIVATIVE MARKET'S IMPACT ON INDIAN INVESTMENT

PRASAD R.A
RESEARCH SCHOLAR
DEPARTMENT OF STUDIES & RESEARCH IN COMMERCE
TUMKUR UNIVERSITY
TUMKUR

ABSTRACT

This paper finds that concurrent with the rapid growing world financial market has witnessed a spectacular change in the field of Commodity market in the past one decade. India also could not become aloof from the world trend and mainly after the liberalization has set in motion. India introduced the different types in phased manner. A Commodity Market has gained momentum since, its introduction in India and has played a major role in Indian financial markets. Similarly, on the equity market, many retail investors who are uncomfortable about the equity market would enter if they were given the alternative of buying insurance, which controls their downside risk. This would enhance the action of the savings of the country, which are routed through the equity market. More importantly, Commodity Market is one of the important tools of hedging risk. Therefore, the study of current scenario of Commodity Market in India is very importance.

KEYWORDS

Commodity Market, Indian Investment Sector, Dynamics of Commodity Market in India.

1. INTRODUCTION

Derivatives as a tool for managing risk first originated in the Commodities markets. They were then found useful as a hedging tool in financial markets as well. The basic concept of a derivative contract remains the same whether the underlying happens to be a commodity or a financial asset. However there are some features, which are very peculiar to commodity derivative markets. In the case of financial derivatives, most of these contracts are cash settled. Even in the case of physical settlement, financial assets are not bulky and do not need special facility for storage. Due to the bulky nature of the underlying assets, physical settlement in commodity derivatives creates the need for warehousing. Similarly, the concept of varying quality of asset does not really exist as far as financial underlying are concerned. However in the case of commodities, the quality of the asset underlying a contract can vary largely. This becomes an important issue to be managed.

A Commodity market broadly is an Agriculture market whose payoff structure is determined by the value of underlying commodities, exchange rate, oil price, and the like. So a Commodity market comprises of trade instruments which derive their value from some underlying variable assets like food grains such as wheat, rice pulses etc. All commodity markets are based on some 'cash' products. The underlying asset of a commodity market instrument may be any product of the following types they are Precious metals (Gold, Silver, and Copper) Agriculture Products (grain, coffee, beans, orange juice etc.), Other Metals, and Energy.

2. OBJECTIVES OF THE STUDY

- To study on Dynamics of Commodity derivative Market Impact On Indian Investment Sectors
- To analyse the beneficiaries satisfaction level for investors on commodity derivative market.

3. STATEMENT OF THE PROBLEM

Beside the investor are not well aware about the commodity market India, and the investor are showing reluctance in invest on commodity market. The people have not fully accepted the investment on commodity market, even though it provides much beneficiaries to the investor to hedging their risk.

4. RESEARCH METHODOLOGY

In order to reach the above stated objectives the study has covered both primary and secondary data. The primary data was collected through questionnaires. Secondary data was collected through published source like magazine, books, journals and websites.

5. LITERATURE REVIEW

Raj Narayana Guptha (April-June 2011) his study entitled as **"The Commodity Derivative Market In India: The Past, Present and Future"** his study says that after a long period of suspension of commodity derivative market was re-introduced in India in early 2000s. Since its resumption, however, the market has been growing at a very high pace

Narender. L. Ahaja (2006) his study entitled as **"Commodity Derivatives Market in India: Development, Regulation and Future Prospectus"** his study says that India is one of the top producer of a large numbers of commodities, and also has a long history of trading in Commodity and related derivatives allowed to play their role. The management price risks is going to assume even greater importance in future with the promotion of free trade and removal of barriers in the world.

Janathan Hill, Ian Jack (March 2007) his study entitled as **"Growth In Commodity Investment: Risk and Challenging For Commodity"** his study says that commodities influence a significant portion of the world economy and can be viewed as the largest 'non-financial' market in the world.

6. SCOPE OF THE STUDY

A Convenient random sample was followed to 100 Investors is restricted to Shimoga district (Karnataka).

- Statistical tools used for data analysis
- Simple Chi-square test is as used for analysis of data and testing of the hypothesis.

7. HYPOTHESIS

- Ho** - There is no beneficiary of commodity derivative market on Indian investment sectors
H1 - There is beneficiary of commodity derivative market on Indian investment sectors
Ho - There is no better satisfaction level for investors on commodity derivative market.
H1 - There is better satisfaction level for investors on commodity derivative market.

8. ANALYSIS

TABLE NO. 1: SHOWING INVESTORS (SELECTED RESPONDENTS) SOCIO-ECONOMIC PROFILE

Sl. No	Class	Gender (%)		Avg Age (%)		Experience in commodity market		Education (%)		Annual Income Status (%)	
		M	F	M	F	<2 yr	>2 yr	<U G	>UG	<2 lakh	>2 Lakh
01	Businessman	72	28	46	39	20	80	72	28	18	82
02	Agriculturist	80	20	48	40	25	75	89	11	78	12
03	Govt Employees	69	31	42	36	24	76	50	50	00	100
04	Self Employed	64	36	44	37	44	66	80	20	90	10
05	Trader	93	07	45	37	33	67	26	74	00	100
06	Private employee	82	18	36	34	18	82	44	56	4	96

Above table reveals that all the level of people are interested in commodity market, such as business people, agriculture, government employees, traders and private employees

HYPOTHESIS

Ho - There is no beneficiary of commodity derivative market on Indian investment sectors

H1 - There is a beneficiary of commodity derivative market on Indian investment sectors

