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ROLE OF REAL ESTATE (REGULATION AND DEVELOPMENT) ACT 2016 IN PROMOTION OF GROWTH OF REAL ESTATE SECTOR

Dr. N. VISALAKSHI
PROFESSOR & PRINCIPAL
ADITYA GLOBAL BUSINESS SCHOOL
SURAMPALEM

Dr. K. KANAKA RAJU
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
SCHOOL OF COMMERCE & MANAGEMENT STUDIES
CENTRAL UNIVERSITY OF TAMIL NADU
THIRUVARUR

ABSTRACT

This Act facilitate to protect the interest of the real estate agent, promoter and the allottee. It also contribute completion of the project at appropriate time, more foreign inflow, ranking of promoters as well as the projects, digitalization of the records, increase the domestic as well as global mergers and acquisitions in this sector, promote the growth of the real estate sector, standardization in usage of machinery and fixtures, increases the quality of building and plot, increases the GDP, reduce the burden of government in managing the affairs of the real estate, speedy disposal of real estate grievances and strengthen the corporate governance. The study found that the grey areas of this Act represents the promoter has to deposit seventy percent of the total project cost in an escrow account, imprisonment for the promoters or builders and shortage of further supply of buildings. The lacunas of this act are free from the fake advertisements. The buyer has a right to refund of an amount paid including interest and compensation, enhance the transparency of the project, disputes also resolved through the consumer courts, stick to the sanctioned plans by the promoter, protection of the uncertainty of the project. This Act impact on liquidity position of the promoter in short term. The study also found that the following criticisms, not able to design the comprehensive framework of all the stake holders, ignore the concept of black money and shortage of supply of houses, necessary to provide further finance, more provisions lead to the delay in completion of the projects and also has a chance to red tapism. It is suggested that to finance the promoters introduce the mortgage bonds as well as notarial bonds as a chance of pledging of shares to hold by the promoter.

KEYWORDS

mortgage bonds, shortage of supply of houses, delay in completion of projects, ranking of promoters and projects.

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INTRODUCTION

R eal Estate (Regulation and Development) Act, 2016 promote the growth of real estate sector, ensure transparency in the activities of the sale of plot, building, apartment and real estate project through the establishment of the Real Estate Regulatory Authority and also create a adjudicating mechanism for protection of the consumers and redressal of the disputes. The product of this act Appellate Tribunal consider the appeals from the directions, decisions or orders of the Real Estate Regulatory Authority. It comprises of the 92 sectors within a ten chapters.

OBJECTIVES OF THE STUDY

The study carried with the following objectives.

1. To make an attempt to extract the comprehensive view of the Real Estate (Regulation and Development) Act 2016.
2. To identify the various advantages through the implementation of the Real Estate (Regulation and Development) Act 2016.
3. To know the perceptions of the respondents of various organizations in introducing of the Real Estate (Regulation and Development) Act, 2016.
4. To extract and examine the various grey areas and the lacunas of the Real Estate (Regulation and Development) Act 2016.
5. To know the impact of Real Estate (Regulation and Development) Act 2016 on stake holders.
6. To examine the reliability of the criticisms of the Real Estate (Regulation and Development) Act 2016.
7. To identify the possible suggestions to further strengthening of the Real Estate (Regulation and Development) Act 2016.

METHODOLOGY OF THE STUDY

The data collected from the Gazette of India and from the various websites.

DATA COLLECTION: The data collected through the structured questionnaire from the 160 respondents and also from the existing journals and magazines.

SELECTION OF THE SAMPLE: The data collected from the 160 respondents, comprises of the real estate agents, real estate owners, academicians and the town administrators.

TECHNIQUES: The descriptive statistics used to infer the results through the SPSS software.

CONTENT OF THE ACT

Sec 1 says that it is a Real Estate (Regulation and Development) Act, 2016. Section 2 contributes the various definitions and section 3 suggests that promoter has to register his real estate project with real estate regulatory authority. Section 4 gives the process of application for registration, section 5 discloses the information of grant of registration, section 6 relevant to the deference of the registration, section 7 relevant to the revocation of the registration, section 8 stipulates the responsibility in the case of lapse of an registration. The section 9 means to registration of the agents of the real estates and section 10 describes the functions of the real estate agent.

Sec 18 explains regarding the various duties and functions of promoters.

Sec 19 stipulates that duties and rights of an allottees.

Sec 20 discuss regarding the incorporation and establishment of real estate regulatory authority.

Sec 21 facilitate the comprises of the chairperson minimum two whole time members to be appointed by concerned government.

Sec 22 prescribes the qualifications for appointment of chairman and members through the selection committee.

Section 23 The chairperson as well as members will be allowed upto 45 years from the date of joining or 65 years whichever is earlier and they are not eligible for reappointment.

Section 24 specifies the allowances and salaries of the chairperson and members of the authority of real estate.

Sec 25 explains the chairpersons administrative functions and powers of the authority along with the presiding over the meetings of the authority and the powers of superintendence and the directions.

Sec 26 focus on removal of members and chairperson.

Sec 27 Retired Chairperson or Members not accessible employment after cessation of office.

Sec 29 stipulates that duration of meetings of the authority.

Sec 30 Vacancies or any defect in terms of appointment of person acting as a member of the authority.

Sec 31 facilitate for any unjustified person.

Sec 32 promotes the healthy transparent, competitive and efficient real estate sector.

As per Sec. 33 that the authority should take necessary steps to import training regarding the real estate sector and policies.

Sec 34 facilitate the register and supervise the real estate agents and real estate project

Sec 35 empowers the authority may be carried out investigations upon receiving of complaint or suomotu relating to this act

Sec. 36 empowers the authority may issue the interim orders up to the finalization of the inquiry.

As per Sec 37 the authority can issue the directions to the allottees or promoters or real estate agents for enforcing of the provisions of this act.

According to Sec 38 the authority can impose penalty or interest for violations of the provisions of this act by promoters, estate agents and the allottees.

Sec 39: It is not possible to amendments with reference to any order which a complaint has been received under this act, but it is possible before two years from the date of order if the mistake is revealed to authority notice by the concerned parties.

Sec 40 stipulates that issue the order to recover the compensation interest and penalty

Sec 41 facilitate to establish the Central Advisory Council.

Sec 42 stipulates the functions of the council of the central advisory.

Sec 43 narrates the mechanism involved in establishment of real estate appellate tribunal.

Sec 44 concentration on resolution of the appeals and disputes through the submission of application.

Sec 45 concern to the appointment of chairman and two whole time members. The appropriate Government will appoint not less than two whole time members along with a chair person. The one member represents the judicial and the other one represents the technical or administrative stream.

Sec 46 stipulates the qualifications of the chairperson and the members.

Sec 47 says that he hold the 5 years, where will not hold office after 67 years regarding the chairperson and members.

Sec 48 specifies that it is not possible to disfavor able regarding chairperson and members allowances and salary.

Sec 49 emphasizes on removal of member and chair person.

Sec 50 emphasizes on the restrictions concern to the judicial member or chairperson.

Sec 51 says that The appropriate Government shall facilitate such an officers and employees and they are discharge their functions as per the directions of its chairperson and the prescribed salary and allowances will be paid to them.

Sec 52 provides that the appropriate Government will appoint person in the arise vacancy.

Section 53 emphasizes the powers of tribunal

Section 54 facilitates the chairpersons administrative powers

Section 55 says that it cannot be invalidation regarding the proceedings of appellate tribunal.

Sec 56 emphasis on the right to legal representation.

Decree Appellate Tribunal – Sec 57: Every order prepared by the Appellate Tribunal under this Act shall be treated by the Appellate Tribunal as a decree of Civil Court, to exercise this purpose, the Appellate Tribunal exercise the powers of a civil court.

Appeal to High Court – Sec 58: An aggrieved person may file an appeal to the High Court, with in a 60 days from the date of information to the decision or order of the Appellate Tribunal on the grounds specified in Section 100 of the Code of Civil Procedure 1908, even the High Court may accept the appeal after expiry of 60 days, if it is within that there is reasonable cause in delay of appeal.

ADJUDICATION, OFFENCES AND PENALTIES

Punishment for Non-Registration by the Promoter – Sec 3: If any promoter violates the provisions of Section 3, he has to pay 10 percent of the estimated cost of the real estate project and he also imprisoned for a term of three years with fine, for does not follow the decisions, orders issued under Sub-section (1) or continues to deviations of the provisions of Section 3.

Section 60: If any promoter submit the false information or violations of the provisions of Section 4, he will be imposed penalty up to 5 percent of the estimated cost of the real estate project as decided by the authority.

Sec 61: If any promoter violates the other provisions of this Act, other than Section 3 and 4 may impose penalty up to five percent of the estimated cost of the real estate project decided by the authority.

Sec 62: If any real estate agent violates the provisions of Section 9 or 10, penalty of ten thousand rupees for every day of default, cumulative to the 5 percent of the cost of apartment, plot, buildings or the real estate project.

Sec 63: Penalty for everyday of default, cumulatively about to five percent of the estimated cost of the real estate project for failure to cope up with the orders of the authority by the promoter.

Sec 64: Penalty for deviation to the orders of Appellate Tribunal by the promoter with imprisonment for a term up to three years or with a fine of every day of such continued default, with cumulatively ten percent of the estimated cost of the real estate project.

Sec 65: Penalty cumulative of 5 percent of estimated cost of building, apartment, plot of the real estate project, for deviation of the orders of the authority by the real estate agent.

Sec 66: Penalty for cumulatively extend up to ten percent of the estimated cost of apartment, building, plot of the real estate project and imprisonment for one year or with both for deviations with the orders of Appellate Tribunal by real estate agent.

Section 67: Penalty extend up to five percent of the building cost, apartment, plot for deviation to the orders of authority by the allottee.

Section 68: Penalty cumulatively furthered up to ten percent of the apartment or building cost, plot or imprisonment up to one year and with both for violation of orders of Appellate Tribunal by allottee.

Section 69: Offences by the companies : When an offence as per this Act committed by a company was responsible to the firm for the conduct of the business of the firm.

Section 70: Compounding of offences : This section deals with the code of criminal procedure 1973 along with the Real Estate Act 2016.

Section 71: Power to Adjudicate : The authority shall appoint in suggestion of the appropriate Government of one or more judicial officer may deemed necessary for adjudging compensation under Sections 12, 14, 18 and 19.

Section 72: The following factors will be considered to assess the quantum of interest or compensation by the adjudicating officer. Unfair advantage or disproportionate gain as a result of the default, amount of loss and other factors of the default, with recurring nature of the default.

Finance, Accounts, Audits and Reports, Loans and Grants by the Central Government – Sec 73

Loans and Grants by the State Government – Sec 74

Real Estate Regulatory Fund – Sec 75: The appropriate Government constitutes this fund and credit this account by the grants received from the Government, fees received according this Act – Real Estate Act 2016, accrued interest on the amounts specified in clauses (a) to (b) of Section 72. The amount of this fund utilized for the salaries and allowances of the Chairperson, adjudicating officer and other members of Tribunal along with the employees of the Appellate Tribunal and the authority. This fund also meet the expenses which discharging the purposes and functions of this Act. The fund shall be operated through the committee of such members of authority decided by the chairperson.

Consolidated Fund of India – Sec 76: The sums realized through the penalties imposed by the Union Territories, authority or by the Appellate Tribunal, in the Union Territories or State Governments shall be credited to the consolidated fund of India.

Accounts, Audit and Budget – Sec 77: In consultation with the Comptroller and Auditor General of India, the authority shall maintain the accounts; prepare a budget and other concern records suggested by the appropriate Government. Its accounts audited and certified by the Comptroller and Auditor General India, and his nominee and this prepared audit report shall submit to the appropriate Government, House of Parliament or the State Legislature or the Union Territory legislature.

Annual Report – Sec 78: Under the guidance of an appropriate Government, the Authority shall prepare the annual report comprises of the detailed activities of the previous year, annual accounts of the last year with forthcoming programmes for the coming year and copy of report should be submitted before House of Parliament or State Legislature or the Union Territory.

Bar of Jurisdiction – Sec 79: No injunction will be granted by any authority or court with reference to the action taken or to be taken in light of any power provided by this Act.

Cognizance of offences – Sec 80: No court enforce this nature of offence.

Delegation – Sec 81: The authority may delegate the power in writing to any member or officer.

Power of Appropriate Government to supersede Authority – Sec 82: If the authority is unable to discharge of its functions and the duties as per the provisions of the Real Estate Act 2016, as a result the financial position as well as administration of authority has suffered and the disturbances of the public interest, the appropriate Government will supersede the authority for such period not exceeding six months, as may be determined in the notification and appoint a person or persons or the Governor or President to exercise powers and discharge functions under the Real Estate Act 2016.

Powers of appropriate Government to obtain the reports and returns and to issue directions to the Authority – Sec 83

Sec 84 refers to the preparation of rules.

Power to make Regulations – Sec 85 concern to the right to make regulations.

Laying of Rules – Sec 86 : Every rule prepared by the Central Government, every regulation made by the authority as per the union territory of Delhi and the Union Territories without legislature and each notification notified by the Central Government.

Public Servants – Section 87: The members and the chairperson and employees and officers of this Authority deemed to be public servants.

Application of other laws not barred – Sec 88

Real Estate Act to have over riding effect – Sec 89

Protection of an action considered in good faith – Sec 90

Power to Remove Difficulties – Sec 91: If any difficulty emerges in congruent with the provisions of this Act, the central Government may take appropriate action.

Maharashtra Act No. II of 2014 – Sec 92: The Maharashtra Housing (Regulation and Development Act 2012, is hereby repealed.

ADVANTAGES OF REAL ESTATE (REGULATION AND DEVELOPMENT) ACT, 2016

1. Protection of the interest of the Real Estate Agent, promoter and allottee
2. Helps to finishing the project at appropriate time
3. Possible to create transparent grievances redressal mechanism
4. More investment in the sector of real estate
4. Environmentally sustainable buildings
5. Affordability in Housing
6. Promote standardization in usage of construction, fixtures, materials and fittings
7. Possibility of Grading of projects
8. Possibility of grading of promoters
9. Digitalization of land records with property title and the title guarantee
10. Authority may render suggestions to the government
11. Strengthen the corporate governance
12. Increases in Global mergers and acquisitions in real estate sector
13. Increases in mergers and Acquisitions in India
14. Lending activities of financial institutions increases
15. NPA s will be reduced in real estate sector
16. Increases in Professional employment
17. Transparency in rules and regulations in this Act
18. Promote growth of real estate sector
19. Increases in GDP
20. Growth of an employment
21. Leads to developed country
22. Growth in Expansion of cities
23. Adequate infrastructure facilities
24. Growth of standard of living
25. Reduce the burden of government in managing the affairs of the real estate issues
26. Speedy disposal of grievances of real estate
27. Increase the quality of plot, buildings or apartments
28. Planned growth of an economy
29. Reduce the grievances

GREY AREAS OF REAL ESTATE ACT, 2016

1. Seventy per cent of the realized amount from the buyer has to deposit in a separate account, as a result the cash will be idle and he will be depends on the additional borrowings which leads to payment of interest on them, so that cost of debt increases.
2. The majority of the punitive actions of this Act related to builders, agents etc. rather than project approval authority, hence they may be misuse the provisions of this Act.
3. The further supply of new buildings, plots may be reduced, because of delay in operation of construction.

LACUNAS OF REAL ESTATE ACT, 2016

1. If a builder wants to launch a project, he has to get prior approval from the Regulatory Real Estate Authority, so that buyers will free from the advertisements of fake projects.
2. The buyers have a right to refund of an amount paid including compensation for delay in allotment of the plot, building along with the interest on that amount.
3. The transparency of the project will be enhanced due to furnish the information of project details in terms of name and address of the promoters, real estate agents, contractors, structural engineers and architects.
4. The disputes will be resolved quickly through the consumer courts at district level besides that real estate authority.
5. This Act facilitate to stick to the sanctioned plans, because of builders have no right to amend the plans, buildings, apartment, specifications of the land and the structural designs without prior approval or consent of the two-third of the buyers.
6. The promoter has to deposit of received amount of seventy per cent of project from buyers will be deposit in to an escrow account as a result the uncertainty of the project will be protected.

IMPACT OF REAL ESTATE REGULATION AND DEVELOPMENT ACT-2016 ON STAKE HOLDERS

This Act influence the liquidity position of the parties of the real estate in shorter period, because of it requires the numerous approvals before launching of the project and seventy per cent of the realized amount has to deposit in an escrow account by the promoter as a result of the situation of the shortage of funds emerged, which may delay in completion of the project.

ROLE OF FINANCIAL INSTITUTIONS IN LENDING OF THE LOANS TO THE BORROWERS

1. The financial institutions may introduce the mortgage bonds over the non-movable property.
2. There should be a surety or guarantee or both by the share holders, directors or by a parent company.
3. Introduce the notarial bonds for the movable property
4. Shares of promoters holding entity may be taken as a pledge.
5. If the borrower will not repay the debt or insolvent, lender has a right to recover the costs for maintaining security, interest and incurred costs for enforcing of this rights.

CRITICISMS OF REAL ESTATE REGULATION AND DEVELOPMENT ACT, 2016

1. This Act, Select committee and standing committee do not able to produce the comprehensive frame work of all the stakeholders.
2. It does not consider the major issues of black money and shortage of availability of houses due to high procedural compliance to launch a housing project.
3. There is a necessity to provide a further financing to the promoters, because of they have to deposit seventy per cent of realized amount in an escrow account.
4. Further provisions through the Real Estate Regulatory Act-2016 further delay in completion of the projects. Besides that the existing projects related to the ongoing also bear the provisions of this Act, as a result it would be further delay in the form of completion of the projects.
5. This Act facilitates the formation of the Central Advisory Council and Real Estate Authority may be possibility of comprising of the red tapism.

ANALYSIS OF THE RESULTS

Descriptive Statistics of the Various Responses of the Real Estate Act

TABLE 1: DISTRIBUTION OF THE RESPONDENTS BASED ON THEIR AGE

Age	Frequency	Valid Percent	Cumulative Percent
0-20	20	12.5	12.5
21-40	40	25.0	37.5
41-60	40	25.0	62.5
61-80	40	25.0	87.5
Above 80	20	12.5	100.0
Total	160	100.0	

Table 1: This table describes the distribution of the respondents based on their age. The respondents distributed in the age groups of 21-40, 41-60,61-80 were the same. It means the respondents distributed equally in majority of age groups.

TABLE 2: DISTRIBUTION OF THE RESPONDENTS BASED ON THEIR INCOME

Income	Frequency	Valid Percent	Cumulative Percent
0-20,000	23	14.4	14.4
20,001-40,000	46	28.8	43.1
40,001-60,000	46	28.8	71.9
60,001-80,000	23	14.4	86.3
Above 80,000	22	13.8	100.0
Total	160	100.0	

Table 2: This table describes the distribution of the respondents based on their income. The 27.5 per cent of the respondents earned their income in between 20,001-40,000 and 40001-60,000 and remaining respondents in other income levels.

TABLE 3: DISTRIBUTION OF THEIR RESPONDENTS BASED ON THEIR GENDER

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	100	59.9	62.5	62.5
Total	160	95.8	100.0	

Table 3: This table describes the distribution of the respondents based on their gender. The majority of the respondents belonged to the male category and rest of them confined to the female category. Hence, It can be concluded that majority of the respondents belonged to the male category.

TABLE 4: DISTRIBUTION OF THE RESPONDENTS BASED ON THEIR DESIGNATION

Designation	Frequency	Per cent	Valid Percent	Cumulative Per cent
Real Estate Agents	40	25	25	25
Corporates	40	25	25	50
Public	40	25	25	75
Entrepreneurs	40	25	25	100
Total	160	100	100	

The above table explains the distribution of the respondents based on their designation. It indicates that 25 per cent of the respondents represented from the each category like the real estate agents, corporates, public and the entrepreneurs.

TABLE 5: DISTRIBUTION OF THEIR RESPONDENTS BASED ON THEIR EDUCATIONAL QUALIFICATIONS

Designation	Frequency	Percent	Valid Percent	Cumulative Percent
Intermediate	20	12.0	12.5	12.5
Graduation	20	12.0	12.5	25.0
Post Graduation	80	47.9	50.0	75.0
M.Phil.	20	12.0	12.5	87.5
PhD	20	12.0	12.5	100.0
Total	160	95.8	100.0	

The table 5 discloses the educational qualifications of the respondents. The majority of the respondents represented from the post-graduation and followed by the other qualifications.

TABLE 6: DISTRIBUTION OF THE RESPONDENTS BASED ON THE MARITAL STATUS

Marital Status	Frequency	Valid Percent	Cumulative Percent
Married	114	71.3	71.3
Total	160	100.0	100.0

Table 6 explains the distribution of the respondents based on their marital status and indicates that majority of the respondents represented from the married category.

TABLE 7: PERCEPTIONS OF THE RESPONDENTS ON VARIOUS ISSUES OF THE REAL ESTATE ACT

Particulars	N	Minimum	Maximum	Mean	Std. Deviation
Protection of the interest of the Real Estate Agent	160	1.00	5.00	3.2938	1.22652
Protection of the interest of the Promoter	160	1.00	5.00	3.3062	1.20792
Protection of the interest of the Allottees	160	1.00	5.00	3.7437	1.50991
Helps to finishing the project at appropriate time	160	1.00	5.00	3.5687	1.32524
Possible to create transparent grievances redressal mechanism	160	1.00	5.00	3.5875	1.29531
More investment in the sector of real estate	160	1.00	5.00	3.4687	1.35480
Environmentally sustainable buildings	160	1.00	5.00	3.5375	1.40479
Affordability in Housing	160	1.00	5.00	3.4375	1.34439
Promote standardization in usage of construction, fixtures, materials and fittings.	160	1.00	5.00	3.4312	1.33940
Possibility of Grading of projects	160	1.00	5.00	3.5000	1.41865
Possibility of grading of promoters	160	1.00	5.00	3.4125	1.35232
Digitalization of land records with property title and the title guarantee	160	1.00	5.00	3.5000	1.41865
Authority may render suggestions to the government	160	1.00	5.00	3.4625	1.35928
Strengthen the corporate governance	160	1.00	5.00	3.5000	1.41865
Increases in Global mergers and acquisitions in real estate sector	160	1.00	5.00	3.3625	1.31507
Increases in mergers and Acquisitions in India	160	1.00	5.00	3.4062	1.35190
Lending activities of financial institutions increases	160	1.00	5.00	3.4125	1.35232
NPA s will be reduced in real estate sector	160	1.00	5.00	3.5000	1.41865
Increases in Professional employment	160	1.00	5.00	3.4125	1.35232
Transparency in rules and regulations in this Act	160	2.00	5.00	4.1125	.81640
Promote growth of real estate sector	160	1.00	5.00	3.3937	1.36486
Increases in GDP	160	1.00	5.00	2.6125	1.35974
Growth of an employment	160	1.00	5.00	3.6750	1.42551
Leads to developed country	160	1.00	5.00	3.4875	1.42302
Growth in Expansion of cities	160	1.00	5.00	3.3313	1.34922
Adequate infrastructure facilities	160	1.00	5.00	3.2813	1.23457
Growth of standard of living	160	1.00	5.00	3.4125	1.35232
Removing of regional imbalances	160	1.00	5.00	3.4562	1.35446
Increase the level of satisfaction of allottee	160	1.00	5.00	3.4000	1.35610
Increase the level of satisfaction of promoter of real estates	160	1.00	5.00	2.9563	1.51033
Reduce the burden of government in managing the affairs of the real estate issues	160	1.00	5.00	3.5938	1.45064
Speedy disposal of grievances of real estate	160	1.00	5.00	3.4813	1.43177
Increase the quality of plot, buildings or apartments	160	1.00	5.00	3.5000	1.41865
Planned growth of an economy	160	1.00	5.00	3.4187	1.35736
Reduce the grievances	160	1.00	5.00	3.4625	1.35928
Valid N (listwise)	160				

This table explains the various advantages of the real estate act. It reveals that protection of the interest of the various stake holders and transparency in transactions were possible, speedy disposal of grievances and all these efforts leads to an overall development of an economy.

CONCLUSION

Finally, it can be concluded that, this act contributes the positive impact on the economy because of planned growth in the real estate sector it is also not able to design the comprehensive frame work of all the stake holders, ignore the concept of black money and shortage of supply of houses, necessary to provide further finance, more provisions lead to the delay in completion of the projects and also has a chance to red tapism. It is suggested that to finance the promoters introduce the mortgage bonds as well as notarial bonds as a chance of pledging of shares to hold by the promoter.

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CHALLENGES AND PROBLEMS FACED BY WOMEN ENTREPRENEURS IN INDIA – AN ANALYSIS

Dr. V. BALACHANDRAN
PROFESSOR & SPECIAL OFFICER (P & D)
DEPARTMENT OF CORPORATE SECRETARYSHIP
SCHOOL OF MANAGEMENT
ALAGAPPA UNIVERSITY
KARAIKUDI

A. PANJAVARNAM
Ph. D. RESEARCH SCHOLAR (FULL TIME)
DEPARTMENT OF CORPORATE SECRETARYSHIP
SCHOOL OF MANAGEMENT
ALAGAPPA UNIVERSITY
KARAIKUDI

ABSTRACT

Women Entrepreneur is a person who accepts challenging role to meet her personal needs and become economically independent. Many women have this quality but they never got a platform to showcase their talents and hence they don't know their real abilities. Women in India are taking more responsibilities in bringing up children and maintaining a better home with love and affection. At the family level, the task of coordinating various activities in a much effective manner, without feeling the pinch of inconveniences, is being carried out by the women folk. This paper focuses on problems and challenges faced by women entrepreneurs in India. Women are equally competent in running business but still lacks behind in spite of women empowerment movement in our country, there are social, cultural and economic hurdles in the way of women entrepreneurship and the major problem is lack of entrepreneurial environment. In spite of having the potential and talent, women are deprived of opportunities, information and education. Some of the major problems identified are women's family obligations, Gender inequality, Problem of Finance, Low-level risk taking attitude, and the male -female competition. The problems of women entrepreneurs can be eradicated by appropriate training, incentives, encouragement and motivation, social recognition of their entrepreneurial abilities, and family's moral support.

KEYWORDS

women empowerment, women entrepreneur, independent, social barriers, environment, gender inequality.

JEL CODES

L26, L29.

INTRODUCTION

You never lose in business, either you win or you learn.
 Never hire someone you cannot fire. Choose your life partner carefully.
 An unsupportive spouse can kill a business faster than a bad marketing plan."

- *Smallbizlady*

The Indian culture made them only subordinates and executors of the decisions made by other male members, in the basic family structure. The traditional set up is changing in the modern era. The transformation of social fabric of the Indian society, in terms of increased educational status of women and varied aspirations for better living, necessitated a change in the life style of Indian women both in urban as well as in rural areas. Women Entrepreneurship is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. This is great news. But, a part of women in some parts of the country still do not know their power. The societal set up in India has been traditionally a male dominated one. Women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. The value of this effort is underestimated both by the families that take it for granted and in academic studies. At the family level, the task of coordinating various activities in a much effective manner, without feeling the pinch of inconveniences, is being carried out by the women folk. Women entrepreneurship is essential for every nation. They are needed to compete with well-developed nations; both men and women should participate in all activities on equal basis. Men performance is good, as an entrepreneur, women also should grow well as an entrepreneur. Like a male entrepreneurs a women entrepreneur has many functions. They should explore the prospects of starting new enterprise; undertake risks, introduction of new innovations, coordination, administration and control of business and providing effective leadership in all aspects of business. Generally, women plays dual role, like a housewife and employee, such situations automatically the stress levels of women would gradually increase. Though they are satisfied by playing dual role, definitely they will face stress to handle two roles at a time. Government of India has described women entrepreneurs as an enterprise/venture owned and controlled by women having at least financial interest of 51% of the capital and giving at least 51% of employment generated in the organization to women.

REVIEW OF LITERATURE

In the last few decades, women had started to realize the value of self-employment and they are now utilizing their capabilities in entrepreneurial activities. Researchers claim that family issues such as giving proper time and fulfilling family culpabilities are the chief issues confronted by them.

Hafizullahet (2012), the study highlighted that male dominance in culture creates problems for female entrepreneurs in terms of limiting their mobility, business participation and market interactions. The further arguments of the research revealed that women entrepreneurs of India have to face both environments; traditional and contemporary in order to run their enterprises. Traditional category includes socio cultural and religious elements while contemporary category is a sub category of above mentioned factors and includes constitutional structure, policymaking and other institutional mechanism.

Palaniappan., Ramgopal and Mani (2012), the study revealed that the lack of proper leadership, planning and inadequate financial resource allocation is some other difficulties that women usually face during execution of their businesses. Many women have these qualities but they never got a platform to showcase their talents and hence they do not know their real abilities. Matching the basic qualities required for entrepreneurs and the basic characters of Indian women reveal that, much potential is available among the Indian women on their entrepreneurial ability. This potential is to be recognized, brought out and exposed for utilization in productive and service sectors for the development of the nation. The vast majority of the world's poor are women. Two-thirds of the world's illiterates are

female. Afza, Hassan and Rashid (2010), His study recognized poor economy and stereotyped society as other factors liable of causing glitches for female entrepreneurs. The major factors that restrain women from business are gender-based discrimination, lack of communal support, limited access to information, inadequate education & training facilities, absence of trust in one's capabilities and access to resources.

OBJECTIVES OF THE STUDY

1. To study the problems and challenges faced by the women entrepreneurs in India.
2. To examine the types of issues and problems they encounter in order to reach the level of success.

RESEARCH METHODOLOGY

The methodology adopted in this research work is descriptive research. The research design of the present work is descriptive type of conclusive one. The study is mainly based on secondary data. The required secondary data have been collected from the standard textbooks, reports of committees, websites and reputed journals and magazines.

WOMEN ENTREPRENEURS IN INDIA

Entrepreneur: An entrepreneur is someone who is a risk taker and is ready to face challenges.

Women Entrepreneur: It may be defined as a woman or group of women who initiate, organize and run a business enterprise. Government of India has defined women entrepreneurs as owning and controlling an enterprise with a women having a minimum financial interest of 51 percent of the capital and giving at least 51 percentage of the employment generated in the enterprise to women.

TABLE 1: STATISTICAL DATA OF WOMEN ENTREPRENEURS IN INDIA

States	No of Units Registered	No of Women Entrepreneur	Percentage
Tamilnadu	9618	2930	30.36
Uttar Pradesh	7980	3160	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharashtra	4339	1394	32.12
Gujarat	3872	1538	39.72
Karnataka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other states	14576	4158	28.71
Total	57,452	18,848	32.82

Source: Wikipedia.org

PROBLEMS FACED BY THE WOMEN ENTREPRENEURS IN INDIA

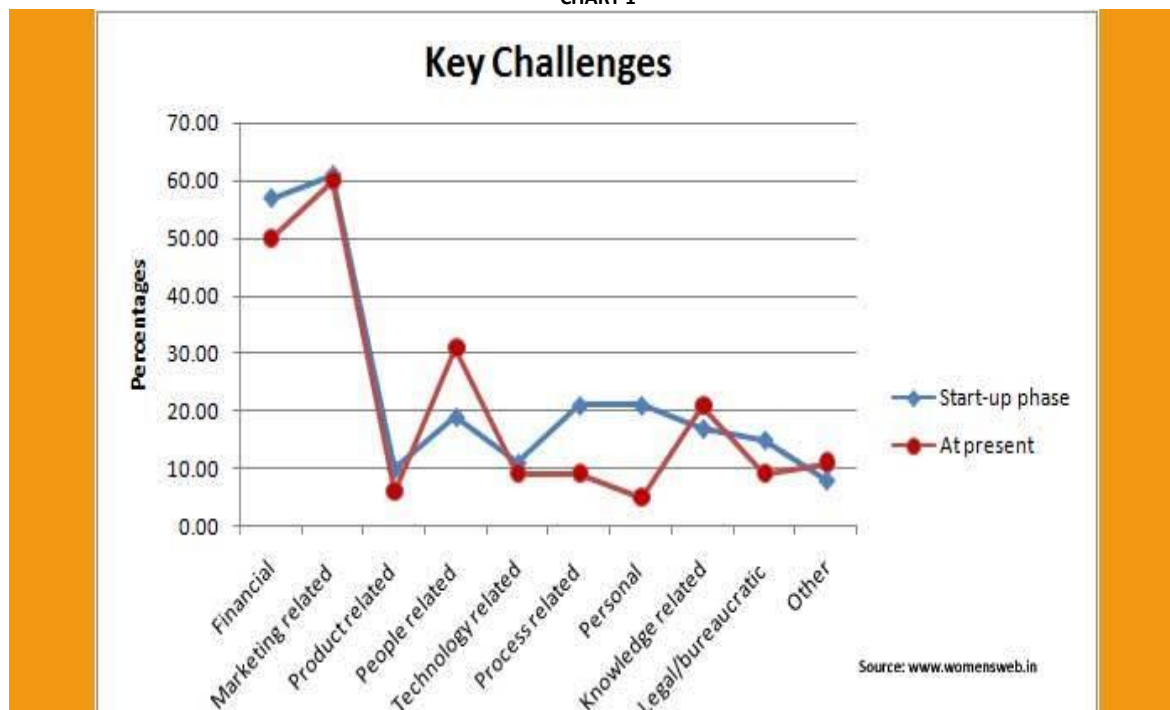
The problems and constraints experienced by women entrepreneurs have resulted in restricting the expansion of women entrepreneurship. Women in India face many problems to get ahead their life in business. Women entrepreneurs face a series of problems right from the beginning till the enterprise functions. Being a woman itself poses various problems to a woman entrepreneur. A desirable atmosphere is necessary for every woman to inculcate entrepreneurial values and involve greatly in business dealings. But Women in India are faced many problems to get ahead their life in business.

- **Family ties** - Women in India are very emotionally attached to their families. They are supposed to attend to all the domestic work, to look after the children and other members of the family. They are over burden with family responsibilities like extra attention to husband, children and in laws, which take away a lots of their time and energy. In such situation, it will be very difficult to concentrate and run the enterprise successfully.
- **Male dominated society**- Even though the constitution speaks of equality between gender male chauvinism is still the order of the day. Women are not treated equal to men. Their entry to business requires the approval of the head of the family. Entrepreneurship has traditionally been seen as a male preserve. All these put a break in the growth of women entrepreneurs.
- **Lack of education** - Women in India are lagging far behind in the field of education. Most of the women (around sixty per cent of total women) are illiterate. Those who are educated are provided either less or inadequate education than their male counterpart partly due to early marriage, partly due to son's higher education and partly due to poverty. Due to lack of proper education, women entrepreneurs remain in dark about the development of new technology, new methods of production, marketing and other governmental support, which will encourage them to flourish.
- **Self-Confidence** – In India, women have lack of self-confidence in their strength and ability. The family members and the society are unwilling to stand beside their organizational growth. To a certain degree, this situation is changing with Indian women and yet to face an incredible amend to boost the rate of growth in entrepreneurship.
- **Socio-Cultural Barriers** – Family and personal obligations sometimes works as a great barrier for succeeding in business career of women entrepreneurship. Only few women are capable of managing both home and business efficiently, giving sufficient time to perform all their responsibilities in priority.
- **Risks Related to Market** – Tuff competition in the market and lack of mobility of women make them dependent on middleman essential. Many business-women find it very difficult to capture the market share and make their products well popular and accepted by customer. They are not fully conscious of the changing market environment conditions and hence can effectively exploit the services of media and internet.
- **Mobility Constraints** - Women in India have to face lot of restriction on their mobility, our society still have some conservativeness, and due to that career of women is limited to four walls of kitchen. Though women faced lots of problems being mobile in entrepreneurial activity, the mobility problem has been eliminated to very certain extent by the expansion of education awareness to all.
- **Business Administration Knowledge** – Women must be educated and trained continuously to acquire the skills and understanding in all the required functional areas of business venture. This will make women to excel in decision-making and develop good business skills.
- **Financial Assistance** – Most of the women especially in rural areas are not aware about the financial assistance provided by various institutions. The efforts taken for Women entrepreneurs may not able to reach the entrepreneurs in rural and backward areas.
- **Training Programs** - Depending upon the needs, duration, skill and the purpose of entrepreneur there are various workshops and training programs available the social & welfare association. Such kinds of programs are really helpful to new and young entrepreneurs who desire to start a small and medium sized business on their own.
- **Cost** - Some business have highly production and operation cost that adversely affects the expansion of women entrepreneurs. The installations of new machineries during expansion of the productive capacity and like similar factors discourage the women entrepreneurs from entering into new areas.

CHALLENGES OF WOMEN ENTREPRENEURS IN INDIA

Entrepreneurship was once considered a man's territory, but each year, more and more women set out on the journey to launch and lead their own companies. These business-savvy ladies inspire other women with dreams of founding startups, but many female business owners face still face significant obstacles because of their gender.

CHART 1



Source: www.womenweb.in

BIGGEST CHALLENGES WOMEN ENTREPRENEURS FACE TODAY

- **Women entrepreneurs think they need to act like men** - Most female business owners who have attended networking events can relate to this scenario. When women entrepreneurs have to talk business with primarily male executives, it can be intimidating. To compensate and protect themselves, women often feel as though they need to adopt a stereotypically male attitude toward business.
- **Emotions and nurturing skills can affect women's businesses** - Though trying to act like a man does not guarantee success for a female entrepreneur, allowing her 'feminine' qualities to stand in the way of getting things done is not necessarily recommended, either. By nature, women are more emotional and nurturing, which can sometimes be a hindrance to running a business.
- **Women often lack the support of other female business leaders** - Various female business leaders felt insecure about being in the minority as women who excelled in math and science, and longed for more camaraderie and support from female peers in their fields.
- **Many women have to balance raising families with running their businesses** - Work-life balance is often a goal of entrepreneurs across the board, but mothers who start businesses have to simultaneously run their families and their companies.
- **Women entrepreneurs are afraid of failure** - According to 'Global Entrepreneur Monitor' the fear of failure is the top concern of women who launch startups. Failure is a very real possibility in any business venture, but it should not be viewed as negative.

INDIVIDUALITY OF A SUCCESSFUL WOMEN ENTREPRENEUR

SHE HAS A POSITIVE ATTITUDE

There is no energy that can mimic what is released when a positive, high-stepping woman enters a room. A positive attitude is the fuel needed to drive us from idea conception to realization. A positive attitude takes conscious effort on your part. Arrest negative thoughts and replace them with positive ones. Listen to the things you are saying to yourself in your mind. Deliberately use words that focus on constructive, affirming truths about you.

SHE CAN OVERCOME OBSTACLES

Women who have struggled in their lives tend to have amazing inner strength. Use adversity to your advantage. At the end of a struggle, you are a better, more valuable person. Helen Keller said, "Character cannot be developed in ease and quiet. Only through experience of trial and suffering can the soul be strengthened, vision cleared, ambition inspired and success achieved".

SHE IS STRONG-MINDED

Strong-minded does not mean that you are rude, conceited or destructive. On the contrary, a strong-minded woman displays confidence. When you are strong minded, you're empowered, possess a healthy self-image and take responsibility for your life. The entrepreneurial spirit, by its very nature, requires us to consider possibilities that most aren't brave enough to.

SHE IS SOFT-HEARTED

Charity and compassion allow us to reach beyond our cookie-cutter lives and make a difference in the lives of others. By reaching out to others, we grow as individuals. A woman with a compassionate heart has great influence.

SHE HAS INTEGRITY

You do not need to leave victims in your path to be victorious. Do not need to step on others to step to the next level. Integrity must be the very core of your character and always put honor before dollars and live by your convictions. As you gain respect and trust, your company will grow. People seek to do business with those they trust.

SHE HAS BALANCE IN HER LIFE

Our lives revolve around four major categories like family and friends, health, wealth and spirit. These areas must be balanced to lead a fulfilled life. Evaluate your balance continually. A balanced life allows you to think clearly with imagination and optimism.

SHE SETS GOALS

Goals are dreams with a plan for realization. Commit your short- and long-term goals to writing. Record how and when you will achieve them. Post your goals in plain sight and review them often. Record the reward when the goal is attained. Remember that you cannot hit a mark you cannot see, and continual success demands a plan.

SHE IS DRIVEN BY A CAUSE

Looking for the hole in the market is a strategic move in every entrepreneur's plan. Find the needs in your business ventures and pursue those causes with passion.

SHE IS A TEACHER

Great women teach. People want to know what you have that ignites that flame within. We can help mold the great women of tomorrow.

SHE'S FOCUSED ON THE NEXT STEP

The greatest point of resistance is just before breakthrough. We must have a stubborn resolve to see ourselves to the other side. When challenging circumstances seek to derail us, if we just take that next step, we will find that we have made it.

REMEDIAL MEASURES FOR WOMEN ENTREPRENEUR

Vocational Education: The first measure would be to provide education, particularly vocational and technical education to girls. The curriculum should be restructured to include accountancy, management, computer science, small scale industry, entrepreneurial development, etc.

Entrepreneurial Motivation at School Level: The girls at the school level should be inspired to adopt entrepreneurship. Generally, women dream to become job seekers rather than job makers. To motivate the women, a coordinated effort should be made among the educational institutions, government departments, and the business world.

Accessibility to Information: All possible access to information should be provided for women entrepreneurs. Government agencies, association of women entrepreneurs, NGO's and universities should assume responsibilities in this regard.

Separate Publication: Separate publication should be brought out and distributed to women entrepreneurs on subsidized rate in order to create awareness and encourage them to avail of the benefits offered to them. Media should be used to give maximum information for promoting the cause of women entrepreneurs.

Access to Technology: Access to technology is low for women entrepreneurs. Due to lack of finance and information they cannot have proper tools and equipments to improve the products.

Simple Formalities: Efforts should be made to simplify the procedures, formalities, rules and regulation etc. in matters regarding registration and getting assistance from different departments and government agencies.

100% Finance: Banks and financial institutions should offer 100% loans without collateral security to qualified technocrats. Similarly, term loans and working capital loans should be sanctioned liberally on different terms.

Training: The Government of India has organized a number of workshops on Trade Related Entrepreneurship Assistance & development for the benefit of women entrepreneurs. It seeks to empower women in rural & semi urban areas through development of entrepreneurial skill, elimination of various constraints faced by them & through strengthening trade support network.

CONCLUSION

Women entrepreneurs face many problems in various aspects of finance, marketing, health and family. After independence, law guaranteed equal rights and equal opportunities in education and employment for women. The Primary motivations to women to get success as an entrepreneur not only in the form of financial assistance and government schemes, there should be psychological support from family members and husband. Even though, government supporting in financial aspects, without having moral support from near and dears women may not get success as an entrepreneur. When it is a business, business is all about profits, losses and tensions. Someone should support in all times positively to avoid problems. This support will support a lot not only women and all. Now a days the aspirations of women entrepreneurs are increasing because their self-confidence, self-esteem, self-motivations are increased. The literacy rate is gradually increasing, becoming well aware of all things enhancements in knowledge levels will make women to have aspirations in future.

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THE CHANGING LANDSCAPE OF MULTILATERAL TRADING SYSTEMS

Dr. M B MOHANDAS

Sr. MANAGER (EXPORT & COMMERCIAL)

INDIAN FARMERS FERTILISER COOPERATIVE LTD.

NEW DELHI

ABSTRACT

One of the incredible features of post-war (World War II) epoch is many national economies had become more open and foreign trade had expanded at a faster pace than the world output. Economic development in a country at any stage is a function of many factors such as state of technology, skills of the population, political stability, good economic policy etc. International trade among different economies is an important factor in raising living standards, providing better employment opportunities and enabling the large population to enjoy a greater variety and quality of goods. As national economies with strong international trade have become more and more prosperous, it can be one of the major contributors towards poverty alleviation. RTAs and the MTS platform WTO share the common objective of trade liberalization wherein the former is discriminatory the latter is not. Over a time, many WTO Members are gradually embraced different types of RTAs as an effective trade policy tool, as complementary to MFN. By liberalizing trade, countries benefit not only from increased access to technology and consumer goods but also from the chance to find new markets and connect to global value chains.

KEYWORDS

RTA, MTS, WTO.

JEL CODES

F10, F13.

INTRODUCTION

It is imperative that a well-organized and well managed world monetary system is an essential prerequisite for fostering economic prosperity, growth and also maintaining the financial equilibrium of the world economy. In the post-World War II period, Allied Powers who got an opportunity to revive the war ravaged global economy, instituted IMF and World Bank (the Bretton wood twins) in 1944 in line with a trade -off, an international monetary system with convertible currencies at fixed but adjustable exchange rates along with restricted private cross border capital flows would stimulate a favourable climate for international trade and investment. The currency of the largest economy, US dollar became the key and vehicle currency for a globally accepted means of payment network system, investment and invoicing i.e. the three important functions of money – medium of exchange, store value and unit of account, due its economic size, influence, wide acceptance and commitment to convert dollar into gold at fixed rate. That is to say, that Bretton Woods conserved the shift from commodity to fiat. The dollar remained convertible into gold and other currencies into dollar; more precisely commodity money was entirely off the scene. The world economy was growing rapidly by five percent per annum, which was more than double as fast as between 1870 and 1913. In the absence of IMF not providing an elastic supply of international money (as the quotas for member countries in IMF were limited), the US found itself in a unique position to play the role of world banker, borrowing short and lending long in the international market place and thus influenced the global economy.

The creation of a third institution namely ITO (International Trade Organization) for facilitating and monitoring the cross border flow of goods and services in a less protectionist environment by removing tariffs and other kinds of quantitative restrictions and barriers could not take off as there was no consensus. However, countries engaging themselves about 80% of world trade did reach an agreement, called GATT (General Agreement on Trade and Tariff), which became a Treaty as well as an organization. More than 60 years later, that is 1995, it has evolved into a separate institution namely WTO (World Trade Organisation), coincided with the end of the Cold War, through several rounds of trade negotiations with the principal goal to ensure that trade flows as smoothly, predictably and freely as possible. This was seen in some countries as an opportunity to cash in the “peace dividend” and reduce the burdens of leadership, but some idealists more grandly proclaimed an “end of history” and saw an opportunity to devise a more cooperative world system and even advocated greater reliance on international organizations as deliverers of “global public goods”. Today WTO is an organization towards a free market economy, a strong platform for governments to negotiate trade agreements and as place for settling trade disputes. It also operates a system of trade rules. It again helps developing economies build their trade capacity. In short, WTO is the multilateral based global platform for all individual economies.

REVIEW OF LITERATURE

One of the incredible features of post-war (World War II) epoch is many national economies had become more open and foreign trade had expanded at a faster pace than the world output. At the same time, many insular and State controlled economies had progressively abandoned their conventional import substituting industrialization model and started advocating and adopting outward oriented development strategy with explicit export orientation. More precisely this involved a clear shift from state controlled public sector dominated economy to private sector centric market led economy. Over the years, the integration of the global economy through the progressive internationalisation of trade coupled with finance has touched at unprecedented levels, exceeding the pre-World War I peak and this new upsurge of globalization is having far-reaching implications for the economic well-being of the entire population sprawled across the continents and among all income groups. World trade has grown five times in real terms since 1980, and its share of world GDP has risen from 36 percent to 55 percent over this period. At the same time, almost all economies have ameliorated human development, the equal life chances for all, over the past few decades, and billions of people are now living in a substantially better level. The 2013 Human Development Report (HDR) revealed that 40 plus emerging market economies where the majority of the global population settled had greater HDI gains.

Another striking aspect was the emergence of three distinct major regional economic groupings namely East Asian, North American and European. Along with this regional grouping, multilateral trade negotiation also took place under the umbrella of GATT, leading to more integration of global economy. When developed economies became the net exporters of capital and technology, emerging economies acted as the recipients. International trade increased at a faster rate than the GDP growth of individual national economies. Rapid growth in foreign trade in goods, services and finance plus the predominance of new technologies and innovative modalities for production as well as marketing via the proliferation of MNCs were the visible features of the globalization process – integration of capital, labour, management and the rapid movement of goods and services with the rest of world.

With gradual deregulation in financial markets, massive private capital flows took place across the continents and as a result, fluctuations in both nominal and real exchange rates became violent. Exchange rate movements were not generally governed by national price level movements but rather by the weight of the capital flows and the consequent intervention policy of the central bank. Macroeconomic stability and the incentives to engage in trade, in short and medium terms, began to revolve around the concerns related to real exchange rate stability. Thus the main condition for successful trade performance of a country began to depend on its greater financial and exchange rate stability. The major key currencies (G3 currencies) started to exhibit short-term volatility and medium term misalignments. With successive capital account liberalization in many countries in a progressive manner, largely propelled by IMF, the number of currency crises also increased. Slowly but steadily the excessive volatility of exchange rates under managed floating eventually gave birth to the fear of floating and the evolving managed floating exchange rate system thus degenerated into a more or less fixed exchange rate framework of the olden times. Under the new scenario, an independent monetary policy and free capital movements became inconsistent with rigid fixed exchange rate. In an environment of managed float and fear of

floating, exchange rates of emerging markets became rigid, but capital flows became massive. This created setback for the monetary management of these countries and also led to huge accumulation of forex reserves.