TABLE NO. 2: ADVANTAGES OF COMMODITY DERIVATIVE MARKET ON INDIAN INVESTMENT SECTORS

Sl No	Advantages of Commodity market	O	E	O-E	(O-E) ²	(O-E) ² /E
01	Hedging the risk on investment	11	15	04	16	1.06
02	Generating more income	18	15	03	09	0.60
03	Zero Capital investment (Commodity forwards)	23	15	08	64	4.26
04	Variety of instrument	12	15	-03	09	0.60
05	More investment opportunities with less capital	19	15	04	16	1.06
06	Opportunities created for sustainability	09	15	-06	36	2.40
07	Using commodity derivative instrument instead of insurance for achieving to transfer the risk	08	15	-07	49	3.26
Total		100				13.24

Source: Primary

$E=100/7=14.28$ or 15

$[O-E]^2/E=13.24$

$d.f= (7-1) =6$

From the above chi-square table it reveals that 11 investors share their opinion about commodity market useful to hedge the risk on investment because it is risk hedging security and 18 investors investing their money on commodity market because they assume in this market they can generate the more income when compare to capital market only when they knows everything about commodity market. Out of 100 respondents 23 investors given the reason beyond their investment in commodity market is they attracted by zero capital instrument (i.e., forward contract), and only 12 investors are like to variety of investing instrument in commodity market, such as forwards, futures, options, swaps, leaps. etc.

Out of 100 respondents 19 investors are invest money for more investment opportunities with less capital possible in commodity market. Explain with one hypothetical example. In Future Market, one needs to keep prescribed margin at MCX through your broker. It's not necessary to keep full amount in account E.g. Consider Mr. "Yashwanth Rao" purchased 5 Kg Silver in Physical market and Mr. "Prasaad Arya" purchased it in commodity Future Market.

As Mr. "Yashwanth Rao" have purchased in physical market he have to pay Rs.60, 000 x 5 = 3Lakh to the jeweler , also now he have a headache of safekeeping of the same.

Mr." Prasaad Arya" has purchased 5 Kg of silver in future Market. MCX will ask to keep a margin of around 6% in his account .i.e. MCX want to keep balance of Rs. 18,000 at a time. Here there is no tension for keeping the jewellery. Just enough 3 lakh we can enter more than 16 contract instead of one physical buying.

8 members are like to invest in this market because they using this market instead of insurance for transferring there securities to another person.

From the above information it state that, most of the investors are attracted towards Commodity Market because of their risk hedging nature.

For 6 degrees of freedom table value for 7% and 1% significance level, and the table value 12.592 and calculated table value is 13.24 which is greater than table value. Therefore the null hypothesis rejected and alternative hypothesis is accepted.

HYPOTHESIS

Ho - There is no better satisfaction level for investors on commodity derivative market.

H1 - There is better satisfaction level for investors on commodity derivative market.

TABLE NO. 3: INVESTOR'S SATISFACTION TOWARDS COMMODITY DERIVATIVE MARKET IN INDIA

Sl No	Satisfaction Level	O	E	O-E	(O-E) ²	(OE) ² /E
01	Risk Management	32	20	12	144	7.2
02	Predictable pricing	26	20	16	36	1.8
03	Presence of Counter party risk	30	20	10	100	05
04	Liquidity	04	20	-16	256	12.8
05	Transparent in investment	08	20	-12	144	7.2
Total		100				34.00

From the above chi-square table it reveals that 32 investors satisfied with commodity market because of diversification of risk on investment, it is one of the tool of transfer the risk from one person to another. And hedging is the most common method of price risk management. It is strategy of offering price risk that is inherent in spot market by taking an equal but opposite position in the futures market. And 26 respondents are satisfied with commodity market because of discovery of new price on the product in the market, and some respondents believe that commodity market maintain the extreme transparent than capital market (insider trading, window dressing, creative accounting). More respondents satisfied with presents of counter party risk in commodity market because of SEBI and OTC's strong guidelines.

Useful to the Producer, Useful for the consumer, Benefits to corporate entity, Useful to Exporter, Improved product quality.

For 4 degrees of freedom table value for 5% and 1% significance level, and the table value 9.49 and calculated table value is 34 which is greater than the table value. Therefore the null hypothesis rejected and alternative hypothesis is accepted.

9. CONCLUSION

Many people have become rich in the Commodity Markets, It is one of a few investment areas where individuals with limited capital can make extra-ordinary profits in a relatively short period of time and most of the people lose money, Commodity Market has a bad reputation as being too risky for the average

individuals. The truth is that Commodity trading is only as you want to make it. Investors are consider the Commodity derivative market as only a risk hedging instrument, and also it is only a optional for investment escape from capital market losses , by this reason Commodity derivative market are not developed as compare to Capital market. Investor point of view it is alternative for minimizing the losses instead buy the insurance scheme. Investors are not understood about Commodity market, it is also one of the obstacles for development of Commodity Derivative market in India

REFERENCES

1. Bhattacharya, H. (2007): "Commodity Derivatives in India", Economic & Political Weekly.
2. Bose, S. (2008): "Commodity Futures Market in India: A Study of Trends in the Notional Multi- Commodity Indices", Money & Finance.
3. Kabra, K. N. (2007): "Commodity Futures in India", Economic & Political Weekly.
4. Nath, G. C and T. Lingareddy (2008): "Impact of Futures Trading on Commodity Prices" Economic & Political Weekly.
5. Sarkar, A. (2006), 'Indian Derivatives Markets.
6. Srivastava, P. (2004), 'Financial and legal aspect of derivative trading in India'.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail info@ijrcm.org.in for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