In today's globalised world, Multilateralism is a diplomatic term that refers to cooperation among several nations. The last US President Barack Obama has made multilateralism as a dominant element of US foreign policy under his administration. Given the global nature of multilateralism, multilateral policies are diplomatically intensive but offer the potential for great payoffs

OBJECTIVES OF THE STUDY

This Paper tried to synthesise the significance of post war period global trading systems towards Sustainable Development Goals (SDGs), adopted in September, 2015, to certain extent. The two main objectives of this research Paper are:

1. To track and emphasis the role of multilateral trading system to reduce the global trade barriers towards a free trade economy.
2. To identify and pin point the influential role of RTAs / FTAs / PTAs in a multilateral trading system.

METHODOLOGY

This study is exploratory and broadly qualitative in nature, based on review of mainly WTO, IMF, UNCTAD and other UN agencies' studies engaged with both primary and secondary data, which obtained from their respective web sites.

SIGNIFICANCE OF THE STUDY

Economic development in a country at any stage is a function of many factors such as state of technology, skills of the population, political stability, good economic policy etc. As it is widely believed, economic development must not be just measured or judged by high growth statistics number registered by the country but, rather taking into account the content of growth i.e. to what extent the economic progress is translated into reducing inequality and poverty and also improving the quality of the life of the poor. It has been also demonstrated that, in economies where gender equality is greater in terms of both opportunities and benefits, there is not only high economic growth rate but also a better quality of life.

International trade among different economies is an important factor in raising living standards, providing better employment opportunities and enabling the large population to enjoy a greater variety and quality of goods. However, International trade can be traced from the earliest civilisations, in recent years it has become to play an increasingly important role with a larger share of GDP devoted to exports and imports. Trade itself has been transformed over the last two decades wherein production chains have become increasingly international, offering new opportunities as well as challenges to countries aiming to participate in global trade flows. Further, overall trade in goods has nearly quadrupled, while WTO members' import tariffs have declined by an average of 15 per cent. Over half of world trade is now tariff-free. As national economies with strong international trade have become more and more prosperous, it can be one of the major contributors towards poverty alleviation. The main domestic influential factors of international trade are geographical, political, resource and technological dependency, fiscal and monetary policies and the choice of exchange rate regime.

DISCUSSION & FINDINGS

THE ECONOMICS OF FREE TRADE

Adam Smith's concepts of division of labour and absolute advantage is the basis of free trade which accounts about three quarters of the rationale for open markets, especially for those countries that have clear natural advantages in the production of certain goods. David Ricardo's concept of comparative advantage offers the rest of that rationale, explaining why even countries that are the best at nothing can still gain by exporting those things in which they are comparatively more productive and importing those things that they produce least efficiently. The concept of comparative advantage underscore the economic logic of multilateral trade reform by dictating that under global free trade, production will be shifted to the most efficient producers. Both increased trade and trade liberalisation can enhance the development prospects of any nation – say many modern economists. Today, trade has been recognized in the UN 2030 development Agenda as well as in the Addis Ababa Agenda for Action as an important means for the implementation of the Sustainable Development Goals (SDGs).

CHART 1



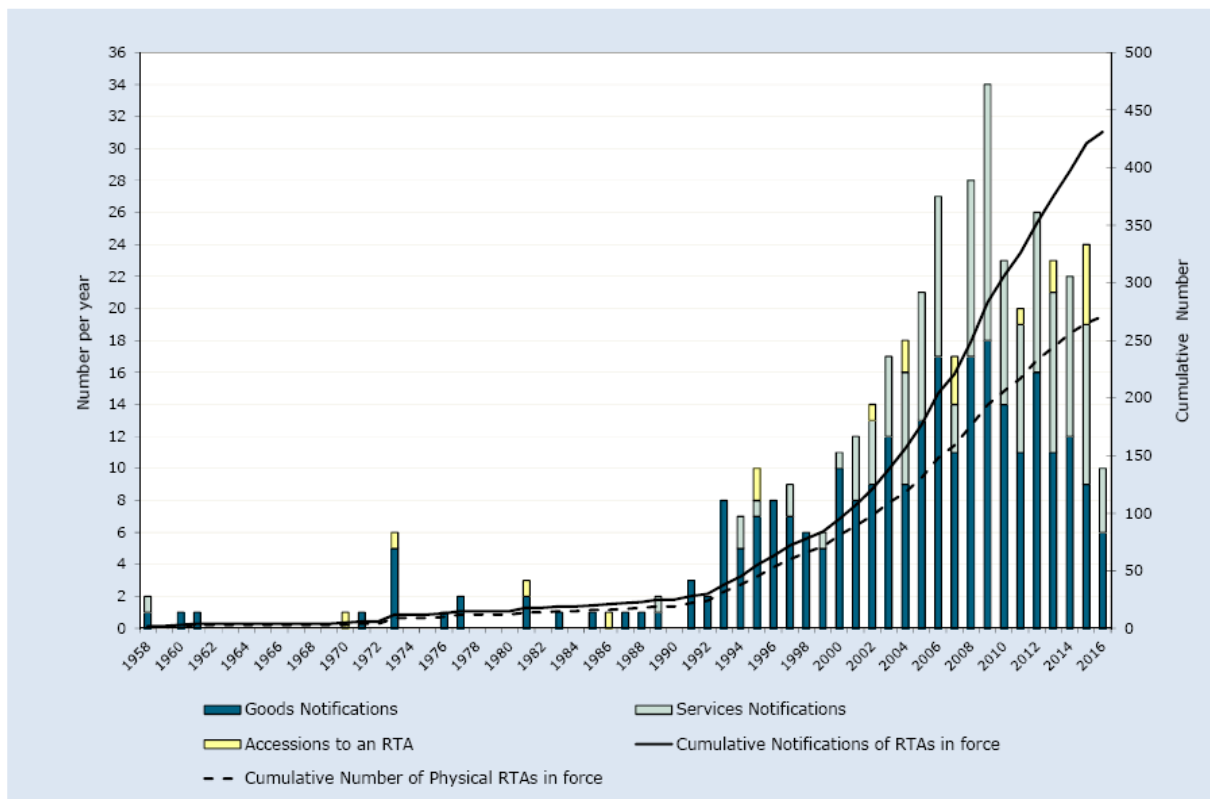
HISTORICAL PERSPECTIVE

The Second World War unleashed an opportunity to the Allied Powers to remake the world economy through international organizations, which had been instituted like the structure of national governments. The post-war Multilateral Trading System (MTS), towards GATT – WTO, was emerged from recognising the sovereignty of every nation and its best exercise is to enter into binding agreements with other states voluntary and mutual limits on sovereignty, framing International law, including the forms and norms of diplomacy, protocol, treaties, conferences and eventually the establishment of international organizations. Accordingly, the coexistence of preferential and multilateral (GATT MFN) trade liberalization was viewed as ultimately positive in international trade relations. Thence

prevailing perception was that genuine regional initiatives, promoting extensive trade liberalization among sub-sets of the Members could be congruent with multilaterally-agreed trade liberalization which could contribute to enhance the global trade as well as MTS. Thus, from the infant state of the GATT, Members were allowed to deep their market access through RTAs / FTAs / PTAs, subject to certain number of GATT criteria. The number of preferential agreements as well as the world share of preferential trade has been steadily increasing over the past two decades.

THE EVOLUTION OF TRAs

CHART 2



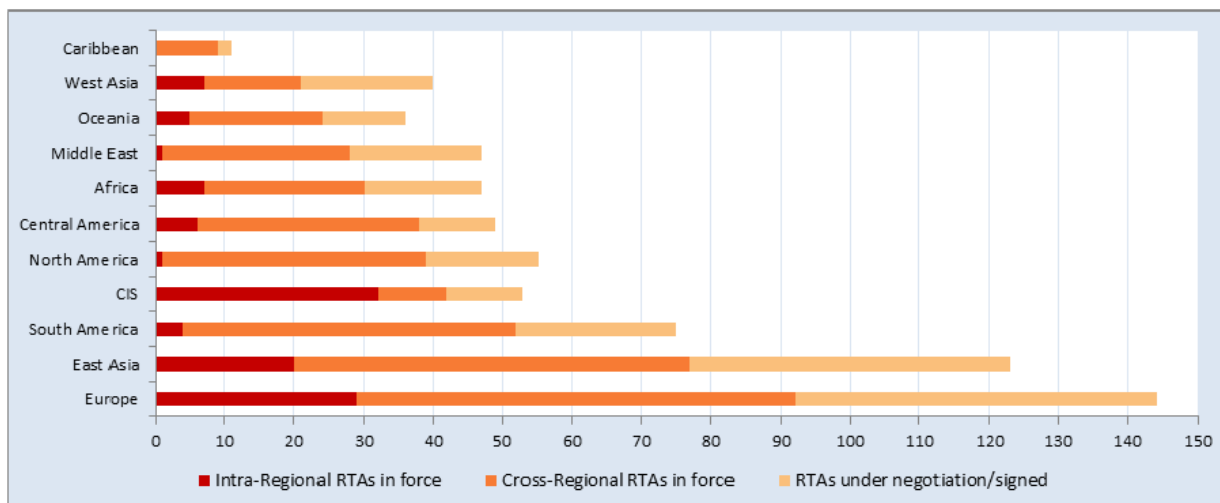
Source: WTO

LATEST TRENDS

RTAs and the MTS platform WTO share the common objective of trade liberalization wherein the former is discriminatory the latter is not. Over a time, many WTO Members are gradually embraced different types of RTAs as an effective trade policy tool, as complementary to MFN. RTAs are a major and perhaps irreversible feature of today's MTS. But economic considerations are only one facet of complex RTA strategies being pursued by individual or groups of countries which often include broader foreign policy aims such as political and security considerations. PTAs can reduce policy-imposed barriers to the flow of goods, services, capital, labour, technology etc. The promotion of free trade at a preferential level may help developing economies to implement domestic reforms and open up to competitive market pressures at a sustainable pace, thus facilitating their integration in the world economy. This may also benefit the multilateral process by exerting leverage for openness and competitive liberalization in international trade relations. Yet, the development of complex networks of non-MFN trade relations and of regulatory regimes which increasingly touch upon policy areas uncharted by multilateral trade agreements may place developing countries, in particular, in a weaker position than under the multilateral framework. As for the MTS, such RTA proliferation is already undermining transparency and predictability in international trade relations, which are the pillars of the WTO system. This can ultimately alter the global trade patterns with severe implications for WTO Members through, among others, trade and investment diversion and diminished attention to the multilateral system. Today, global trade barriers are historically low and the 164 WTO members are home to more than 7 billion people and account for nearly 96 per cent of the global economy and 98 per cent of world trade. Trade volumes have increased two-and-a-half times.

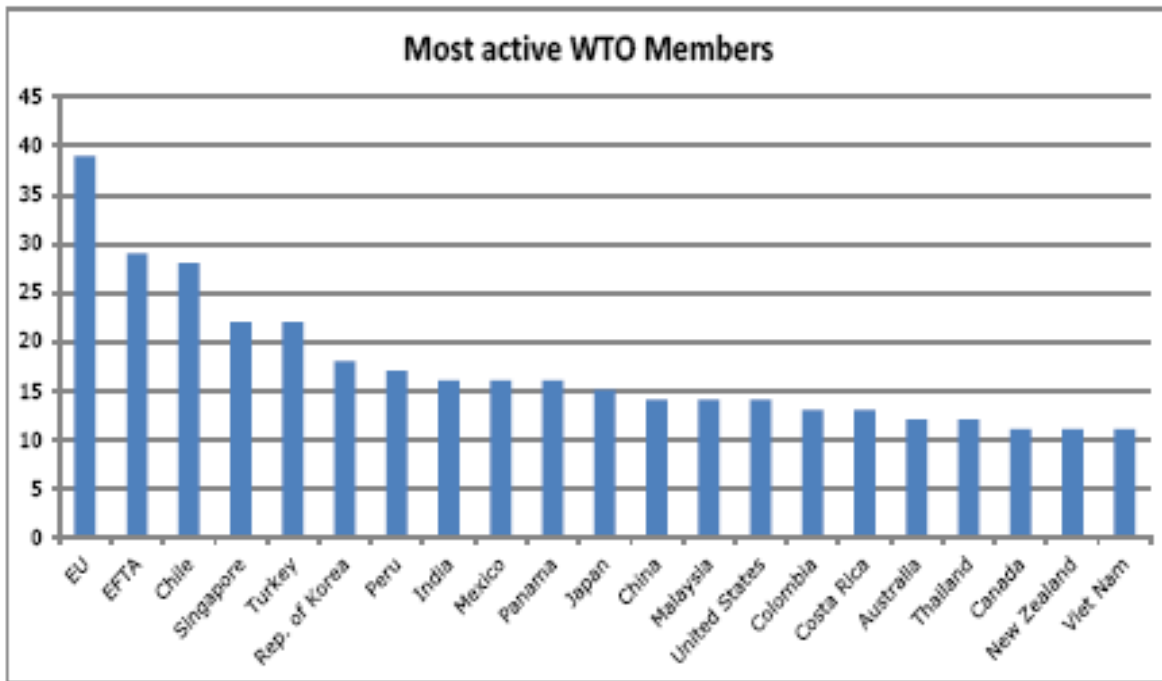
RTAs IN FORCE, AND UNDER NEGOTIATION BY REGION

CHART 3



Source: WTO

CHART 4



Source: RTA Section, WTO Secretariat.

CONCLUSION

In today's complex environment of international trade liberalisation, politics and economics operate hand-in-hand. Though RTAs have conventionally been steered towards gradual elimination of all formal trade barriers among participants, they are progressively being used as fora to address wider policy concerns that have emerged over time. With the gradual lowering of formal trade restrictions, in particular in the form of GATT-bound industrial tariffs, and the emergence of international production chains, other barriers have gained in economic importance. Besides, RTAs provide a basis to extend trade disciplines to factor flows - investment, technology and labour. However, it is to be ensured that all types of RTAs / FTAs / PTAs are well crafted and implemented to complement the systemic significance of MTS. It is a widely recognised and accepted fact that trade drives growth and development. By liberalizing trade, countries benefit not only from increased access to technology and consumer goods but also from the chance to find new markets and connect to global value chains. This can quickly translate into GDP growth and a rise in the standard of living.

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PRESENTEEISM AND ITS RELATIONSHIP TO LABOR PRODUCTIVITY WITHIN MALIAN FIRM SEGMA**Dr. TIEDIAN FANE****ASST. PROFESSOR****FACULTY OF ECONOMICS AND MANAGEMENT****UNIVERSITY OF SOCIAL SCIENCES AND MANAGEMENT OF BAMAKO****BAMAKO****Dr. SALIMOU KEITA****ASST. PROFESSOR****FACULTY OF ECONOMICS AND MANAGEMENT****UNIVERSITY OF SOCIAL SCIENCES AND MANAGEMENT OF BAMAKO****BAMAKO****Dr. ALIOU BAMAMOU MAIGA****ASST. PROFESSOR****FACULTY OF ECONOMICS AND MANAGEMENT****UNIVERSITY OF SOCIAL SCIENCES AND MANAGEMENT OF BAMAKO****BAMAKO****ABSTRACT**

The study examined the relationship between presenteeism and labor productivity within Malian firm SEGMA using staff feedback information for inputs purpose to get the impact of presenteeism on labor productivity level. The purpose of this study is to highlight the benefit of labor productivity within Malian firms, the impact of presenteeism on labor productivity combining different sources of staff satisfaction information and provide measures to represent the labor productivity level. The information gained from all these different feedback types should be used to get no presenteeism-related conditions. The Quantitative and qualitative methods are used. Primary data are collected from employees and managers by questionnaires and interview. Secondary data are gotten from articles, journals and online resources. The theory section looks at different concepts of presenteeism and labor productivity as defined and viewed by various authors. Also the benefits of no presenteeism-related conditions were reviewed. The relation between presenteeism and labor productivity is described. We have used the multiple regression analysis using presenteeism constructs and customer labor productivity level transled on Likert scale. The research findings confirmed that: no presenteeism-related condition increases labor productivity and labor productivity is competitive advantage for firms.

KEYWORDS

presenteeism, labor productivity, staff feedback.

JEL CODES

L31, L84, M12, M14.

1. INTRODUCTION

Mali is liberalizing its economy and its companies must compete with those of developed countries. The competitive advantage is not driven exclusively by traditional factors such as substantial investment, easy access to raw materials, but also by skilled and cheap labor. An emerging phenomenon, however little studied, which considerably reduces labor productivity is presenteeism. Presenteeism is a polysemic term. The definition of presenteeism used in this study is a situation in which an employee who is present at work experiences a sharp drop in productivity, because he is ill, in psychological malaise or completely unmotivated, the three factors being able to combine (DENNIS Monneuse 2013).

Presenteeism is expensive, very expensive and the cost is hidden. Statistics show a significant drop in the quantity and quality of work done in Malian companies. According to the expert in quality of life at work Matthieu Poirot, the cost of presenteeism is twice as high as that of absenteeism for companies: "Companies that do not invest in quality at work pay for it in terms of turnover".

The cost of presenteeism is borne by the company that pays a non-productive salary, while that of absenteeism is mainly borne by the social security through benefits. So far, absenteeism is one of the most used health indicators in organizations in Mali. Some organizations pay "attendance bonuses" (or implicitly "bonuses of presenteeism") to value employees who are always present in other words, who are less productive. Labor productivity is the amount of goods and services that a laborer produces in a given amount of time.

Are the no presenteeism-related conditions an effective way to increase the labor productivity within Malian firms? Creating the conditions for a peaceful work environment in Malian companies is no longer an option but a necessity.

2. OBJECTIVES OF THE STUDY

The overall objective of this study is to provide sufficient guidelines to help all stakeholders, both presenters, employers and public authorities to become aware and fight against presenteeism.

Its specific objectives are:

1. To obtain the benefit of the no presenteeism-related conditions on the labor productivity in the company SEGMA;
2. To develop a theoretical model applicable to the SEGMA enterprise that can be generalized to all Malian companies;
3. To develop and test the predictions of a conceptual framework integrating presenteeism and labor productivity;
4. To get knowledge of presenteeism with specific characteristics of Malian companies and generate new knowledge.

3. LITERATURE REVIEW

The research questions:

Question 1: What is presenteeism?

Question 2: What is productivity?

Presenteeism is a polysemic term; presenteeism is traditionally defined as the mere fact of being present, in this case at his workstation. Its most commonly accepted definition refers to the behavior of the worker who, despite physical and / or psychological health problems requiring time off, comes to work (Gosselin & Lauzier, 2013).

The conditions and organization of work have contrasting effects on presenteeism. An employee makes less presenteeism if the quality of life at work is good: autonomy, good

relationships with colleagues, helping work group, (Bockerman et al, 2010, Leineweber et al., 2011). By an employee does more presenteeism when the quality of life at work is difficult: high workload, shifted schedules, lack of time, means (Caverley et al., 2007, Claes, 2011).

The experts, consultants, academicians and practitioners have expressed their views on productivity. Some of the following definitions of labor productivity are given below:

Productivity is a measurement of the output produced using a quantity of inputs. The production process is a representation of the relationship between outputs and the inputs used to produce (Diane Huber). Labor productivity is the amount of goods and services that a laborer produces in a given amount of time. It is one of several types of productivity that economists measure. Labor productivity can be measured for an individual, a firm, a process or a country (www.wikipedia.org). Job insecurity: Precarious contracts, job loss has negative effects on labor productivity, (Biron, 2006). The use of presenteeism is a loss to the firm, and the extent of this loss is notoriously dependent on the type of illness and the type of job (Shultz & Edington, 2007). Certain conditions involve risks of contamination increasing the impact on productivity in the firm (Barmby & Larguem, 2009). Presenteeism results in medium and long-term consequences for the health status of workers, their retention in employment (Bergström & al., 2009).

In his recently published book, Jean-Pierre Brun admirably describes the missing pieces of management that prevent people from being well at work and that undermine the effectiveness of organizations. In his introduction, the author explains that his book is based on facts. "My research with more than 20 companies and more than 17,000 employees and managers generally identifies seven categories of issues related to workplace well-being and business efficiency. These are, in order:

the scarcity of marks of appreciation; lack of support; lack of respect; the difficulty of reconciling work and personal life; work overload; lack of participation in decisions; ambiguity of roles.

It is important to mention that other researchers are likely to be different from those who are affected by health conditions and others who are inter alia bored, distracted, under-challenged or over-challenged at work, but who are not at work (see D'Abate & Eddy, 2007, Schultz, Chen & Edington, 2009). With regard to the latter, distinctions have been even though the vast majority of research on presenteeism has been shown to be related to reduced incidence of health impairment, for example allergies and arthritis (Hemp, 2004, Schultz made in that health-related presenteeism has been referred to as 'impaired presenteeism' (for health-related presenteeism) and the other type of presenteeism that is not related to health-related impairment, but is more related to motivational aspects such as boredom, distraction or challenge, is termed 'motivational presenteeism' or 'disengagement presenteeism' (Rothmann & Rothmann, 2007). However, all of these conceptualizations remain under the banner of presenteeism, globally. These are apt operational distinctions for researchers and practitioners in this area of research and the subject of these two presenteeism-related concepts.

4. STATEMENT OF THE PROBLEM

Based on the literature, informal discussions with managers, experts, consultants, academicians, practitioners and research objectives, six research questions were proposed. They are listed as follows:

Question 1: What is presenteeism?

Question 2: What is productivity?

Question 3: What kind of theoretical model of the impact of presenteeism on labor productivity must be developed to guide Malian companies to increase the labor productivity?

Question 4: What is the extent of the relationship between presenteeism and labor productivity?

Question 5: How can this model of the impact of presenteeism on labor productivity be demonstrated in practice?

5. THEORETICAL MODEL

Research question 3: "What kind of theoretical model of the impact of presenteeism on productivity needs to be developed to guide companies based in Mali to increase the productivity of their workers? Will be answered.

This model is based on assumptions that the presenteeism constructs have positive effects on labor productivity (LP). These constructs among many others are: 1. scarcity of marks of appreciation (SMA); 2. lack of support (LS); 3. Lack of respect (LR); 4. The difficulty of reconciling work and personal life (DWL); 5. Work overload (WO); 6. Lack of participation in decisions (LPD); 7. Role ambiguity (RA) 8. insecurity of employment (IE).

In this study, the presenteeism constructs are the independent variables (causes) and the labor productivity is dependent variable (effect).

The following hypotheses have also been proposed:

H1: The scarcity of appreciation marks has a positive impact on worker productivity.

H2: The lack of support has a positive impact on the worker's productivity.

H3: The lack of respect has a positive impact on the worker's productivity.

H4: The difficulty of reconciling work and personal life has a positive impact on worker productivity.

H5: The work overload has a positive impact on worker productivity.

H6: The lack of participation in decisions has a positive impact on worker productivity.

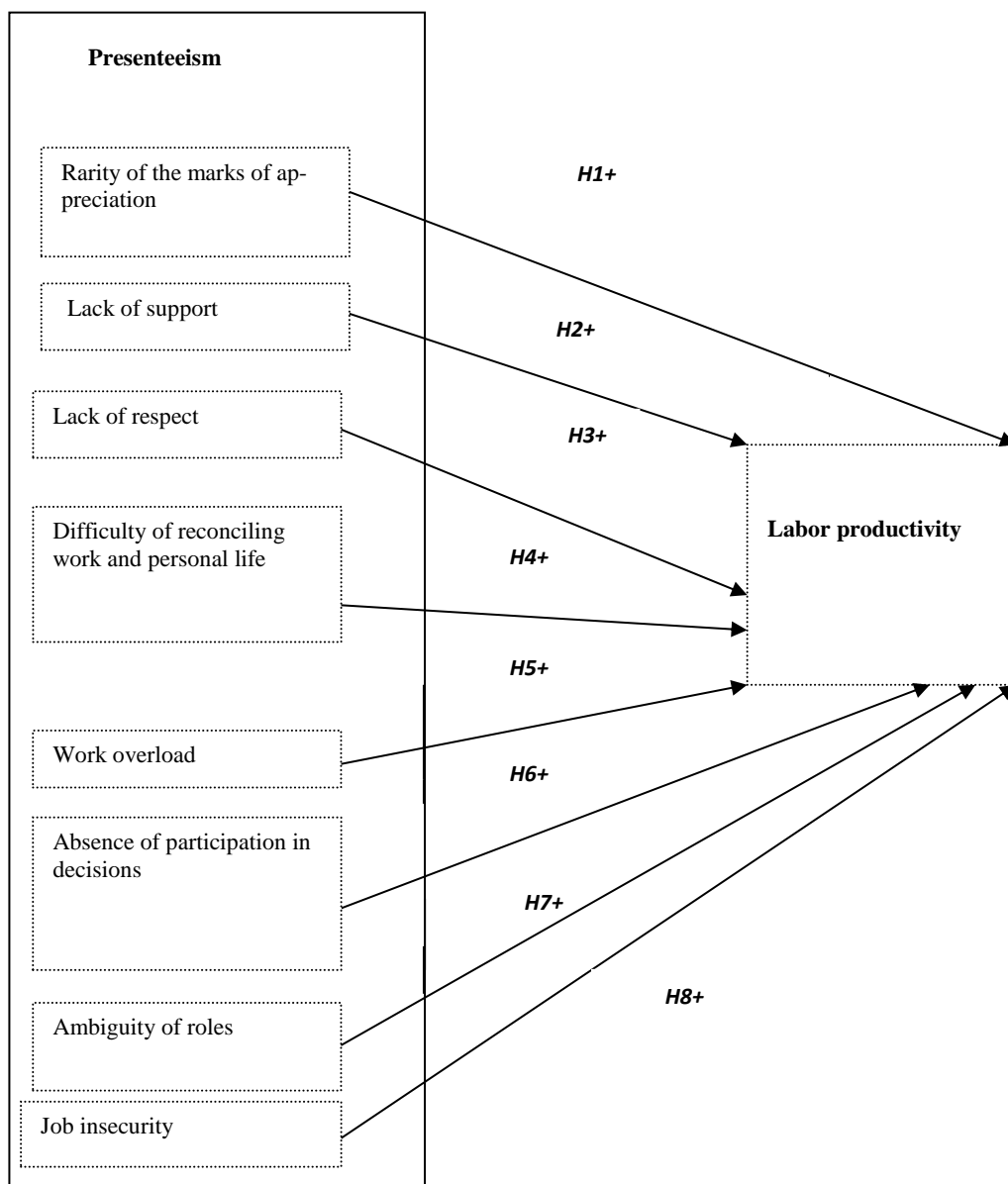
H7: The role ambiguity has a positive impact on worker productivity.

H8: The job insecurity has a positive impact on worker productivity.

On the basis of these hypotheses, a theoretical model of the impact of presenteeism on labor productivity has been developed.

Those assumptions must be confirmed by questionnaire survey data in the company SEGMA.

FIGURE 1: THEORETICAL MODEL OF PRESENTEEISM AND LABOR PRODUCTIVITY



6. METHODOLOGY OF THE CASE STUDY & ANALYSIS

The fifth research question is "How can this model of the impact of presenteeism on worker productivity be demonstrated in practice?"

According to Yin (1989), case studies are the preferred strategy when "how" or "why" are questions asked. The company SEGMA puts this model of presenteeism into practice and can also provide a better understanding of the model.

6.1 A BRIEF INTRODUCTION OF SEGMA

The case study was conducted in a small manufacturing company, enameling and galvanizing company of Mali (SEGMA). It is located in the industrial zone of Bamako in Mali. She produces steel cups. The company has a functional organizational structure.

6.2 DATA COLLECTION

Primary and secondary data sources are used.

6.2.1 PRIMARY DATA SOURCES

Primary data are information's collected directly by the researcher, when secondary data are not available or are unable to contribute to the achievement of research objectives (Sekaran, 2003).

a) Interviews and observations: Interviews were conducted with employees, production managers, experts, consultants, academicians and practitioners.

b) Questionnaire survey

The research question4 "What is the extent of the relationship between presenteeism and labor productivity"? has been answered.

• Presenteeism survey

The respondents (managers and employees) to the questionnaire are invited to note their organization on the following points during the last twelve months: "the scarcity of marks of appreciation"; "Lack of support"; "the lack of respect "; "Work overload"; "Lack of participation in decisions"; "Ambiguity of roles"; "Job insecurity".

The rating scale is as follows: 1 to 2 Very dissatisfied, 2 to 3 Dissatisfied, 3 to 4 Satisfied, 4 to 5 Very satisfied. For the sake of objectivity all those who are responsible for the management of these points above are not concerned by the questionnaire.

Respondents to these items were used five-point Likert format ranging from 1 to 5.

• Labor productivity survey

Respondents (production managers) to the questionnaire are invited to translate employee productivity indicators into Likert scale ratings. The rating scale is as follows: 1 to 2 Very dissatisfied, 2 to 3 Dissatisfied, 3 to 4 Satisfied, 4 to 5 Very satisfied.

6.2.2 SECONDARY DATA SOURCES

Textbooks, academic articles and journals related to the presenteeism and labor productivity have been used. In addition online resources have been used to obtain information for the literature review.

6.3 CASE STUDY QUESTIONS

Only one company, SEGMA has been selected to lead this case study

Three issues are addressed in this case study, which are listed as follows:

Question 1: What are the strengths of the firm (SEGMA) in the implementation of no presenteeism-related conditions?

This is a descriptive question focusing on the strengths of the current practices of no presenteeism-related conditions versus the practices presented in this study theoretical Model. After the comparison, the strengths of no presenteeism-related conditions of the company could be identified.

Question 2: What are the weaknesses of the firm (SEGMA) in the implementation of no presenteeism-related conditions?

Current management practices of presenteeism and labor productivity have been compared to this model. Thus, weak areas could be identified. Weaknesses could be used by the company as opportunities to seek improvement actions and develop an improvement plan.

Question 3: What type of improvement plan can be formulated to strengthen the company's capabilities to get no presenteeism-related conditions?

7. DATA ANALYSIS

The research framework of this study was analyzed using multiple regression model. Hypothesis tests have been adopted to accept or reject the hypotheses formulated in this research. Excel software have been used to perform the tests, the p-value analysis for individual coefficients, and the F-test for the overall importance of the model.

Data are collected for 12 months from November 2016 to October 2017.

TABLE 1: PRESENTEEISM AND LABOR PRODUCTIVITY, DATA FOR EXCEL INPUT

	Y	X1	X2	X3	X4	X5	X6	X7 X8
Mois	LP	SMA	LS	LR	DWL	WO	LPD	RA IE
1	3	2	2	2	2	2	3	1 2
2	3	2	3	3	3	2	3	2 1
3	4	3	3	4	4	4	3	4 3
4	3	3	3	3	3	3	2	3 4
5	3	2	3	2	2	2	2	1 3
6	3	2	2	2	2	3	3	3 1
7	3	2	3	3	3	3	2	2 3
8	4	3	4	4	4	4	4	3 2
9	4	4	4	4	2	4	4	4 4
10	4	4	3	4	4	3	3	4 4
11	1	1	1	2	1	1	1	1 4
12	4	4	4	4	4	4	4	4 1

7.1 MULTIPLE REGRESSION EQUATION

Labor productivity LP = b0 + b1 (SMA) + b2 (LS) + b3 (LR) + b4 (DWL) + b5 (WO) + b6 (LPD) + b7 (RA)+b8(IE).

Estimation of a multiple linear regression equation

- Excel will be used to generate coefficients and measures of quality of fit for multiple regression
- Excel: Tools / Data Analysis... / Regression

TABLE 2: MULTIPLE REGRESSION RESULTS

	0	1	2	3	4	5	6	7	8
	Intercept	SMA	LS	LR	DWL	WO	LPD	RA	IE
b	0.58676	0.68361	0.007	-0.2285	0.2863	0.4281	0.1478	-0.216	-0.1512
s(b)	0.54498	0.69106	0.4362	0.429	0.2177	0.4843	0.342	0.4385	0.2983
t	1.07666	0.98921	0.0161	-0.5327	1.315	0.884	0.432	-0.4926	-0.5069
p	0.3605	0.3955	0.9882	0.6312	0.2800	0.4418	0.6949	0.6561	0.6471
ANOVA Table									
	Source	SS	df	MS	F	F-Crit	p-Value		
	Regn.	7.68641	8	0.9608	5.1144	8.8452	0.1035		
	Error	0.56359	3	0.1879					
	Total	8.25	11	0.75	R ²	0.9317		Adjusted R ²	0.7495

LP = 0.58676+0.68361 (SMA)+ 0.007 (LS) -0.2285 (LR) +0.4281 (WO)+ 0.1478 (LPD) -0.216 (RA)+ 0.1512 (IE)

LP will increase, on average, 0.68361 per week for each increase to 1point SMA score, net of the effects of changes due to the other presenteeism constructs.

LP will increase, on average, by 0.007 per week for each increase to 1point LS score, net of the effects of changes due to the other presenteeism constructs.

LP will decrease, on average, by 0.2285 per week for each increase to 1point LR score, net of the effects of changes due to the other presenteeism constructs.

LP will increase, on average, by 0.4281 per week for each increase to 1point WO score, net of the effects of changes due to the other presenteeism constructs.

LP will increase, on average, by 0.1478 per week for each increase to 1point LPD score, net of the effects of changes due to the other presenteeism constructs.

LP will decrease, on average, by 0.216 per week for each increase to 1point RA score, net of the effects of changes due to the other presenteeism constructs.

LP will increase, on average, by 0.1512 per week for each increase to 1point IE score, net of the effects of changes due to the other presenteeism constructs.

7.2 COEFFICIENT OF DETERMINATION: R^2

Reports the proportion of total variation in y explained by all x variables taken together.

This is the ratio of the explained variability to total sample variability.

$R^2 = 0.9317$ means **93.17%** of the variation in productivity are explained by the variation in presenteeism constructs.

Adjusted $R^2 = 0.7495$ means **74.95%** of the variation in labor productivity are explained by the variation in presenteeism constructs, taking into account the sample size and number of independent variables.

7.3 HYPOTHESES TESTING

Accept or reject your hypothesis

7.3.1 USE T-TESTS FOR INDIVIDUAL COEFFICIENTS

- Shows if a specific independent variable is conditionally important
- Hypotheses:
- H0: $\beta_j = 0$ (no linear relationship)
- H1: $\beta_j \neq 0$ (linear relationship does exist between x_j and y)

TABLE 3: RESULTS OF T-TEST (EXCEL OUTPUT)

t	1.07666	0.98921	0.0161	-0.5327	1.315	0.884	0.432	-0.4926	-0.5069
P-values	0.3605	0.3955	0.9882	0.6312	0.2800	0.4418	0.6949	0.6561	0.6471

The test statistic for each variable falls out the rejection region (p-values >0.05)

Decision: Reject H0 for each independent variable.

Conclusion: H1, H2, H2, H3, H4, H5, H6, H7, H8 (which offer a positive relationship between presenteeism and labor productivity) are valid.

7.3.2 F-TEST FOR OVERALL SIGNIFICATION OF THE MODEL

- Shows if there is a linear relationship between all of the X variables Considered together and Y
- Use F test statistic
- Hypotheses:
- H0: $\beta_1 = \beta_2 = \dots = \beta_k = 0$ (no linear relationship)
- H1: at least one $\beta_i \neq 0$ (at least one independent Variable affects Y)

TABLE 4: ANOVA TABLE FOR F-TEST

ANOVA TABLE						
Source	SS	df	MS	F	F-Crit	p-Value
Regn.	7.68641	8	0.9608	5.1144	8.8452	0.1035
Error	0.56359	3	0.1879			
Total	8.25	11	0.75	R ²	0.9317	Adjusted R ² =0.7495

F=5.1144 with 8 and 3 degrees of freedom, P-value for F-Test (significance F) is 0.1035.

The critical value of F: $F_{\alpha} = 8.8452$.

Decision: Since F test statistic is out the rejection region (p-value >0.05), reject H0.

Conclusion: We conclude that the hypotheses H1, H2, H2, H3, H4, H5, H6, H7,H8 (which offer a positive relationship between presenteeism and labor productivity) are valid.

Results discussion

Presenteeism and labor productivity.

The results of the regression analysis imply that the practice of presenteeism has a significantly positive relationship with labor productivity. Employees need to be appreciated for a job well done, supported, respected, of a volume of work below their capacity, clearly defined roles, to take part in the decision making, guarantee against unfair dismissal, fault of what their productivity can lower causing the organization in a situation worse than absenteeism.

8. RECOMMENDATIONS/SUGGESTIONS

The potential opportunities for improvement borrowed from the experts, consultants, academicians and practitioners are listed as follows:

- The regulation of the workload (amount of work, pressure of time, mental and emotional load of work);
- Recognition (symbolic, financial, career);
- Adopt the model of the liberated company and change the management plan;
- Take ergonometry into account (sitting is both harmful to health and productivity);
- Promote sport in the workplace or healthy and nutritious meals for its employees;
- Promote teleworking to enable employees to better manage work / life balance;
- Establish a program of wellness and disease prevention;
- Demonstrate that nobody in the organisation is essential to the company.

9. CONCLUSION

This study makes several contributions to research and theory of presenteeism and labor productivity. The results suggest that presenteeism have significant impact labor productivity. A greater understanding of the presenteeism and labor productivity provided further investigation of the relationship between presenteeism and labor productivity. In conclusion, the main purpose of this study was to investigate the relationships between presenteeism and labor productivity as perceived by employees and managers in Mali. A number of conclusions have been drawn from this research. Thus, a theory of presenteeism related to Malian companies has been developed. First, the measurement instruments of the presenteeism and labor productivity are reliable and valid and can be used by other researchers to test the effects of presenteeism and labor productivity. Second, several conclusions were drawn from the theoretical model test: (1) presenteeism has positive effects on labor productivity; (2) the employees and managers work conditions have positive effects on presenteeism and labor productivity. Employee's satisfaction is useful information for the effort to increase labor productivity. Third, the presenteeism and labor productivity model developed in this study is applicable in practice. This model can be used by Malian companies to improve their labor productivity. *Can this presenteeism and labor productivity model be used in other Malian companies?* In fact, the case study was conducted in one company. Thus, the conclusion drawn from the case study can be generalized to other companies in Mali. Strictly speaking, generalization is limited. Through the use of this model, organization can quickly identify areas requiring urgent improvement. Thus, resources can be allocated more wisely. Different companies have different characteristics, stories and backgrounds; adopt different technologies; have a different maturity and employ people of different levels of education. Different companies should adopt different approaches to presenteeism according to their own situation.

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HUMAN RESOURCES EXPENSES AND ITS EFFECT ON FINANCIAL PERFORMANCE OF INDIAN CORPORATE GIANTS: AN EMPIRICAL STUDY

ARINDAM SAHA
ASST. PROFESSOR
JAIPURIA INSTITUTE OF MANAGEMENT
INDORE

ABSTRACT

The paper talks about the relationship between financial performance and HR expenses of recent ten years of large cap organisations of India representing various sectors. The study has used financial data of last ten years (2008-2017) of 30 companies that come under NIFTY FIFTY. It is established that there is a significant relationship between HR expenses as input and Net Profit as output, and it is of relevance for both practising HR managers and business schools in India.

KEYWORDS

indian large cap companies, financial performance, HR expenses.

JEL CODE

I25

1. INTRODUCTION

Last ten years between 2007 to 2017 Indian economy emerged very strongly at the global level. It is slowly marching towards top 5 economies of the world today from double digit rank in 2007. Indian corporate is one of the main driving force for this economic resurgence. Awareness about higher education and other skill building frontiers provided multiple opportunities for human resources in India. In order to test the relationship between quality of human resources and performance of Indian corporate the present paper explores a quantitative relationship. The findings of this paper may provide useful insights for practising HR managers and business leaders.

Organisations have traditionally treated employees (its human resources) a cost and 'investment' done on developing the intellectual capital as 'expenses'. To add, "...most economic and financial models treat employees - the prime carriers of knowledge - as a cost and not as a resource." (Pulic, 2004).

Drucker in 1954 opined that the future belongs to knowledge society and knowledge workers. We have long since embarked on this journey and yet have ignored employees as resources and all expenses related to maintaining the HR as investments for present and future growth. "The treatment of employees as investment is the beginning and the end of knowledge based economy". (Pulic, 2004). This becomes the vantage point, which this study decided to explore further.

The existing literature suggests that the relative significance of intangible assets such as, human capital, customer relations, brand name, corporate reputation, intellectual property, and patents have increased in knowledge economy. (Vishnu and Gupta, 2013). Hence, it is impertinent that organisations not only measure but also manage their human capital.

We have seen shifts in the domain of HR, where Personnel Management became Human Resources Management, and then BPHR (Business partners). The fact is - balance sheets in India still find salaries and training as expenses, and not as investments for growth. In order to get HR its rightful status, this paper started with a premise that the main driver of any organisation's progress - its people - must be seen under the view of Intellectual Capital.

Many approaches and methods have been discussed in the past two and a half decades; say since 1990s, in the era of knowledge revolution. To name a few - Balanced scorecard, HR scorecard, 360 degree feedback, EVA (Economic Value Added), etc. have been popular for studies.

STRUCTURE OF THE PAPER IS AS FOLLOWS

Section 2 comprises of survey of literature and gap in literature, which needed to be addressed. Section 3 comprises of research problem, research objectives and hypothesis. Section 4 discusses research methodology in detail, whereas, section 5 elaborates on results and related discussion. Section 6 consists of implications of this research, policy recommendations, conclusions, and limitations along with scope for further research.

2. REVIEW OF LITERATURE

Human Capital, HR Expenses/Investments, Intellectual capital (IC), Intangible benefits, Human Assets, Manpower expenses, etc. have been used by various studies to understand the concept of contribution of employees towards the financial performance of any organisation. Researchers have worked heavily towards conceptualising Intellectual capital and Human capital. Typologies have been provided by researchers (Seetharaman et al, 2004), (Pulic, 2004) to understand the interrelated concepts. Roos and Roos (1997) conceptualise IC as sum of the hidden assets of the company not fully captured on the balance sheet.

Studies concerning the impact of human/intellectual capital on firm performance have been conducted around the globe on various sectors, such as, pharmaceuticals (Kamath, 2008).

Quite a few researchers, in recent past, have tried to establish a linkage between the *quality of human resources* and the *financial performance* of an organisation. While majority of these studies have been conclusive, at times there were contradictions and/or insufficient evidence to establishing a direct relationship between the two. Some studies have reported a weak or negative relationship between intellectual capital and firm performance (Firer and Williams, 2003), while some have reported explainable relationship (Vishnu and Kumar, 2014).

A useful method for studying the impact of intellectual capital on corporate performance is Value Added Intellectual Coefficient (VAIC) model proposed by Ante Pulic in 1993. The present study considers Pulic's conceptualisation, but, in the context of large cap Indian organisations. It also limits itself in studying the relationship between HR Expenses and Net Profit only.

3. THE RESEARCH PROBLEM, OBJECTIVES & HYPOTHESIS

How to study the impact of expenses on human resources as input and financial performance of the company as output?

Here, HR Expenses is a sum of total salaries and wages paid to employees, training costs, benefits such as PF and Gratuity, employee self-learning initiatives, and all welfare activities an organisation engages into for its people.

An objective measure of Financial Performance is Net Profit and this is the dependant variable of the study.

RESEARCH OBJECTIVES

Expenses on human resources is supposed to be a measure of either quantity or quality or both of human resources. It is one of the vital input for production or service delivery in an organisation. To measure the impact of HR expenses on financial performance will be essential for better decision making for the organisation. This study tries to find the relationship between HR expenses as input and Net Profit as output in the context of 30 major Indian companies, of various sectors, belonging to NIFTY FIFTY.

HYPOTHESIS

Formulation of null hypothesis and alternate hypothesis-

H_0 : There is no significant impact of HR expenses on net profit of major Indian companies

H_1 : There is significant impact of HR expenses on net profit of major Indian companies

4. RESEARCH METHODOLOGY

The secondary data is collected from database ACE EQUITY and simple linear regression method of quantitative research methodology is adopted to explore the nature of relationship between the independent variable (HR Expenses) and dependent variable (Net Profit).

TABLE 1: AVERAGE HR EXPENSES AND NET PROFIT OF (30) MAJOR NIFTY FIFTY COMPANIES

S. No	Company Name	HR Expenses (avg of 10 years; ₹ in millions)	Net Profit (avg of 10 years; ₹ in millions)	S. No	Company Name	HR Expenses (avg of 10 years; ₹ in millions)	Net Profit (avg of 10 years; ₹ in millions)
1	Adani Ports and Special Economic Zone Ltd.	1482.84	15726.55	16	ICICI Bank Ltd.	54018.15	82610.45
2	Asian Paints	6445.3	11218.97	17	Indian Oil Corporation Ltd.	67532.19	82560.32
3	Axis Bank Ltd.	25205.02	44229.45	18	Infosys Ltd.	218632	92365
4	Bajaj Auto Ltd.	6150.32	26253.51	19	ITC Ltd.	21186.34	68278.48
5	Bharat Petroleum Corporation Ltd.	25965.45	34322.55	20	Kotak Mahindra Bank Ltd.	20675.69	22519.56
6	Bharti Airtel Ltd.	34178.68	52562.11	21	Mahindra & Mahindra Ltd.	60789.01	28816.8
7	Bharti Infratel Ltd.	2617.03	8994.46	22	Maruti Suzuki India Ltd.	11566.9	31260.2
8	Coal India Ltd.	246358.5	111802.9	23	NTPC Ltd.	32707.39	98273.73
9	Eicher Motors Ltd.	3561.87	35146.36	24	Oil & Natural Gas Corporation Ltd.	54868.49	212322.97
10	GAIL (India) Ltd.	118055.8	39761.57	25	Reliance Industries Ltd.	48481.47	224526.13
11	HDFC Bank Ltd.	41249.13	70637.92	26	State Bank Of India	236184.69	122091.37
12	Hindalco Industries Ltd.	65438.53	19721.2	27	Sun Pharmaceutical Industries Ltd.	20756.44	36066.02
13	Hindustan Petroleum Corporation Ltd.	20084.49	18194.14	28	Tata Motors Ltd.	161351.31	80280.12
14	Hindustan Unilever Ltd.	13250.26	32269.74	29	Tata Steel Ltd.	184544.48	16637.92
15	Housing Development Finance Corporation Ltd.	5130.25	50493.91	30	Tata Consultancy Services Ltd.	324726.68	141338.92

All the figures are in million rupees and ten years' average value for both HR Expenses and Net Profit are considered for regression. Ms-Excel is used as a software to run the regression.

5. RESULTS AND FINDINGS

The output summary of regression is being provided here in table 2 and table 3.

TABLE 2: REGRESSION SUMMARY

Regression Statistics	
Multiple R	0.413753324
R Square	0.171191813
Adjusted R Square	0.141591521
Standard Error	50774.45639
Observations	30

Adjusted R^2 here implies that 14% explanation is being provided by the human resource expenses in the net profit. This may be interesting to practising managers and decision makers as HR expenses may better be treated rather as investments for growth of a company.

TABLE 3: t-STAT AND p VALUE

ANOVA									
	df	SS	MS	F	Significance F				
Regression	1	14909996953	14909996953	5.783450063	0.023034525				
Residual	28	72185271796	2578045421						
Total	29	87095268750							
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%	
Intercept	45209.94587	12046.12464	3.753069741	0.000811394	20534.57814	69885.3136	20534.57814	69885.3136	
HR Expenses (avg of 10 years; in millions)	0.260166104	0.108182551	2.404880467	0.023034525	0.038564194	0.481768014	0.038564194	0.481768014	

Here, the p value is less than 0.05, hence the null hypothesis is rejected. This means that there is a significant impact of HR Expenses on Net Profit of an organisation. Both the tables presented here clearly suggests the importance of spending right amount on both quantity and quality of human resource, which can cause impetus in the growth of net profit.

DISCUSSION

Giant Indian companies often invest in modernisation of technology and fund management. The findings of this paper have deeper implications for practising HR managers, as, some of the companies in the given data show much lesser net profit than their HR expenses. These companies should introspect and adopt the practice of benchmarking to match the performance of the industry leader in their segment. This study emphasise not only on hiring right amount of workforce but also recruiting quality manpower and avoid overcompensation so as to achieve the optimum financial output for the given manpower costs.

It should also be noted that HR expenses usually outnumber financial performance during lean period (between 2007 and 2012) whereas the same manpower can deliver higher returns during the boom period (between 2013 and 2017). There is an interesting perspective which can be explored in future with the help of primary data that the skills and knowledge imparted by academic and other types of skill building institutions can have significant impact on the financial performance of Indian corporate.

6. LIMITATIONS AND FUTURE SCOPE OF THE STUDY

This study was performed only on 30 Indian companies (taken from NIFTY FIFTY and/or BSE) and can have different output if the sample size would have been more than 200. This would include some good mid-cap companies also, which the present study did not include. Only the major NIFTY FIFTY companies were studied whose data for minimum ten years was available. In future, a similar analysis will be of interest if performed on 300-500 Indian companies.

7. CONCLUSION

HR expenses is somewhat lesser are of concern for Indian corporate from the point of view of financial performance. During the slowdown or recession, companies prefer cost cutting and resort to practices such as lay-offs, VRS, pay-cut, no perks, etc. but when there is a boom period they prefer to modernisation, production capacity enhancement, automation, R&D, expansion of distribution channel for better penetration, etc.

The output of this paper is to give dollar value of HR expenses on financial performance of Indian firms. In any future time of recession or slowdown we would not be worried had we invested more on developing people.

One interesting conclusion is for the trade unions, which negotiate on various benefits for workers, including wage hikes. They would be better off if the discussion happens with such data, which establishes positive relationship between wages paid and financial performance of the company.

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IMPACT OF CROSS-BORDER FACTORS ON INDIAN STOCK MARKET – WITH SPECIAL REFERENCE TO EXCHANGE RATE**K.NATARAJAN****Ph. D. RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
ANNAMALAI UNIVERSITY
ANNAMALAI NAGAR****Dr. L. GANESAMOORTHY
ASST. PROFESSOR IN COMMERCE
GOVERNMENT ARTS & SCIENCE COLLEGE
MANALMEDU****ABSTRACT**

The present study analysed causal relationship between exchange rate and Indian stock market. The study collected daily data of exchange rate and the indices of BSE500 and NSE500 for 14 years from 1.1.2002 to 31.12.2016. The researchers applied descriptive statistics and Granger causality test as statistical tools. The study evidenced that the fluctuation in exchange rate do not have granger cause on the movement of Indian stock market in terms of BSE500, but it has granger cause on NSE500. Surprisingly, the movements of Indian stock market have granger cause on the fluctuation of exchange rate both in terms of BSE500 and NSE500.


KEYWORDS

stock market, index, causal relationship, impact and exchange rate.

JEL CODES

O24, F31.

INTRODUCTION

 Gold is the common commodity which is accepted in all countries for international trade. Currency of a particular country is accepted with in the country only. In case of international trade exports accept either gold or US\$ as common exchange. On daily basis exchange rate of US\$ has been determined against currency of almost all the countries. The exchange rate is fluctuating daily. Fluctuation in exchange rate of US\$ against Indian currency (Rupee) affects the businesses of the country to some extent. Foreign investors are investing their money in Indian stock market to larger extend during recent decades. They bring considerable amount of foreign exchanges in to the country. At the same time, if they sale more in the share market due to not favourable market conditions, they take back foreign currencies to their own countries. Hence fluctuation in exchange rate of Indian rupee against US\$ may affect share market in India. Few previous studies have identified results in favour and against the hypothesis during different period of time using yearly, monthly and very few used daily data. The current research has analysed the impact of exchange rate of Indian stock market in terms of the broad based indices of BSE500 and NSE500 using Granger causality test.

REVIEW OF LITERATURE

Manish Kumar (2014) in his study found that stock prices, exchange rate and oil prices were not co-integrated. Oil price and exchange rate had a positive and statistically significant effect on Indian stock market. Samveg Patel (2012) in his study evidenced that the international factor, exchange rate had significant information to forecast the market. He also evidenced that gold price, and oil price also were major determinants of Indian stock market. Divyang Patel and Nikitakagawala (2013) in their research found that there was no relationship among exchange rate with Nifty and Sensex and the exchange rate had low significant impact in Nifty and Sensex. Taraknath Sahu et al (2014) in their study found that long-run co- integration relationship was found between Crude oil and exchange rate; the study also found that Crude oil and exchange rate did not affect Indian stock market significantly.

OBJECTIVE OF THE STUDY

To study the causal relationship between exchange rate and Indian stock market.

METHODOLOGY

For the purpose of the study the researchers collected daily data of the variables exchange rate, the indices of BSE500 and NSE500 for the period of 14 years from 2002 to 2016. A total number of 3740 daily observations are used for analysis. The data of BSE500 was collected from official website of BSE (www.bseindia.com) and the data of NSE500 was collected from official website of NSE (www.nseindia.com). The data of silver price was collected from the financial website of www.investment.com. The study has employed descriptive statistics, Kurtosis and Skewness test and Jarque-Bera to test normality. Granger casualty test has been applied for the study. It examines causal relationship between two time series data. In this study, the test has been applied to know causal relationship between Indian stock market and exchange rate.

RESULTS AND DISCUSSION

Table 1 describes the variables selected for analysis. It brings the results of mean, median, minimum and maximum values during the period, standard deviation, Skewness, Kurtosis, Jarque-Bera test and its P- value for the variables BSE 500, NSE 500 and exchange rate of Indian rupee against US\$.

TABLE 1: DESCRIPTIVE STATISTICS

Statistics	BSE500	NSE500	Exchange Rate
Mean	5889.91	3712.44	50.57
Median	6386.89	3970.55	47.31
Maximum	12074.35	9436.95	68.81
Minimum	1002.93	671.55	39.08
Std. Dev.	3069.01	1919.75	8.15
Skewness	0.09	0.13	0.83
Kurtosis	2.08	2.14	2.38
Jarque-Bera	137.54	126.36	492.80
Probability	0.00	0.00	0.00
Observations	3740	3740	3740

Source: Computed from Secondary Data

It is known from table 1 that the mean value of exchange rate is Rs.50.57 against US\$ during the period of study. The minimum, maximum values and standard deviation exchange rate are Rs.68.81, Rs.39.08 and Rs.8.15, they show moderate level of deviation in exchange rate from mean value. The calculated value of exchange rate is 0.83 and it is 0.09 and 0.13 for BSE500 and NSE500 respectively. These positive results show that these variables are positively skewed. In other words, there is more positively for positive return on these variables than negative returns. The calculated value of kurtosis of exchange rate is 2.38, it shows normal distribution of data, but is less than 3, hence it is less peaked than normal distribution of exchange rate. The calculated value of Jarque-Bera test for exchange rate is 492.80, it is statistically significant at percent level. Hence the data of exchange rate is normally distributed.

Table 2 brings out the results of Granger Causality test between exchange rate and Indian stock market in terms of BSE500 and NSE500. It also shows the null hypotheses framed and their significance.

TABLE 2: GRANGER CAUSALITY BETWEEN EXCHANGE RATE AND INDIAN STOCK MARKET

BSE500				
Null Hypothesis	Obs-ervations	F-Statistic	Prob	H ₀
Exchange Rate does not Granger Cause BSE500	3738	1.4261	0.2404	Accepted
BSE500 does not Granger Cause Exchange Rate		11.6595	0.0000	Rejected
NSE500				
Null Hypothesis	Obs-ervations	F-Statistic	Prob	H ₀
Exchange Rate does not Granger Cause NSE500	3738	6.9879	0.0009	Rejected
NSE500 does not Granger Cause Exchange Rate		5.9081	0.0027	Rejected

Source: Computed from Secondary Data

Table 2 shows that the exchange rate does not have granger cause on the movement of BSE500, Since the F-Statistics under Granger causality test (1.4261) is significant and the null hypothesis is accepted. The movement of BSE500 has granger cause on exchange rate during the study period, since the calculated value of F-Statistics (11.6595) is significant at 1 percent level and the null hypothesis is rejected. It is also evidenced from the table that exchange rate has granger cause on NSE500, because the calculated value of F-statistics is significant at 1 percent level. Similarly NSE500 also has granger cause on exchange rate, because the calculated value of F-Statistics in this case also significant at 1 percent level, hence the null hypothesis is rejected.

CONCLUSION

The study tests causal relationship between exchange rate and Indian stock market. The study used daily data for 14 years and applied Granger causality test. The study evidenced that the fluctuation in exchange rate do not have granger cause on the movement of Indian stock market in terms of BSE500, but it has granger cause on NSE500. Surprisingly, the movements of Indian stock market have granger cause on the fluctuation of exchange rate both in terms of BSE500 and NSE500.

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IMPACT OF ECONOMIC RECESSION ON THE GROWTH OF SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA

Dr. JOSEPH EDEWO AGBADUDU

LECTURER

DEPARTMENT OF BUSINESS ADMINISTRATION

FACULTY OF MANAGEMENT SCIENCE

UNIVERSITY OF BENIN

BENIN CITY

MONEY UDIH

LECTURER

DIRECTORATE OF GENERAL STUDIES

FEDERAL UNIVERSITY OF PETROLEUM RESOURCES, EFFURUN

DELTA STATE

ABSTRACT

This Study sought to determine the impact of economic recession on the growth of small and medium scale enterprises in Nigeria. A descriptive survey design was adopted for the study. A structured questionnaire was developed as the instrument for data collection for the study. The population of the study consists of hotels, restaurants and travel agencies in Warri, Delta State, Nigeria. A systematic sampling method was used to select the respondents for the study, which comprised of questionnaires administered to 55 SMEs owners while 50 were retrieved making a success response rate of 90.1%. The study findings revealed that economic recession inversely have a significant effect on small and medium scale enterprise productivity in Nigeria. Also, SMEs sales, SMEs product patronage and SMEs employment impact negatively on economic recession in Nigeria. In other words economic recession in the economy lead to poor sales, product patronage, low employment and low productivity. It shows that the existence and growth of SMEs are one of the major drivers of economic growth in a nation. Economic recession has been viewed as a problem that steals away the individual standard of living of citizens of an economy due to depressed economic activities. It was recommended that the management of SMEs should seek the advice of expert consultants in managing critical business issues in order to reduce the impact of the recession. Also, government should also help stimulate economic activities in these core industries that have been hit by the recession by enacting favorable policies such as tax holidays, pioneer industry relief and infant industry protection.

KEYWORDS

SMEs employment, low productivity, depressed economic, economic activities.

JEL CODES

G01, L26.

INTRODUCTION

As indicated by Meriam-Webster (2008), Economists formally characterize a recession as two successive quarters of negative growth in Gross Domestic Product (GDP)- as per the National Bureau of Statistics, Nigeria is presently encountering recession after - 0.36% growth in GDP (Gross domestic Product) in the principal quarter of 2016 and - 1.5% growth in GDP (Gross Domestic Product) in the second quarter of 2016. The Nigerian circumstance has been labeled weak because of the negative impacts of the worldwide economic emergency has had on the nation. Each industry has had what's coming to its of the inconveniences and organizations are licking their injuries with resultant consequences for the majority. Adebayo (2006), Economic recession is a time of economic stoppage including low yield, illiquidity and joblessness. It is described by its length, unusual increments in joblessness, fall in the accessibility of credit, contracting yield and venture, various liquidations, decreased measure of exchange and business, and also very unstable relative cash esteem changes, for the most part depreciations, budgetary emergencies and bank disappointment. Along these lines, the push of this examination researches the nexus between economic recession and SMEs (Small and Medium Scale Enterprises) operational exercises in Edo State.

Everywhere throughout the world, small and medium enterprises are considered as the foundation of a nation's economy (Smirat, 2016). They assume a key part in economic development and make an imperative commitment to work and gross domestic product and are vital commitment to add up to business. The part of small and medium scale enterprises (SMEs) on the planet economy have been stressed as the methods through which fast industrialization and the objectives of a country can be acknowledged (Smirat, 2016). This division is in charge of around 70 percent of the aggregate mechanical work in Nigerian and between 10-15 percent of the aggregate assembling yield (cassavamilers.com). The horticultural area, which includes neighborhood crude materials, they are the most grounded guarantee we have for mechanical growth.

Promoters of small and medium scale enterprises (SMEs) are individuals with thoughts, measures and creative abilities however larger part of the business visionaries do not have the monetary intends to interpret their fantasies and goals into solid that will procure them the coveted riches (Aremu, 2004). Small and medium scale enterprises encounter challenges in raising equity capital from the back house or people. Notwithstanding when the back house consents to give equity capital, the conditions are constantly terrifying. Around 80% of small and medium scale enterprises are smothered due to this issue of poor financing and different issues related with it (Aremu, 2004). The issues that exuded from poor financing incorporates absence of able which is the outcomes of failure of proprietors to utilize the administrations of specialists, utilize or out of date gear and strategies for productions due to proprietor's powerlessness to get to new innovation unnecessary rivalry which came about because of offers which is a results of poor fund to adapt to expanded rivalry in the business.

The Nigerian economy which is at present encountering recession (described by typical increment in joblessness, fall in the accessibility of credit, contracting yield and speculation, various liquidations, diminished measure of exchange a business, and additionally profoundly unpredictable relative money esteem changes, for the most part downgrades, monetary emergencies and bank disappointment), may significantly affect SMEs execution (Adebayo, 2006).

Therefore, the need for a study that will determine the extent to which economic recession affects SMEs operational activities in Edo State.

OBJECTIVES OF THE STUDY

Following the research questions, the objectives of the study will be to:

1. Examine the relationship between small and medium scale enterprises (SMEs) productivity and economic recession.
2. Determine the relationship Between SMEs sales and economic recession. Ascertain the relationship between SMEs employment rate and economic recession. Determine the relationship between SMEs product patronage and economic recession.

3. Ascertain the relationship between SMEs employment rate and economic recession.
4. Determine the relationship between SMEs product patronage and economic recession.

LITERATURE REVIEW

DEFINITION OF ECONOMIC RECESSION

Agreeing to Meriam-Webster (2004), Economists formally characterize a recession as two back to back quarters of negative growth in gross Domestic Product (GDP). Adebayo (2006) characterized economic recession as a time of economic stoppage including low yield, illiquidity and business. It is portrayed its length, irregular expands blade joblessness, falls in the accessibility of credit, contracting yield and venture, various insolvencies, lessened measures of exchange and business and also exceedingly relative cash esteem change s, for the most part cheapening, budgetary emergencies and bank disappointment.

REASONS FOR ECONOMIC RECESSION

A recession has many characteristics that can happen at the same time and incorporates decrease in part measures of economic movement (GDP, for example, utilization, ventures, government spending and net fare action. The synopsis of measure reflect fundamental drivers, for example, work levels and abilities, house hold reserve funds rates, corporate venture choices, intrigue statistic and government approaches. Koo (2009) expressed that under perfect condition, a nation's economy ought to have the family unit division as the net gets, with the administration spending plan almost adjusted and net fare close to zero. At the point when these connections end up plainly imbalanced, recession can create inside the nation or make weight for recession in another nation. Arrangement reactions are frequently configuration to drive the economy back towards this perfect condition of adjust. Recession have mental and certainty perspectives. For example, if the desires build up that economic action will moderate, firms may choose to lessen business levels, spare cash instead of contribute. Such desire can make a self-fortifying downwards cycle achieving or compounding a recession (Samuelson, 2010). Koo (2009) expressed that Japan's "Awesome Recession" that started in 1990 was an asset report recession". It was activated by a crumple in land and stock costs, which made Japanese firms have negative equity, which means their assets were worth not as much as liabilities. In spite of Zero loan fee and extension of the economic supply to energize getting, Japanese organization in total selected to pay down their debts from their own business as opposed to obtain to contribute as firms typically do (Gregory, 2010).

CONCEPT OF SMALL AND MEDIUM SCALE ENTERPRISES

It is difficult to build up a general meaning of a small concern in light of the fact that the financial specialists of nations vary and individuals go up against specific measures for uncommon employments. Auxiliary research (Bowler, Dawood & Page, 2006; Phakisa, 2009) showed that there are no all around acknowledged small business definitions. Distinctive organizations and countries utilize contrasted gauges to characterize SMEs. Since, a ton of their substantial procedures rely upon the business in which they work, additionally the identities and aspirations of those responsible for these organizations. There is no obvious meaning of SMEs in Nigeria, at the same time, it changes extra time from organization to organization. Different organizations or foundations in Nigeria have a particular time; characterized SMEs in various ways, yet the definition have as regular measures settled assets, gross yield, and the quantity of workers.

CBN (2010) characterized Small and Medium Scale Enterprises (SMEs) as economically autonomous organizations with around 11 to 300 representatives and a yearly charge turnover of between N5million to N500 million. As indicated by Olise (2000) cites the government service f industry a platitude that, small scale and medium business is any assembling worried about a capital not surpassing a hundred and fifty thousand naira in apparatus and hardware, and utilizing not more than fifty. Olise (2000) additionally said "The Nigeria bank for trade and industry characterizes small scale business enterprises as firms or organizations with assets (counting working capital however barring land) not surpassing seven hundred and fifty thousand naira and paid work up to fifty individuals. Such a foundation must be entirely Nigeria possessed. In spite of the level of definitional issue, there exists an abnormal state of accord concurrence on the part and significance of SMEs particularly the SMEs subsector for economic growth and development. Oluba (2009) noticed that the significance of SMEs differs with segments and with the developmental phase of a state.

SIGNIFICANCE OF SMALL AND MEDIUM SCALE ENTERPRISES

In Nigeria, the Small and Medium scale Enterprises (SMEs) is the main impetus and set up an inept pillar of the Nigerian economy. A couple of years back, SME speak to around 90 percent of the modern division as far as the quantity of enterprises (NIPC, 2002). This part economically, holds the way to maintainable development of the nation and its significance can be placed in appropriate angle in connection to the structure of the Nigeria economy with much execution commitment as the wellspring of innovation advancement and new products (Jocumsen, 2004).

In tower of the investigation of oil, (SMEs give beneficial work to around 70% of the Nigeria populace. Accessible reports propose that the rural division represents near 35% of the country's gross domestic product (GDP). The majority of the administrators in the horticultural segment are small-scale independently employed people occupied with agro united handling exercises, for example, cultivating, craftsmanship, angling, agro ranger service and domesticated animals raising. In accomplishing ideal economic development and to decrease reliance on raw petroleum for reprisal of economic riches the administration looks for safeguard from the SME part by utilizing economic expansion.

THEORETICAL FRAMEWORK

Macroeconomics policies because of recession, financial and monetary, are gotten from both the Keynesian hypothesis (total request and the liquidity trap), and the traditional (mercantilist hypothesis) and idea of macroeconomics balance. The established hypothesis was the fundamental assortment of economic hypothesis (Say's Law and the Quantity Theory of Money) acknowledged by business analysts from the eighteenth century until the point when 1936 when Keynes distributed his book, the General Theory of Employment, Interest and Money. In the Classical Theory, advertise powers worked in the framework, for example, to least full business and productive assets and thusly keep the total yield at the level create capable under states of full work. The variables which decide the productive limit of an economy are the amount and nature of accessible assets in the economy, aptitude and proficiency (innovation) with which these assets are joined.

Macroeconomic policies in light of recession are assembled into two: financial approach and money related strategy. Diminishment in imports, expanded domestic production, interest in framework, agribusiness and assembling, advancing SMEs and entomb local exchange, empowering indigenous business enterprise would expel the weight to the Naira, and furthermore scratch off the edgy hunt from the dollar (searching trade). Local mix, energetic exchange amongst Nigeria and whatever remains of the world, especially African countries and raising fares will enhance the economy and fill in as a cure in economic recession. Tight (contractionary) monetary approach will likewise offer assistance. Nigeria is having economic recession close by with expansion. There is need to lessen the levels of government borrowings. Controlling excess government borrowing is essential for the economy to bounce back. There is need to reduce income trade taxes for household and firms, and increase domestic production, domestic trade and employment. These will boast disposable income and increase producer and consumer spending, raise geranian economic activates and improve macroeconomic variables in this business cycles of recession.

EMPIRICAL LITERATURE

Research on the impact of economic recession on small and medium enterprises (SMEs) in sub-Saharan Africa nations like Somalia and Mauritania as a rule offers help to the possibility that small and medium enterprises (SMEs) responds adversely to the downturns of the business cycle – as it were, most examinations discover a 'procyclical relationship' between economic growth and small and medium enterprises (SMEs) operational exercises in the created world (Macunovich, 1996). Normally, small and medium enterprises (SMEs) operational exercises decrease amid a recession is transitory and for the most part took after by a compensatory ascend in small and medium enterprises (SMEs) operational exercises (or if nothing else a backing off in the pace of its decay) in sub-Saharan Africa hundreds of years. The negative connection between economic recession and small and medium enterprise (SMEs) operational initiates simply like in Nigeria have additionally been noted in authentic examinations identified with the nineteenth and the primary portion of the twentieth century (Van Bavel, 2001).

Economic recessions have additionally been found to add to a brief small and medium enterprise (SMEs) operational enacts decrease in the creating scene, initiating the sub-Saharan Africa (Macunovich, 1996). We feature particularly the investigations that control for various total social and economic elements and those that utilized macro-economic pointers in the basically 'miniaturized scale level' investigations of the elements influencing small and medium enterprises (SMEs) operational exercises and these elements evidently likewise influence SMEs operations in Nigeria.

METHODOLOGY

The descriptive survey research design help to describe the real events without any manipulation of what cause the event or what is been observed will be adopted in this research study. The study population consists of hotels, restaurants and travel agencies in Warri, Delta State, Nigeria. Due to the difficulty in studying the entire accessible population, 50 businesses will constitute the sample size. The sampling technique that was adopted is convenience sampling technique. The research instrument to be employed in this study is the questionnaire response format. Data collected or generated from the questionnaire will be analyzed using the correlation and multiple regression techniques via the Statistical Package for Social Sciences (SPSS) 24.0.

The model for this research study as adopted in line with prior studies (Iosivan, 2008; Carson, 2005 and Simon 2005) is specified below;

$$ER_{it} = \beta_0 + \beta_1 SP_{it} + \beta_2 SS_{it} + \beta_3 SPP_{it} + \beta_4 SE_{it} + \epsilon_{it}$$

$\beta_1, \beta_2, \beta_3, \beta_4 > 0$

Where:

ER_{it} = Economic recession	SE_{it} = Small and medium scale enterprise employment
SP_{it} = Small and medium scale enterprise productivity	β_{it} = the coefficients of the explanatory variables and control variables
SS_{it} = Small and medium scale enterprise sales	ϵ_{it} = the stochastic error term
SPP_{it} = Small and medium scale enterprise product patronage	

(1)

Reliability Test

TABLE 1: RELIABILITY TEST

Reliability Statistics	
Cronbach's Alpha	N of Items
.853	15

Source: Researcher's fieldwork survey, 2017

From the reliability test, the measuring instrument measures what it is purported to measure at an alpha value of 0.9. The Cronbach's alpha value of 0.9 indicate an excellence internal consistency of the items in the scale i.e. it shows that is instrument used for this research study is acceptable.

DATA ANALYSIS

TABLE 2: SCHEDULE OF QUESTIONNAIRE ADMINISTERED AND RETURNED

Number of Questionnaire Administered	Number of Questionnaire Returned	Number of Questionnaire Not Retrievable
55	50	5

Source: Researcher's fieldwork survey, 2017

TABLE 3: DEMOGRAPHIC VARIABLES

Variables	Frequency	Percentage
EL		
O'level	5	10
OND/NCE	20	40
HND/BSC	15	30
Postgraduate degree	7	14
Others	3	6
Total	50	100
Sector/industry of business		
Agriculture	5	10
Manufacturing	8	16
Oil	10	20
Financial services	10	20
Hospitality	9	18
Others	7	14
Total	50	100
Years of experience		
Less than 1 year	10	20
2-5 years	30	60
5-10 years	7	14
Above 10 years	3	6
Total	50	100

TABLE 4: CORRELATION RESULT

Correlations		Economic recession	SMEs productivity	SMEs sales	SMEs I	SMEs Employment
Economic recession	Pearson Correlation	1	-.058	-.053	-.333*	.656**
	Sig. (2-tailed)		-.688	-.715	-.018	.000
	N	50	50	50	50	50
SMEs productivity	Pearson Correlation	-.058	1	-.703**	-.510**	-.151
	Sig. (2-tailed)	.688		.000	.000	.297
	N	50	50	50	50	50
SMEs sales	Pearson Correlation	.053	-.703**	1	.531**	-.166
	Sig. (2-tailed)	.715	.000		.000	.250
	N	50	50	50	50	50
SMEs product patronage	Pearson Correlation	.333*	-.510**	-.531**	1	.205
	Sig. (2-tailed)	.018	.000	.000		.153
	N	50	50	50	50	50
SMEs Employment	Pearson Correlation	-.656**	-.151	-.166	-.205	1
	Sig. (2-tailed)	.000	.297	.250	.153	
	N	50	50	50	50	50

Source: Researcher's fieldwork survey, 2017

*. Correlation is significant at the 0.05 level (2-tailed).

According to Dwivedi (2008) the correlation coefficient should not exceed 0.90; otherwise the independent variables that show a relationship in excess of 0.90 may be suspected of exhibiting multicollinearity. A closer look at the coefficients results in the matrix revealed that to a large extent all the variables coefficients are not more than 0.90. This means that there is absence of multicollinearity problem in our model. Multicollinearity between explanatory variables may result to wrong signs or implausible magnitudes, in the estimated model coefficients, and the bias of the standard errors of the coefficients. On the association among the independent variables, we can observe that both positive and negative associations exist among all the variables. Most of the coefficients are quite low and moderate.

TABLE 5: REGRESSION ANALYSIS

Model Summary ^b											
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Change Statistics					Durbin-Watson
						R Square Change	F Change	df1	df2	Sig. F Change	
1	.689 ^a	.475	.428		.74045	.475	10.172	4	45	.000	1.743
a. Predictors: (Constant), SMEs Employment, SMEs productivity, SMEs product patronage, SMEs sales											
b. Dependent Variable: Economic recession											

Source: Researcher's fieldwork survey, 2017

The value of R² which is 0.48 indicates that the independent variable explain 48% of the systematic variation in the dependent variable (economic recession). The F statistic of 10.17 is significant at 1% conservative level. This means that there is a statistically significant relationship between economic recession and the growth of small and medium scale enterprise in Warri, Delta State.

Table 4.8: shows OLS Estimation of the impact of economic recession on the growth of SMEs in Warri, Delta State. This is discussed below.

TABLE 6: OLS RESULT

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.562	.205		2.736	.007
	SMEs productivity	-.163	.054	-.163	2.997	.003
	SMEs sales	-.157	.057	-.150	2.738	.007
	SMEs product patronage	-.247	.222	-.157	1.111	.273
	SMEs Employment	-.303	.057	-.311	5.349	.000
a. Dependent Variable: Economic recession						

Source: Researcher's fieldwork, 2017

DISCUSSION OF FINDINGS

The result shows that there is negative and significant relationship between SMEs productivity and economic recession because the p-value of 0.03 is significant at 5% conventional level. Also a negative and statistically significant relationship was found to exist between SMEs sales and economic recession. This is clearly indicated by its p-value of 0.07, which is less than 0.05. SMEs product patronage is negative but statistically insignificant because its p-value of 0.27 is not significant at 5% conventional level. Lastly, a negative and statistically significant relationship was found to exist between SMEs employment and economic recession. In a nutshell, economic recession was found to impact negative on the growth of small and medium scale enterprises in Warri, Delta State.

CONCLUSION AND RECOMMENDATIONS

This study critically examines the impact of economic recession on the growth of SMEs in Nigeria. It shows that the existence and growth of SMEs are one of the major driver of economic growth in a nation. Economic recession has been viewed as a problem that steals away the individual standard of living of citizens of an economy due to depressed economic activities. Therefore, economic recession is seen as a very important condition that adversely affects the operational activities of small and medium scale enterprises in Nigeria.

The following are recommended:

1. The management of SMEs should seek the advice of expert consultants in managing critical business issues in order to reduce the impact of the recession.
2. SMEs entrepreneurs should seriously avoid overstaffing and consider consolidating certain business functions.
3. Government should also help stimulate economic activities in these core industries that have been hit by the recession by enacting favorable policies such as tax holidays, pioneer industry relief and infant industry protection.

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IMPACT OF WAREHOUSE SECTOR IN AGRICULTURE DEVELOPMENT - A STUDY IN WARANGAL RURAL AND URBAN DISTRICTS IN TELANGANA STATE

Dr. T. SESHIAIAH
LECTURER IN ECONOMICS
UNIVERSITY POST GRADUATE COLLEGE FOR WOMEN
KAKATIYA UNIVERSITY
WARANGAL URBAN

ABSTRACT

Warehousing in India has been linked to food security and agricultural development. The Central Government established state owned and controlled warehousing corporations to enable better storage of agricultural commodities in the 1950s. Warehousing creates time utility to goods this function involves the storing of goods from the time they are produced until they are needed for consumption goods, which are produced seasonally, must be stored so that they are made available to consumers throughout the year. Some goods may require processing such goods must be stored as a safe gourd till such processing takes place and risk bearing, financing, price stabilisation, ancillary services. Over the last two decades, the need for warehousing has also been felt in non-agricultural sectors such as retail commerce. Warehousing is now seen as an integral part of the supply chain where goods are not only stored for safekeeping, but also where other value processes are implemented, thereby minimising wastage and costs. In addition, warehousing has become an essential factor that enables food producers to access credit in the form of pledge financing. Warehouses are primarily licensed by state governments under state warehousing laws. State laws which contain legal consequences for offences committed under them vary from state to state, and are applied inconsistently across the country. As a result, there is no national standardisation for warehouse regulation and enforcement. Market participants therefore rest heavily on contractual processes to detect violations, impose penalties and adjudicate disputes. The agriculture sector is spinal cord of the Indian economy and it is remaining an important sector in India, despite India, despite has been declining its share in the Gross Domestic Product. It has contributed 12.9 percent of the state's Gross Value Added and also about 55.6 percent of the population still depends on agriculture as its major source of employment is Agriculture employment. Warehousing facilities are determined the level of agricultural development in India and as well as Telangana from the foregoing facts and figures, some very drastic measures are taken to improve the storage capacity of food grains, the wastage of food grains cannot be curbed which otherwise could be utilized for feeding millions of poor people. From augmenting the existing storage capacity by construction of new ones through various means both public and private including partnerships, the need of the hour is to revamp the existing storage management of food grains in the country and make people and agencies accountable and responsible for their jobs of ensuring food security. Integration of the entire storage business in India through MIS would go a long way in ensuring timely decisions are taken for optimum utilization of the existing facilities.

KEYWORDS

Warangal, warehouse sector, agriculture development.

JEL CODE

O13, Q19.

INTRODUCTION

Warehousing in India has been linked to food security and agricultural development. The Central Government established state owned and controlled warehousing corporations to enable better storage of agricultural commodities in the 1950s. Over the last two decades, the need for warehousing has also been felt in non-agricultural sectors such as retail commerce. Warehousing is now seen as an integral part of the supply chain where goods are not only stored for safekeeping, but also where other value processes are implemented, thereby minimising wastage and costs. In addition, warehousing has become an essential factor that enables food producers to access credit in the form of pledge financing. Warehouses are primarily licensed by state governments under state warehousing laws. State laws which contain legal consequences for offences committed under them vary from state to state, and are applied inconsistently across the country. As a result, there is no national standardisation for warehouse regulation and enforcement. Market participants therefore rest heavily on contractual processes (that are devoid of any statutory backing) to detect violations, impose penalties and adjudicate disputes. The agriculture sector is spinal cord of the Indian economy and it is remaining an important sector in India, despite India, despite has been declining its share in the Gross Domestic Product. The agricultural sector plays a pivotal role in the growth of the economy and in lives of the people in Telangana state. It has contributed 12.9 percent of the states Gross Value Added and also about 55.6 percent of the population still depends on agriculture as its major source of employment is agriculture employment. Agriculture provides food-grains for growing population, sufficient a food grain is crucial for achieving food security and alleviation of poverty. Thus, a dynamic farm economy can make a significant contribution to the overall economic and social development of the State. Without agricultural production, man can't live and without irrigation facilities, man can't have agriculture. With this statement, we can understand the significance of the farm sector and water facilities for the sustenance of man's life. This is true in the case of developing countries like India and also Telangana state.

A grain saved is a grain produced. These golden words remain as a mere proverb when one visualises the quantum of post-harvest wastages and losses of agricultural produce due to inefficient supply chain management. The reason for such huge post-harvest losses mainly attributes to lack of scientific storage facilities and improper transportation, poor front end infrastructure, such as inadequate warehousing facilities, redundant food processing technology and farmers inaccessibility to value-added services. It has been estimated that about 65 percent of their total produce are held by the farmers for their consumption and use which is stored in a crude and unscientific method. The balance quantity is supplied to the central pool and delivered at the nominated warehouse or at the local mandi earmarked for procurement or delivery. The procurement agency collects the quantity deposited to the central pool by the farmer and transports the same to the FCI or nominated warehouse. Often the stock stored in the warehouses remain in storage for more than its shelf life due to want of off-take of stock by allottees like Targeted public distribution system (TPDS) and flour mill owners. Such long storage, if not taken proper care of, causes damage to the stock. Since the stock stored in the warehouse is not lifted, the storage space cannot be utilized for fresh arrivals of the ensuing season. For want of covered storage space, FCI and other storage agencies are resorting to CAP1 storage (Open storage) of food grains that too without following the norms for such grain storage. As per the scientific storage policy laid down for open storage, the stack is required to be turned over every six months and under no circumstances should food grains be stored under CAP cover for more than a year. With the advent of Container Freight Stations (CFS), Bonded Warehouses and Industrial warehouses, the private participants and investors on agricultural warehousing including PSUs, are diverting their resources to such economically more attractive and viable options. Private sector intervention should be encouraged by soft loan facilities for construction of agricultural godowns at potential locations and provide subsidy and tax incentives to such entrepreneurs. Perhaps, such positive approach from the part of the planning commission and recommendations of the inter-ministerial committees of the Govt. may go a long way to narrow the gap between production and storage requirements and feed thousands of poverty ridden human population. Government is planning to take steps to utilize vacant government land with railways and other government agencies. As a part of this initiative, a joint venture between CWC and IR has resulted in and Rail side Warehousing Company limited which is constructing godowns at selective railheads.

India holds the second largest agricultural land in the world with approximately 179.9 million hectares under cultivation. The country has emerged as a major player in agriculture in the global scenario. Agriculture accounts for 14 percent of GDP and 11 percent of India's total exports. In FY 2013, total food grains production in India reached an all-time high of 263.3 million tonnes (MT). Rice and wheat production stood at 105.3 MT and 94.9 MT respectively, the government buys food grains from the farmers but does not have the space to store it, the food Corporation of India (FCI) has insufficient number of grain silos (modern storage facilities), and covered godowns with adequate storage capacities. Hence, grains are stored in outdoors under CAP storage (Cover and Plinth) across the country. This makes grains prone to rodents, moisture, birds and pests. Unexpected rainstorms and weather makes matters worse, every year tonnes of food grains go waste because of inadequate storage and infrastructure facilities. The wastage of fruits and vegetables is even higher than grains, Therefore, food logistic chain in India needs huge investment in providing proper storage facilities. Storage infrastructure is necessary for carrying over the agricultural produce from production periods to the rest of the year and to prevent distress sales. The warehousing capacity available in India, in public, cooperative and private sector is about 94.526 million MTs and as per Government's estimates, additional 35 million MTs warehousing capacity is required during the 12th five year plan period for the storage of all major crops. In the current year budget announced by the finance Minister, an allocation of 5000 Cr INR has been made for warehouse infrastructure fund, keeping in view the urgent need for availability of scientific warehousing infrastructure. Recently, private sector participation in agriculture warehousing has also increased, making this segment more competitive but lots more needs to be done. The issues and challenges facing the agricultural warehousing, especially in the food grains storage facilities sector and attempt to find possible solutions. The study is based on secondary data available on the current demand and supply scenario in the backdrop of key acts/policies in the sector. Keywords: storage infrastructure, demand and supply, potential, challenges.

REVIEW OF LITERATURE

The problem of wastage of food grains in a country like India where 22 percent 3 of Indians fall below the official poverty line is nothing but criminal. Even with less than 60 percent crop yield, the storage capacity in the country is woefully short. As in June 2011, FCI was holding 65.5 million MT of wheat and rice against the buffer and strategic norms of 31.94 million MT of food grains. This is against the backdrop of an increased production of principal food grains to 263.2 million MT in 2013-14, an increase of 23.5 percent during the decade. With increased procurement of food grains by Food Corporation of India (FCI), the principal agency entrusted with the task of feeding the millions of Indians, the storage losses also have increased. The losses are due to both non-availability of covered storage facilities with the agencies and also due to poor management of available storage at the farm level and the organized storage levels. The post-harvest losses in India amount to 12 to 16 million metric tons of food grains each year, an amount that the World Bank stipulates could feed one-third of India's poor. The monetary value of these losses amounts to more than Rs. 50, 000 Cr per year (Singh, 2010). Ramesh (1999) reported that high wastage and value loss are due to lack of storage infrastructure at the farm level. As per estimates available, the storage gap in warehousing capacity in the next 5 to 10 years is around 35 million MT. There is therefore a need of not only sufficient modern warehousing capacity but also ensuring scientific storage methodology to be followed in the storage facilities existing.

While this system which directly links farmers with the processing industry would reduce the problem of chocking of the markets and also the costs to a considerable extent, it would involve a different type of relationship between the farmers and the warehousing units. Far reaching changes like this and many others have transformed the systems and practices in agricultural marketing, including that of storage and warehousing. One of the main objectives behind promoting storage in the country has been to make use of warehouse receipts as an instrument to obtain credit from the commercial banks and other financial institutions. It was also the intention of the government to authorize the Reserve Bank of India to make advances on the promissory notes of any scheduled Bank or state Co-operative Bank supported by documents of title of goods. Some headway in this direction has no doubt been made, however the warehouse receipt has not yet become a fully negotiable credit instrument in the same way as promissory notes or bills of exchange or cheques. As a result, warehouses have so far failed to be fully instrumental in ensuring timely credit/ financial assistance to the growers at large. The Rural Credit Survey Committee contemplated that the three agencies recommended by it for providing warehousing facilities, viz. the central warehousing corporation, the state warehousing corporation and the Co-operatives should function in a co-ordinate manner and operate in a clearly defined mutually exclusive area. Thus, while establishment of warehouses in centres of national /inter-state importance will be the function of the central warehousing corporation, establishment of warehouses at centres of state importance will be the function of the state warehousing corporations. In rural and semi-rural areas, co-operative were expected to construct godowns. The programmes of the two warehousing corporations and the cooperatives were thus intended to be complementary to each other and there should normally be no conflict of interests among the three agencies. With the expansion of the warehousing facilities in many of the centres by the central and state warehousing corporations and large expansion of co-operative godown programmes, it has been suggested that unless some amount of co-ordination is affected among these three agencies, there is always the risk of duplication of efforts with consequential under-utilization.

BACKGROUND OF THE STUDY

It is well known that the small farmers do not have the economic strength to retain the produce with them till the market prices are favourable. There has been a felt need in the country to provide the farming community with facilities for scientific storage so that wastage and produce deterioration are avoided and also to enable it to meet its credit requirement without being compelled to sell the produce at a time when the prices are low. The main objectives of the scheme include creation of scientific storage capacity with allied facilities in rural areas to meet the requirements of farmers for storing farm produce, processed farm produce and agricultural inputs; promotion of grading, standardization and quality control of agricultural produce to improve their marketability prevention of distress sale immediately after harvest by providing the facility of pledge financing and marketing credit; strengthen agricultural marketing infrastructure in the country by paving the way for the introduction of a national system of warehouse receipts in respect of agricultural commodities stored in such godowns and to reverse the declining trend of investment in agriculture sector by encouraging private and cooperative sectors to invest in the creation of storage infrastructure in the country. Warehousing facilities are necessary to prevent the loss arising out of defective storage and also to equip the farmers with a convenient instrument of credit. The concept of public warehousing is a recent development in India though the royal commission on agriculture in 1928 had stress the need of warehousing in India. On the basis of the recommendations, the government of India passed agricultural produce (development and warehousing) corporation act, 1956, which was later on replaced by warehousing corporation act, 1962 and thus established central warehousing corporation (CWCs) at the national level and state warehousing corporations (SWCs) at the state level.

OBJECTIVES OF THE STUDY

1. To study the impact of warehouse sector in agriculture development in the study area, and to arrange facilities for transport, seeds, manures fertilizer, warehouse.
2. To find out whether the farmer's bargaining power increased, to run warehouses provides quality protection and production.
3. To evaluate the profits (surplus) and benefits of farmer's by bargaining capacity, to describe the current warehousing practices in public and private, and to lay a future plan of agriculture warehousing in India.
4. To act as an agent of the Government for the purpose of purchase, sale, storage and distribution of agricultural produce, seeds, manures, fertilizers, agricultural implements and notified commodities.

HYPOTHESIS OF THE STUDY

1. The bargaining power of farmer's increased due to availability of warehouses in the Agriculture development.
2. The profits and benefits of farmer are increased due to increase in bargaining power of farmers their crops and products.
3. The farmers need more awareness about the warehouse sector in rural Telangana particularly Warangal rural and urban districts.

METHODOLOGY

The research is basically based on secondary data available in the various books, journals, publications, magazines, articles, news paper and electronic information domain and various studies carried out on storage management and movement of food grains in FCI, report of the working group on warehousing development and regulation for the 12th plan year by planning commission, the present study is concentrated on the impact of warehouse sector in agriculture development in Warangal rural and urban districts of Telangana state the paper tries to analyze the issues in the food grain storage sector using facts and figures and recommend possible solutions.

SCOPE OF THE STUDY

The study is focused on the impact of warehouse sector in Telangana particularly in Warangal rural and urban districts; the agriculture development is influenced by the availability of storage/warehousing facilities in India and Telangana.

LIMITATIONS OF THE STUDY

Storage/warehousing of food grains is a big problem, nearly 10 percent of our harvest goes waste every year in the absence of proper storage facilities. This colossal wastage can be avoided by developing scientific warehousing facilities; the government has taken several steps to provide storage facilities in Telangana state.

DISCUSSION

The prevalence of the subsistence farming and below-subsistence could be attributed to exploitation arising out of non-availability or inadequate or defective warehousing is the loss of agricultural produce in transit. It is estimated that from the time it is produced till the time it is lost, the spill over or wastage ranges between 5 percent to 10 percent. That loss is borne by the producer and the poor farmer is further squeezed. The positive aspect of warehousing is that it enhances waiting capability of the agriculturists so they can sell their produce when remunerative prices are offered in the market. The development of scientific and technical knowledge and its application enables the agriculturists to store even perishable commodities like onion, the emergence of cold-storage facility has proved to be a boon to the agriculturists, the storage and warehousing facilities have given remunerative prices for their produce and have gone a long way in improving the lot of the rural poor. It will not be out of place to mention here that one of the significant reasons for the success of the green revolution has been the availability of warehousing and establishment of relationship between the storage of agricultural goods and the development of agriculture as well as the rural economy with the help of the centre-periphery theory of development.

In the context of agricultural development, the warehousing development cannot be sidelined. In this regard let us bring out the relationship between development of warehousing & agriculture which includes rural development too. Similar to transportation, storage is also an economic function. It adds time utility to goods because there is always a time lag between production and consumption. During this period commodities remain in storage of somebody - the producer, the middleman or the consumer. But in most cases, it is the intermediary who renders this service as neither the producer nor the consumer or the user possesses sufficient money and/or facility to store them. In short, storage is the process of carrying forward surplus stocks for future consumer. The seasonal character of agricultural production and continuous consumption throughout the year makes storage an integral part of agricultural marketing. Moreover, agricultural production is prone to cyclical changes which mean a bumper crop in one year is not only carried forward to the year of storage but it also facilitates availability of the produce throughout the year. Briefly speaking, a properly well-organized system, of storage is a sine qua non for an orderly system of marketing. Significance of warehousing is storage for the purpose of commercial gain by specialized agencies. A warehouse is an establishment consisting of large technical personnel in charge of goods, stored under the care of a warehouseman with safeguards provided by law and subject to the supervisory control of a public authority. Warehousing comprises many functions its main component is storage, it is often viewed as a mere auxiliary service. The term warehousing encompasses the facilities and services incidental to or connected with storage, transport, handling and distribution of inputs, finished goods and all kinds of other commodities, marketing covers all the business activity involved in the flow of goods and services from the producer to the consumer, warehousing is an important chain in the system of marketing, no scheme of marketing can be complete without a reliable and efficient system of warehousing, the establishment of a well-planned network of warehouses is important both for domestic and internal trade and public distribution of essential commodities. Warehousing is an essential infrastructure for trade, commerce and physical distribution of agricultural goods. The serious problem which the underdeveloped countries are facing is wastage of food grains particularly, inadequate transport and storage facilities cause much waste and are directly responsible for food shortage, at least partially, which is already acute. This underlines the importance of an appropriate storage system which can reduce the preventable losses the advantages of efficient system of warehousing in the field of agriculture development in India and Telangana.

Warehousing/storage facilities can be boosted by small cold storage or granaries at village level which can be established from panchayat funds and loans to the village society this eliminates dumping of excess crops in the market yard. A 700 ton cold storage cum warehouse will cost around Rs. 1.5 crores which is very reasonable cost for a group of villages or a large panchayat, provided the state or union government funds the cost. E-Mandis will also help the farmers to correctly predict the prices and thus market them profitably. At the national level an agricultural strategy or policy to improve information exchange, national level cold storage chains and logistic network if Wal-Mart can do, then Government of India can also do is the need of the hour. Proper management of PDS has to be done to cut down wastes so that a reliable estimate of the food grain needs will be made. The excess after keeping reserves for a potential drought year can be exported provided the quality is maintained by means of proper storage. Food wastage can thus be cut down and agricultural trade balance can be improved if there is a national level plan, to acquire and build godowns and warehouses at suitable places in India, to run warehouses for the storage of agricultural produce, seeds, fertilizers and notified commodities for individuals, co-operatives and other institutions, to act as an agent of the govt. for the purchase, sale, storage and distribution of the above commodities, to arrange facilities for the transport of above commodities, to subscribe to the share capital of state warehousing corporations and to carry out such other functions as may be prescribed under the act the central warehousing corporation is running air-conditioned godowns at Calcutta, Bombay and Delhi, and provides cold storage facilities at Hyderabad. Special storage facilities have been provided by the central warehousing corporation for the preservation of hygroscopic and fragile commodities. The corporation has also evolved techniques for the storage of spices, coffee, seeds and other commodities, separate warehousing corporations were also set up in different states of the Indian union, the areas of operation of the state warehousing corporations are centres of district importance, the total share capital of the state warehousing corporations is contributed equally by the concerned state govt. and the central warehousing corporation.

FINDINGS OF THE STUDY

1. Storage of food grains in open space, Poor condition of storage facilities, Storage of old crops leading to damage of food grains, for optimum capacity utilization of the existing capacity,
2. Timely and proper planning of movement and distribution of food grains across pan India is a pre-requisite, non-utilization of available storage capacity for surplus stock of wheat.

CONCLUSION

It is concluded the level of storage warehousing facilities are determined the level of agricultural development in India and as well as Telangana from the foregoing facts and figures, some very drastic measures are taken to improve the storage capacity of food grains, the wastage of food grains cannot be curbed which otherwise could be utilized for feeding millions of poor people. From augmenting the existing storage capacity by construction of new ones through various means both public and private including partnerships, the need of the hour is to revamp the existing storage management of food grains in the country and make people and agencies accountable and responsible for their jobs of ensuring food security. Integration of the entire storage business in India through MIS would go a long

way in ensuring timely decisions are taken for optimum utilization of the existing facilities. Some of the recommendations, not in any particular order, for ensuring that the storage losses are minimized are discussed as under with proper foresight and planning in lifting the stock of the central pool in time from SGAs, money paid as hiring charges and carry over charges to SGAs can be utilized for construction of new storage spaces Adequate manpower and supervision is required for scientific and safe storage in CAP storage, to save costs, proper plinths should be constructed in vacant government lands which can be used for temporary storage of food grains during peak procurement seasons. Hiring charges of FCI would continue to shoot up substantially in future unless owned storage capacity is augmented proportionately as against creation of storage capacity for guaranteed hiring by FCI Poor and reckless management and cumbersome paperwork leading to non-availability of storage space even if the space is held by damaged stock for want of disposal approvals from FCI should be dealt with appropriately by decentralized decision making. Non adherence of safe and scientific storage methods should be dealt with an iron hand and the strictest of punishment is to be enforced and accountability fixed. The total number of covered storage required for meeting the deficiency of 35 million MT is 7200 godowns at the rate of 5000 tonnes per godown. At approximately 1,450 INR21 per tonne requirement of funds for the godowns, the total funds requirement at current rates for constructing 7200 numbers of covered storage is 5,075 Cr INR excluding the cost of land. Alternative route like Private Entrepreneurial Guarantee (PEG) scheme to be encouraged vigorously, need of the hour is to create a central data base with daily updates from all warehouses as to the availability of covered, CAP storages and silos to better manage the stocks with adequate responsibility and accountability accorded with adequate and competent manpower with high level supervision and quick decision making freedom and delegation of powers given to the nodal heads. Timely and systematic evacuation planning can lead to utilization of vacant storage space and minimize payment of carry over charges to SGAs which can come in handy for construction of covered storage adequate planning well in advance for requisitioning of railway rakes can lead to minimization of losses and increase the economic and efficient utilization of available storage spaces. Proper integration of all regions with an efficient and robust MIS manned by efficient and competent professionals will definitely bring about the much needed change in the storage sector. Intervention of state governments in identifying and handing over land for construction of covered storage spaces without undue delay in obtaining of various clearances will speed up addition of storage capacity. FCI is yet to implement the transportation of food grains from farm to silos by specially designed trucks which were an important element of modernization and up gradation of bulk grain handling infrastructure facilities

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**CUSTOMER SATISFACTION ON SERVICES OF THE AGRANI BANK LTD DISTRICT COUNCIL BRANCH,
FARIDPUR**

**MAHBUBA SULTANA
RESEARCH ASSISTANT
DEPARTMENT OF AGRIBUSINESS & MARKETING
SHER-E-BANGLA AGRICULTURAL UNIVERSITY
DHAKA**

**HUMIRA YEASMIN
LECTURER
BUSINESS ADMINISTRATION
PUNDRRA UNIVERSITY OF SCIENCE & TECHNOLOGY
BOGRA**

ABSTRACT

Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. Within organizations, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a brand has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective. Therefore, it is essential for businesses to effectively manage customer satisfaction. To be able to do this, firms need reliable and representative measures of satisfaction. The objective of the report is to assess the level of importance, the customer of Agrani Bank of my respective branch put across various service attributes and also to determine how well Agrani Bank is satisfying the customer of those service grounds and different service quality dimensions. The survey is conducted on 100 respondents (sample). The entire questionnaire is prepared based on the SERVQUAL scale. There are five service quality dimensions Reliability, Responsiveness, Assurance, Empathy and Tangibles. Here the value of the SERVQUAL scale (5, 4, 3, 2, and 1) is counted as the weight. Beside I have selected 60 respondents in different ways to evaluate the satisfaction level of the customer on the basis of service characteristics. 21 questions are selected which focus this 5 dimensions. And each and every dimension I have found average position that is clear in analytical part individually. And also for my study purpose, I have taken 60 respondents as my sample in another way. Five points scale is also used here for evaluation. The maximum number under each criterion is 250 (50x5). The respondents expressed their answer in a 5(five) point grading scale. Any point close to 5(five) indicates the higher satisfaction of the customer about that criteria and any point close to 1(one) indicates the dissatisfaction of the customer regarding the criteria. So the service level of the bank has been expressed in these five points. These five points stands for some special meaning and explanation. The statement that stands with these points are Very good, Good, Satisfactory, Average, Moderate, Poor. For external 4 customers the average Score: 168.5(Good), and for employee section the average Score 40.83 (Very Good). However, Agrani Bank does not give individual attention to the customer. Customization is not present, and supreme quality of service is the most important part of the Agrani Bank. But they do not give quality full service as the other same commercial bank does. So it is very necessary to improve their service quality and customer management. Though the ATM machines are latest in technology but every the customers are coming up with complaints regarding the ATM booths are not available in different area. Agrani Bank does not use modern equipment and technology that better satisfy customer's needs. Most of the customers feel safe in transactions with Agrani Bank. So that it is one of the most vital or strong part for Agrani Bank. To improve the quality of service. Agrani Bank has strong organizational strength can successfully utilize the prospect and overcome its weak spot. Conducting regular Marketing Research, customization, setting sufficient ATM booths and minimization of hidden charge can be the best way to reach their broad goal.

KEYWORDS

satisfaction, reliability, tangibility, responsiveness, homogeneity.

JEL CODES

G2, G20, G21.

1. INTRODUCTION

A bank is a financial institution that serves as a financial intermediary. The term "bank" may refer to one of several related types of entities:

- A central bank circulates money on behalf of a government and acts as its monetary authority by implementing monetary policy, which regulates the money supply.
- A commercial bank accepts deposits and pools those funds to provide credit, either directly by lending, or indirectly by investing through the capital markets. Within the global financial markets, these institutions connect market participants with capital deficits (borrowers) to market participants with capital surpluses (investors and lenders) by transferring funds from those parties who have surplus funds to invest (financial assets) to those parties who borrow funds to invest in real assets.
- A savings bank (known as a "**building society**" in the United Kingdom) is similar to a savings and loan association (S&L). They can either be stockholder owned or mutually owned, in which case they are permitted to only borrow from members of the financial cooperative. The asset structure of savings banks and savings and loan associations is similar, with residential mortgage loans providing the principal assets of the institution's portfolio.

Because of the important role depository institutions play in the financial system, the banking industry is highly regulated, and government restrictions on financial activities by banks have varied over time and by location. Current global bank capital requirements are referred to as Basel II. In some countries, such as Germany, banks have historically owned major stakes in industrial companies, while in other countries, such as the United States, banks have traditionally been prohibited from owning non-financial companies.

Banking sector is expanding its hand in different events every day. At the same time the banking process is becoming faster, easier and the banking arena becoming wider. As the demand for the better service increase day by day, they are coming with different innovative ideas and products. In order to survive in the competitive field of the banking sector, all banking organization looking for better service opportunities to provide their fellow clients.

2. REVIEW OF LITERATURE

2.1. CUSTOMER SERVICE

Customer Service is the set of behavior that a business undertakes during its interaction with its customers. It can also refer to a specific person or desk, which is set up to provide general assistance to customers.

2.2 SATISFACTION

Definition 1: Satisfaction means the contentment one feels when one has fulfilled a desire, need or expectations.

Definition 2: Customer level of approval when comparing a product perceived performance with his or her expectation. Also could refer to discharge, extinguishment, or retirement of an obligation to the acceptance of the obligator, or fulfillment of a claim. While satisfaction is sometimes equated with performance, it implies compensation substitute whereas performance denotes doing what was actually promised.

2.3. CUSTOMER SATISFACTION

Gaining high levels of customer satisfaction is very important to a business because satisfaction customers are most likely to be loyal, to make repeat orders, and to use a wide range of services offered by a business.

Rather than a single definition, I think it is appropriate to provide several definitions because a single definition gives the impression that there can be only one, which is certainly not true.

- **Definition 1:** Customer satisfaction is equivalent to making sure that product and service performance meets customer expectations.
- **Definition 2:** Customer satisfaction is the perception of the customer that the outcome of a business transaction is equal to or greater than his/her expectation.
- **Definition 3:** Customer satisfaction occurs when acquisition of products and/or services provides a minimum negative departure from expectations when compared with other acquisitions.

2.4. THE NEED TO MEASURE CUSTOMER SATISFACTION

The word "satisfied" itself had a number of different meanings for respondents, which can be split into the broad themes of contentment/happiness, relief, achieving aims, and achieving aims and happy with outcome and the fact that they did not encounter any hassle.

In the era of the globalization, management of the companies is more concerned about Customer Satisfaction, which leads to profitability. Satisfied customers are central to optimal performance and financial returns. In many places in the world, business organizations have been elevating the role of the customer to that of a key stakeholder over the past twenty years. Customers are viewed as a group whose satisfaction with the enterprise must be incorporated in strategic planning efforts. Forward-looking companies are finding value in directly measuring and tracking customer satisfaction (CS) as an important strategic success indicator. Evidence is mounting that placing a high priority on CS is critical to improved organizational performance in a global marketplace.

With better understanding of customers' perceptions, companies can determine the actions required to meet the customers' needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out path future progress and improvement. Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company.

2.5. BENEFITS OF CUSTOMER SATISFACTION

The importance of customer satisfaction and support is increasingly becoming a vital business issue as organization realize the benefits of Customer Relationship Management (CRM) for providing effective customer service. Professionals working within customer focused business or those running call centers or help desks, need to keep informed about the latest customer satisfaction techniques for running a valuable customer service function. From small customer service departments to large call centers, the importance of developing a valued relationship with customers using CRM is essential to support customer and long-term business growth.

2.6. WHAT DO CUSTOMERS WANT?

Before we begin to create tools to measure the level of satisfaction, it is important to develop a clear understanding of what exactly the customer wants. We need to know what our customers expect from the products and services we provide.

Customer expectations have two types –

- Expressed
- Implied

Expressed: Customer Expectations are those requirements that are written down in the contract and agreed upon by both parties for example, product specifications and delivery requirements. Supplier's performance against these requirements is most of the items directly measurable.

Implied: Customer Expectations are not written or spoken but are the ones the customer would 'expect' the supplier to meet nevertheless.

For example, a customer would expect the service representative who calls on him to be knowledgeable and competent to solve a problem on the spot.

2.7. CUSTOMER SATISFACTION DIMENSION

Customer Satisfaction is measured across various parameters. There are parameters and sub parameters (some enumerated below).

Sales Experience

- Level of product Knowledge with Sales staff
- Timeliness and quality of response to customer queries on product.
- Level of understanding of customer's needs and unique perspective.
- Availability and quality of brochures, sales material.
- Presentation, communication and mannerism of sales person.
- Project of honesty and trustworthiness.

Product Delivery Experience

- Timeliness of product delivery
- Sharing of status while work-in-progress
- Quality and sophistication of delivery/product pack
- Behavior and mannerism of delivery staff.
- Level of congruence between what was sold and what was delivered.

Product Experience

- Level of product quality vis-à-vis expectation.
- Level of need fulfillment vis-à-vis expected

Product Servicing

- Timeliness of product servicing
- Quality of product servicing
- Cost of product servicing
- Mannerism and conduct of servicing staff

Relationship experience

- Frequency and quality of contact
- Knowledge of company products and customer opportunities
- Conduct and Communication of relationship person.

Complaint resolution / Grievance Handling

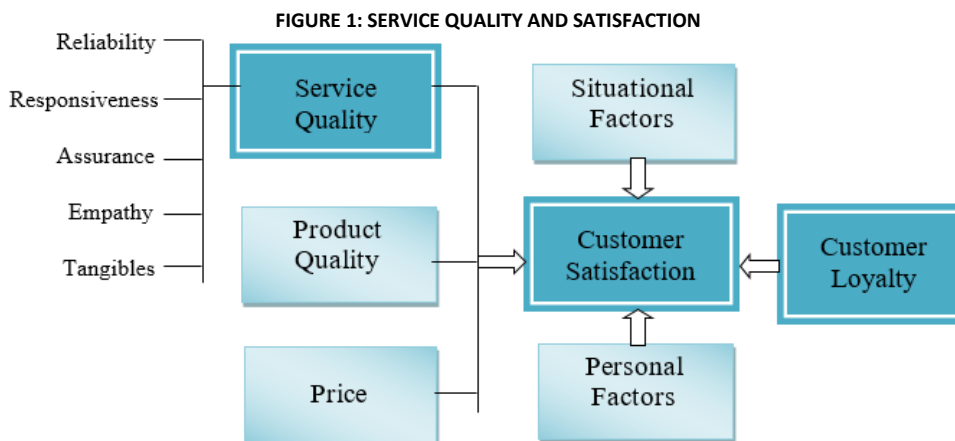
- Timeliness of complaint resolution
- Quality of complaint resolution
- Level of iterations till the complaint was resolved.
- Empathy of the customer servicing staff
- Knowledge of customer servicing staff

Collection Experience

- Communication quality and information for collection
- Conduct and communication of collection staff
- Channel and Ease of giving payments.

2.8. DEFINING SERVICE QUALITY AND SATISFACTION

The two separate terms “satisfaction” and “quality” are difficult to define in general, and press writers tend to use those terms interchangeably. However, the more precise meanings and measurement of the two concepts were developed after a considerable debate. Although these two consensuses share something in common, the fundamental causes and outcomes differ from one another. While satisfaction is a wide and broad concept in general, service quality has specific attributes of the service itself. As shown below in Figure 1, service quality is a reflection of the customer’s perception of reliability, assurance, responsiveness, empathy and tangibles. Whereas customer satisfaction is more inclusive and perceived according to service quality, product quality, price, situational factors and personal factors. (Zeithaml, Bitner & Gremler, 2009, 103.)



2.9. SERVICE QUALITY DIMENSION (SERVQUAL)

The SERVQUAL model is a widely accepted model of determining and expressing the customer satisfaction. It was first published in 1988 and has undergone improvements and revisions since then. As it is easy to understand and to identify the customer satisfaction level this model is selected to use in the report. There are five major those entirely represent the service quality. These are explained below:

Tangibility: Representing the Service Physically

Tangibility is defined as the appearance of physical facilities, equipment, personnel and communications materials. Customers, particularly new customers, use these physical representations or images to assess quality. Service companies can make good use of tangible factors to improve their image, provide continuity, and indicate quality to customers, or even combine them with another element to create a service quality strategy. (Zeithaml, Bitner & Gremler 2009, 115)

Reliability: Delivering on Promises

Reliability is defined as the ability to perform the promised service dependably and accurately. More specifically, it means that the company delivers service provision, problem resolution, and pricing according to their promises. In this way, firms can keep their customers loyal to them. (Zeithaml, Bitner & Gremler 2009, 113.)

Responsiveness: Being Willing to Help

Responsiveness is the willingness to help customers and to provide prompt service. The focus is weighted on how quickly and attentively companies are able to deal with customer requests, questions, complaints, and problems. Companies must have customer’s point of view to deliver service and handle requests in order to excel on this dimension. (Zeithaml, Bitner & Gremler 2009, 114.)

Assurance: Inspiring Trust and Confidence

Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence. For high-risk service such as banking, insurance, medical, brokerage, and legal services, this aspect tends to be particularly significant. Companies need to gain trust and confidence in order to create trusting relationships with their customers. (Zeithaml, Bitner & Gremler 2009, 114.)

Empathy: Treating Customers as Individuals

Empathy is the provision of caring individualized attention to customers. The core idea is to prove customers that they are cared and understood through personalized or customized service, as they are special and important for firms. Small firms are often able to reflect their personal knowledge of customer requirements and preferences and build relationships with their customers so that small firms tend to be more advantageous when competing with larger firms in this dimension. (Zeithaml, Bitner & Gremler 2009, 114-115.)

3. STATEMENT OF THE PROBLEM

1. To learn about banking works, culture, discipline, norms of my respective organization (Agrani Bank Ltd District Council Branch, Faridpur.)
2. To find out the problems of Agrani Bank Ltd District Council Branch, Faridpur, and suggest some tentative ways for solving the problems.
3. To analyze opinion of the customer towards existing services and determine how well Agrani Bank (Agrani Bank Ltd District Council Branch, Faridpur.) Is satisfying the customers on those service grounds and different service quality dimensions.
4. To analyze the overall service characteristics in Agrani bank limited District Council Branch, Faridpur on the basis of its Tangibility, Reliability, Assurance, Responsiveness, Care & Empathy.
5. To evaluate opinion of the employee towards existing services, and the possible recommendations from the existing employees.

4. RESEARCH METHODOLOGY

4.1 TYPE OF RESEARCH

Methodology provides various strategies and techniques to solve research problems. The following methodology will be followed for my study:

In this study, investigative (Exploratory Research) research will be conducted to find out and understanding of the overall banking service and customer satisfaction of Agrani Bank Ltd. District Council Branch, Faridpur and also to determine some of the attributes of service quality in this bank

Investigative Research

investigative research is conducted into an issue or problem where there are few or no earlier studies to refer to. The focus is on gaining insights and familiarity for later investigation. Secondly, descriptive research describes phenomena as they exist. Here data is often quantitative and statistics applied. It is used to identify and obtain information on a particular problem or issue. Finally causal or predictive research seeks to explain what is happening in a particular situation. It aims to generalize from an analysis by predicting certain phenomena on the basis of hypothesized general relationships.

4.2 OPINION POLL PREPARATION

As service is separate from goods that's why its characteristics is also different from the goods. Actually service is most intangible, heterogeneous, perishable, and inseparable. So the entire questionnaire is prepared based on the SERVQUAL scale. There are five service quality dimensions Reliability, Responsiveness, Assurance, Empathy and Tangibles. I also designed a structure and unstructured questionnaire. This structured questionnaire was the major tools of this research project. 19 questions are selected which focus this 5 dimensions. And also for my study purpose, I have taken 60 respondents as my sample in another way. Five points scale is also used here for evaluation. The maximum number under each criterion is 250 (50x5).

The state of service level of the bank in terms of the satisfaction of the customers is expressed in the points:

Very Good	Total score	201-250	Out of 250
Good	Total score	151-200	Out of 250
Satisfactory	Total score	101-150	Out of 250
Moderate	Total score	51-100	Out of 250
Poor	Total score	00-50	Out of 250

4.3 TARGET GROUP

Individual Customer's of Agrani Bank Ltd. District Council Branch Faridpur and its employees.

4.4 SOURCES OF INFORMATION

Primary Data

Primary data (also called **field research data**) involves the collection of data that does not already exist, which is research to collect original data. Primary Research is often undertaken after the researcher has gained some insight into the issue by collecting secondary data. This can be through numerous forms, including questionnaires, direct observation and telephone interviews amongst others. This information may be collected in things like questionnaires and interviews. I have collected primary data by variety of ways, first of all by interviewing employees of Agrani Bank Ltd. and directly communicating with the customers. I have also conducted a questionnaire survey of the customers minimizing interruptions in their banking activities.

Secondary data

Secondary data is data collected by someone other than the user. Common sources of secondary data for social science include censuses, surveys, organizational records and data collected through qualitative methodologies or qualitative research. I have elaborated different types of secondary data in my research. Sources of my secondary information's are:

- Focus groups transcripts,
- Field notes,
- Observation records
- Other personal,
- Research-related documents.
- Different books and periodicals related to the banking sector
- Internet
- Newspapers

4.5 DATA COLLECTION INSTRUMENTS

In-depth interview: During the exploratory research, I conducted in-depth interviews with employees and customers of Agrani Bank Ltd.

Questionnaire survey: I also designed a structure and unstructured questionnaire for the customers of Agrani Bank. District Council Branch, Faridpur. This structured questionnaire was the major tools of this research project.

4.6 METHOD AND SIZE

Technique

During the survey of this project where customers were given copies of the questionnaire and were asked to fill them. I gave continuous support to the customers for any problems that they faced while filling up questionnaire so that the validity of the questionnaire increases. As the simple random sampling is easily understood and results are assessable, it is best suited for my study. I also used some questions to the bank officer, depositors, non-depositors and creditors.

Sample size

Sample of the respondent are divided into two groups. In this report I selected a group of 100 people, and for different analysis also select the sample in following way-

Sample Size

Types of respondents	Number of respondents
Bank Officers	10
Depositors	15
Non-Depositors	20
Creditors	15
Total	60

4.7 INVESTIGATION SYSTEM

The analysis of collected data is completed with the help of the statistical tools. Here the value of the SERVQUAL scale (5, 4, 3, 2, and 1) is counted as the weight. The response of the survey including the level of importance and the customer's perception are tallied at first and then the weighted average of those responses is prepared. Finally, by doing mean of the three questions of the single segment the overall mean importance and overall mean satisfaction level of the service quality dimension are calculated. Beside I have also scoring in different ways in second analytical part to measuring the Quality of Services and Satisfaction. The Quality of Services and Satisfaction is an abstract task. The customers are divided into two section-**employee**, who are considered as **internal customer** and the **external customer** that the person who deposit money or take the investment facility.

The respondents expressed their answer in a 5 (five) point grading scale. Any point close to 5 (five) indicates the higher satisfaction of the customer about that criteria and any point close to 1(one) indicates the dissatisfaction of the customer regarding the criteria.

So the service level of the bank has been expressed in these five points. These five points stands for some special meaning and explanation. The statement that stands with these points are given below-

- Very good
- Good
- Satisfactory

- Average/Moderate
- Poor

5. RESULTS & DISCUSSION

5.0. MEASURING LEVEL OF CUSTOMER SATISFACTION

5.1 Reliability:

Aspects relating to reliability dimension of service quality were asked in 3 different questions. These questions are as follows:

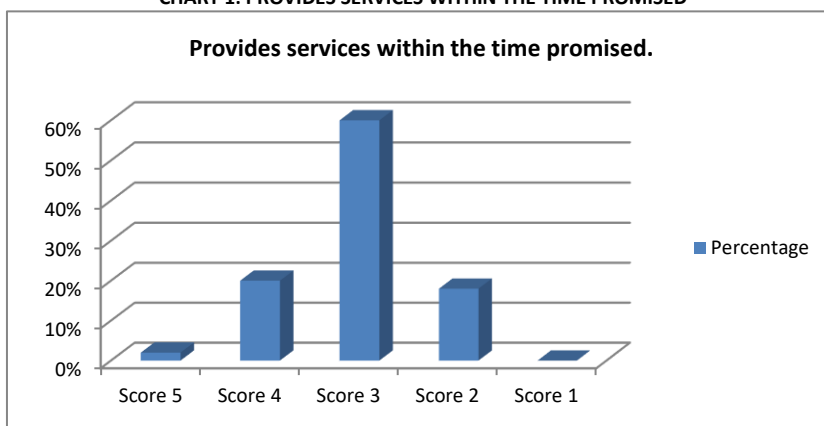
Q1: Does the bank Provides services within the time promised?

Comments: The majority of the respondents are indifferent. 2% customers are highly satisfied, 20% customers are satisfied 60% customers are indifferent as well as 18% customers are negative with this statement.

TABLE 1: PROVIDES SERVICES WITHIN THE TIME PROMISED

Satisfaction Score	Level of Satisfaction
5	2%
4	20%
3	60%
2	18%
1	0%

CHART 1: PROVIDES SERVICES WITHIN THE TIME PROMISED



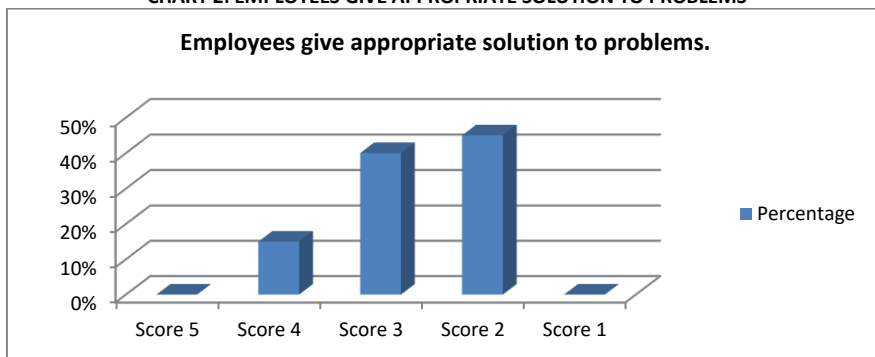
Q2: Do the Employees give appropriate solution to problems?

Comments: Customer always tries to get appropriate solution to problem. The respondents placed a high importance in this characteristic of the service. The majority of the respondents are negative with this statement. 15% customers are satisfied, 40% customers are indifferent and 45% customers are disagreeing with this statement.

TABLE 2: EMPLOYEES GIVE APPROPRIATE SOLUTION TO PROBLEMS

Satisfaction Score	Level of Satisfaction
5	0%
4	15%
3	40%
2	45%
1	0%

CHART 2: EMPLOYEES GIVE APPROPRIATE SOLUTION TO PROBLEMS



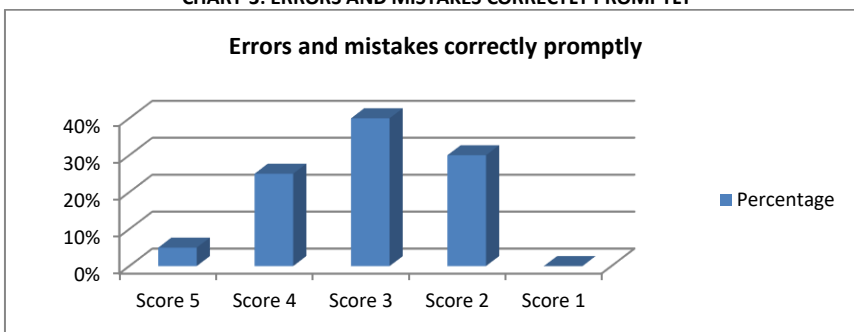
Q3: Does the bank errors and mistakes correctly promptly?

Comments: The respondents placed a high importance in this characteristic of the service. The majority of the respondents are indifferent. 5% customers are highly satisfied, 25% customers are satisfied 40% customers are indifferent as well as 30% customers are negative with this statement.

TABLE 3: ERRORS AND MISTAKES CORRECTLY PROMPTLY

Satisfaction Score	Level of Satisfaction
5	5%
4	25%
3	40%
2	30%
1	0%

CHART-3: ERRORS AND MISTAKES CORRECTLY PROMPTLY



5.2 RESPONSIVENESS

Three attributes were grouped in this dimension and the respondents were asked to express their opinion. Results are various aspects are shown below:

Q1: Does the Employee gives you prompt service?

Comments: An extremely high percentage of Satisfaction was given in this attribute of service. The majority of the respondents are highly satisfied, 40% customers are satisfied with this statement, 30% customers are indifferent as well as 28% customers are negative with this statement. The results are as follows:

TABLE 4: EMPLOYEE GIVES YOU PROMPT SERVICE

Satisfaction Score	Level of Satisfaction
5	2%
4	40%
3	30%
2	28%
1	0%

CHART 4: EMPLOYEE GIVES YOU PROMPT SERVICE



Q2: Are employees always willing to help?

Comments: Employees are always willing to help but their resources are limited so they cannot give higher percentage of satisfaction. The majority of the respondents are satisfied. 10% customers are highly satisfied, 45% customers are satisfied with this statement, 25% customers are indifferent as well as 20% customers are negative with this statement. The results are as follows:

TABLE 5: EMPLOYEES ARE ALWAYS WILLING TO HELP

Satisfaction Score	Level of Satisfaction
5	10%
4	40%
3	25%
2	20%
1	0%

CHART 5: EMPLOYEES ARE ALWAYS WILLING TO HELP



Q3: Does the employee always search for solution?

Comments: Most of the respondents were in indifferent while expressing their satisfaction towards this aspect. The satisfaction percentages of this attribute were dissatisfactory. 35% customers are satisfied, 40% customers are indifferent, 20% customers are disagreeing with this statement and 5% customers are highly disagreeing with this statement.

TABLE 6: EMPLOYEE ALWAYS SEARCHES FOR SOLUTION

Satisfaction Score	Level of Satisfaction
5	0%
4	35%
3	40%
2	20%
1	5%

CHART 6: EMPLOYEE ALWAYS SEARCHES FOR SOLUTION



5.3 ASSURANCE

Aspects relating to assurance dimension of service quality where asked three different questions. The results are as follows:

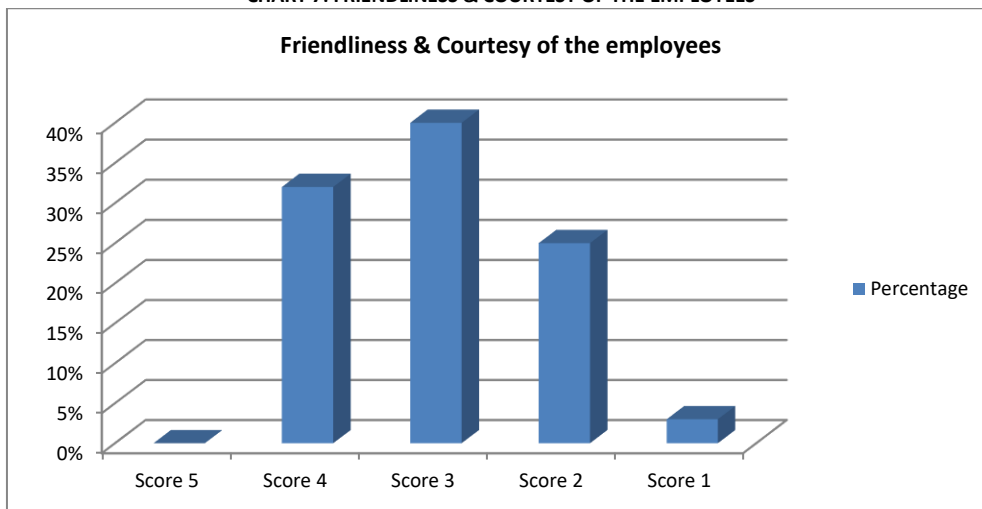
Q1: Friendliness & Courtesy of the Employee

Comments: This attribute was also found to be another one of the most important ones. In this attribute satisfaction percentage is not much higher. 32% customers are satisfied, 40% customers are indifferent, 25% customers are disagreeing with this statement and 3% customers are highly disagreeing with this statement.

TABLE 7: FRIENDLINESS & COURTESY OF THE EMPLOYEES

Satisfaction Score	Level of Satisfaction
5	0%
4	32%
3	40%
2	25%
1	3%

CHART 7: FRIENDLINESS & COURTESY OF THE EMPLOYEES



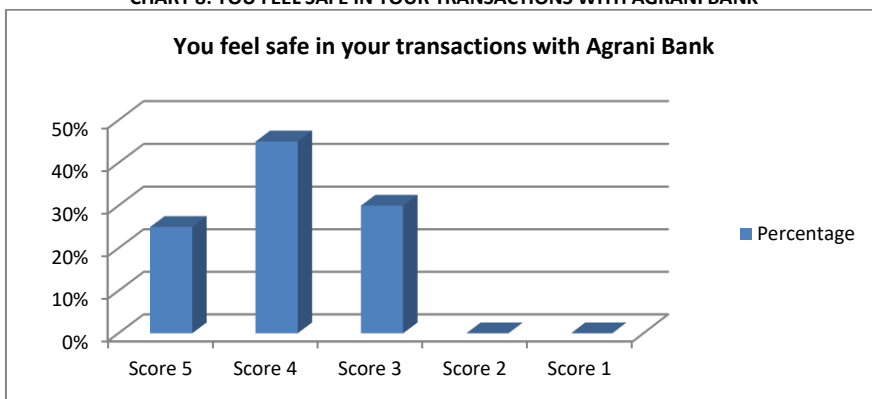
Q2: Do you feel safe in your transactions with Agrani Bank?

Comments: Most of the respondents were in satisfied while expressing their satisfaction towards this aspect. 25% customers are highly satisfied, 45% customers are satisfied with this statement, 35% customers are indifferent. Most of the respondent's positive with this statement. The results are as follows:

TABLE 8: YOU FEEL SAFE IN YOUR TRANSACTIONS WITH AGRANI BANK

Satisfaction Score	Level of Satisfaction
5	25%
4	45%
3	30%
2	0%
1	0%

CHART 8: YOU FEEL SAFE IN YOUR TRANSACTIONS WITH AGRANI BANK



5.4 CARE & EMPATHY

3 attributes were grouped in the dimension and the respondents were asked to express their opinions. Results of the various aspects are shown below:

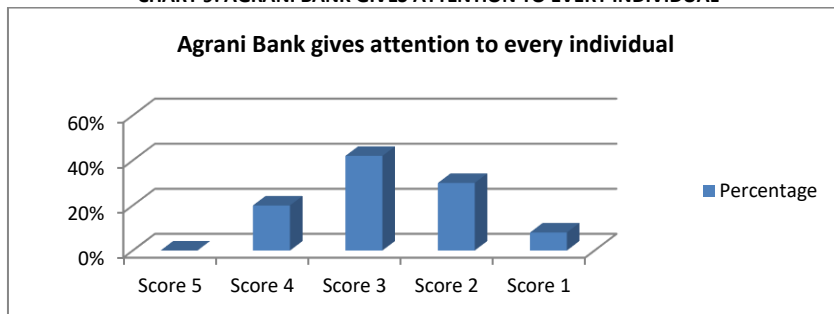
Q1: Does the Agrani Bank give attention to every individual?

Comments: Most of the respondents were in indifferent while expressing their satisfaction towards this aspect. In this attribute satisfaction percentage is not much higher. 20% customers are satisfied, 42% customers are indifferent, 30% customers are disagreeing with this statement and 8% customers are highly disagreeing with this statement.

TABLE 9: AGRANI BANK GIVES ATTENTION TO EVERY INDIVIDUAL

Satisfaction Score	Level of Satisfaction
5	0%
4	20%
3	42%
2	30%
1	8%

CHART 9: AGRANI BANK GIVES ATTENTION TO EVERY INDIVIDUAL



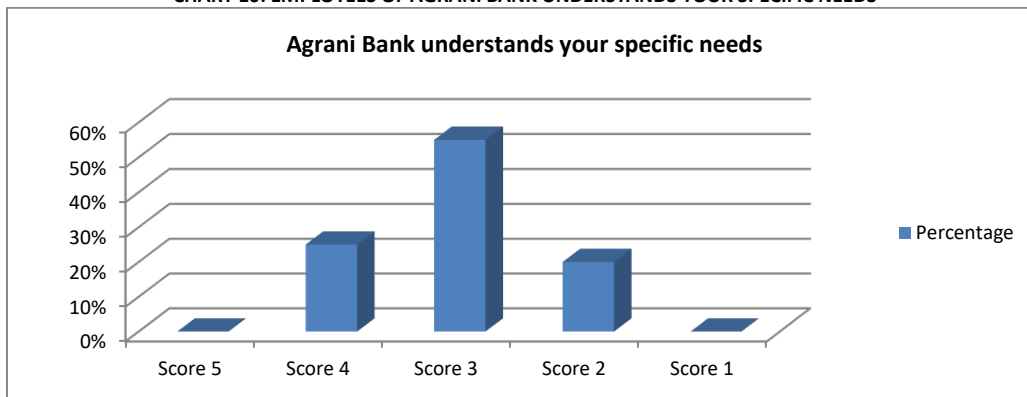
Q2: Does the employees of Agrani Bank understands your specific needs?

Comments: Most of the respondents were in indifferent while expressing their satisfaction towards this aspect. In this attribute, satisfaction percentage is not much higher. 25% customers are satisfied, 55% customers are indifferent, and 20% customers are disagreeing with this statement.

TABLE 10: EMPLOYEES OF AGRANI BANK UNDERSTANDS YOUR SPECIFIC NEEDS

Satisfaction Score	Level of Satisfaction
5	0%
4	25%
3	55%
2	20%
1	0%

CHART 10: EMPLOYEES OF AGRANI BANK UNDERSTANDS YOUR SPECIFIC NEEDS



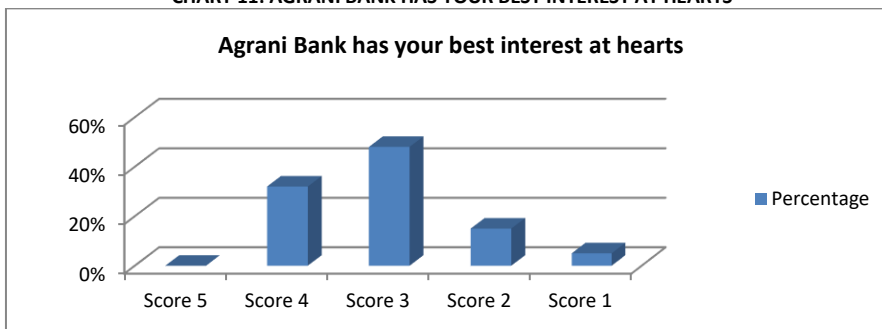
Q3: Does the Agrani Bank have your best interest at hearts?

Comments: This attribute was also found to be another one of the most important ones. In this attribute satisfaction percentage is not much higher. 32% customers are satisfied, 48% customers are indifferent, 15% customers are disagreeing with this statement and 5% customers are highly disagreeing with this statement.

TABLE 11: AGRANI BANK HAS YOUR BEST INTEREST AT HEARTS

Satisfaction Score	Level of Satisfaction
5	0%
4	32%
3	48%
2	15%
1	5%

CHART 11: AGRANI BANK HAS YOUR BEST INTEREST AT HEARTS



5.5 Tangibles

Four questions relating to the tangible dimension were asked to the respondents. These questions covered various tangible aspects of the services provided by Agrani Bank. The results are shown below:

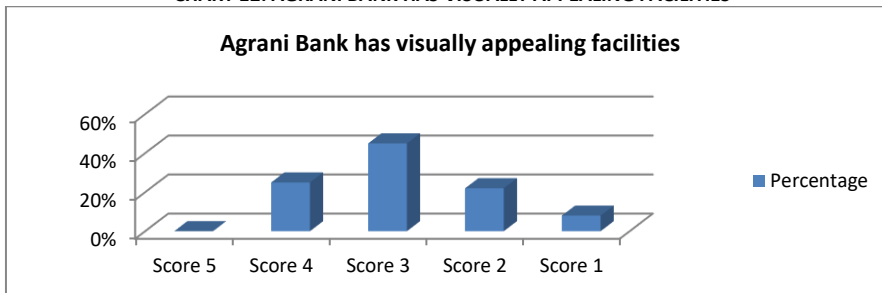
Q1: Has Agrani Bank visually appealing facilities?

Comments: Most of the respondents were in indifferent while expressing their satisfaction towards this aspect. In this attribute, satisfaction percentage is not much higher. 25% customers are satisfied, 45% customers are indifferent, 22% customers are disagreeing with this statement and 8% customers are highly disagreeing with this statement.

TABLE 12: AGRANI BANK HAS VISUALLY APPEALING FACILITIES

Satisfaction Score	Level of Satisfaction
5	0%
4	25%
3	45%
2	22%
1	8%

CHART 12: AGRANI BANK HAS VISUALLY APPEALING FACILITIES



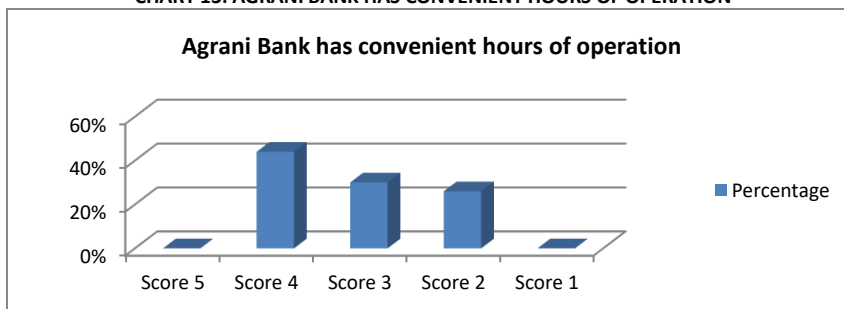
Q2: Has Agrani Bank convenient hours of operation?

Comments: Most of the respondents were in satisfied while expressing their satisfaction towards this aspect. 44% customers are satisfied, 30% customers are indifferent and 26% customers are disagreeing with this statement. Most of the respondent's positive with this statement. The results are as follows:

TABLE 13: AGRANI BANK HAS CONVENIENT HOURS OF OPERATION

Satisfaction Score	Level of Satisfaction
5	0%
4	44%
3	30%
2	26%
1	0%

CHART 13: AGRANI BANK HAS CONVENIENT HOURS OF OPERATION



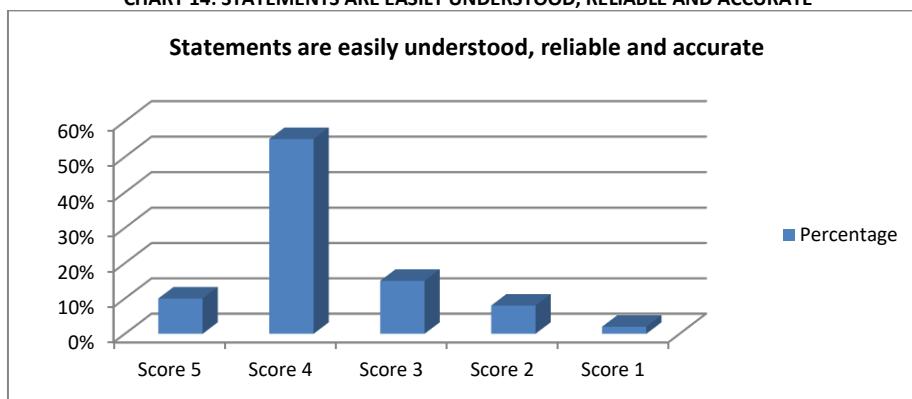
Q3: Are the Statements easily understood, reliable and accurate?

Comments: This attribute was also found to be another one of the most important ones. In this attribute, satisfaction percentage is much higher. 10% customers are highly satisfied, 55% customers are satisfied, 15% customers are indifferent with this statement, 8% customers are disagreeing with this statement and 2% customers are highly disagreeing with this statement.

TABLE 14: STATEMENTS ARE EASILY UNDERSTOOD, RELIABLE AND ACCURATE

Satisfaction Score	Level of Satisfaction
5	10%
4	55%
3	15%
2	8%
1	2%

CHART 14: STATEMENTS ARE EASILY UNDERSTOOD, RELIABLE AND ACCURATE



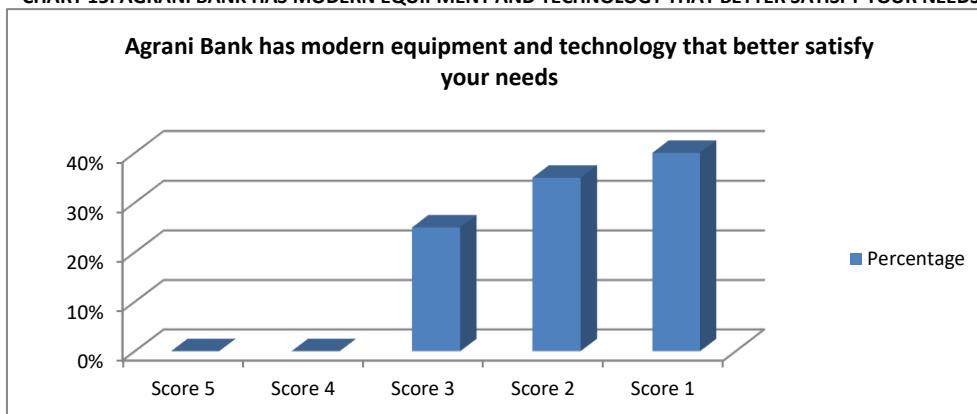
Q4: Has Agrani Bank modern equipment and technology that better satisfy your needs?

Comments: This attribute was also found to be another one of the most important ones. In this attribute dissatisfaction percentage is much higher. 25% customers are indifferent, 35% customers are disagreeing with this statement and 40% customers are highly disagreeing with this statement.

TABLE 15: AGRANI BANK HAS MODERN EQUIPMENT AND TECHNOLOGY THAT BETTER SATISFY YOUR NEEDS

Satisfaction Score	Level of Satisfaction
5	0%
4	0%
3	25%
2	35%
1	40%

CHART 15: AGRANI BANK HAS MODERN EQUIPMENT AND TECHNOLOGY THAT BETTER SATISFY YOUR NEEDS



5.6. EXTRA QUESTIONS AND ANALYSIS

In spite of the five dimensions, some other questions were also asked to the customers for better understanding of their satisfaction or dissatisfaction and the reason behind this. These questions and their analysis are given below:

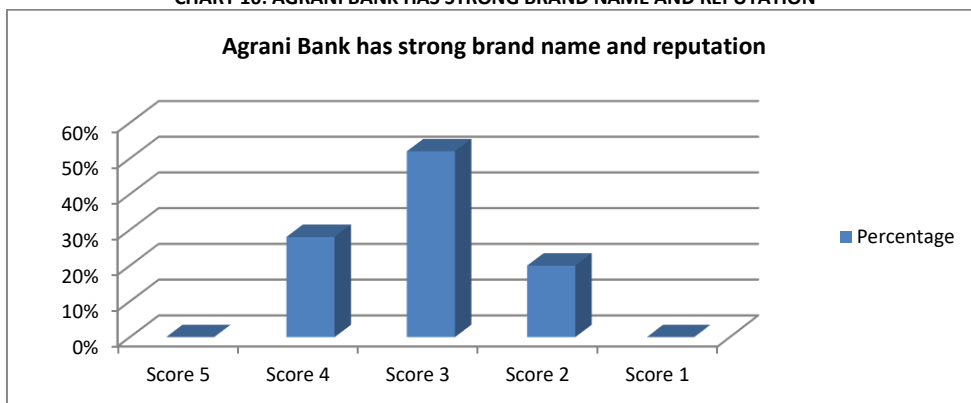
Q1: Has Agrani Bank strong brand name and reputation?

Comments: Different customer views products and services indifferent way. The reason for taking service or buying products from organization is different among the customers. This attribute was also found to be another one of the most important ones. In this attribute satisfaction percentage is not much higher. 28% customers are satisfied, 52% customers are indifferent with this statement and 20% customers are disagreeing with this statement.

TABLE 16: AGRANI BANK HAS STRONG BRAND NAME AND REPUTATION

Satisfaction Score	Level of Satisfaction
5	0%
4	28%
3	52%
2	20%
1	0%

CHART 16: AGRANI BANK HAS STRONG BRAND NAME AND REPUTATION



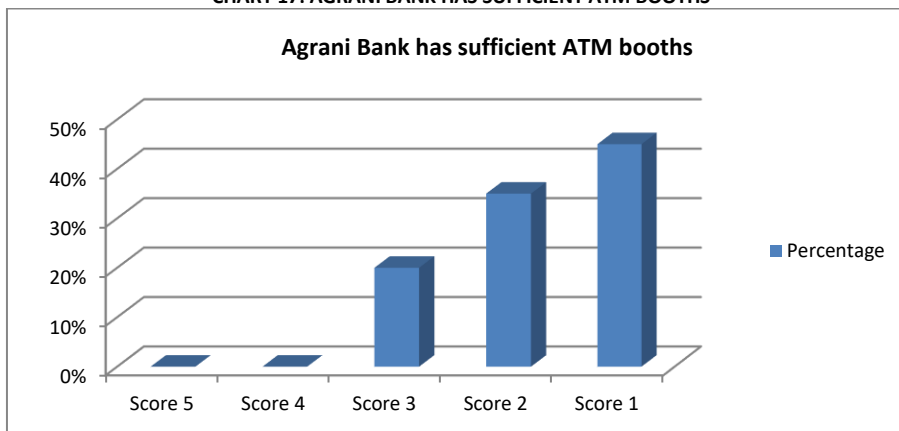
Q2: Has Agrani Bank sufficient ATM booths?

Comments: In recent days ATM service has become vital for the customers and banks. The banks are willingly to achieve competitive advantage through superior flexibility. In this attribute satisfaction percentage is not much higher. 20% customers are indifferent with this statement, 35% customers are disagreeing with this statement and 45% customers are highly disagreeing with this statement.

TABLE 17: AGRANI BANK HAS SUFFICIENT ATM BOOTHS

Satisfaction Score	Level of Satisfaction
5	0%
4	15%
3	25%
2	35%
1	25%

CHART 17: AGRANI BANK HAS SUFFICIENT ATM BOOTHS



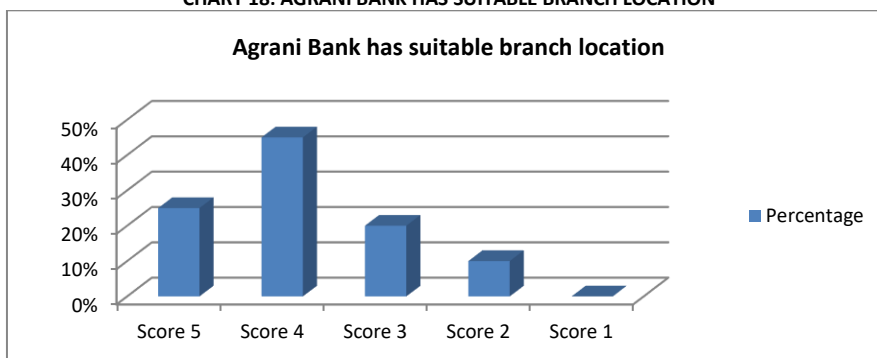
Q3: Has Agrani Bank suitable branch location?

Comments: Number of customers and superior service also depends on the number of branches. Convenience of branches or the branches availability also influences the customer to get involved with the bank. 25% customers are highly satisfied, 45% customers are satisfied, 20% customers are indifferent with this statement, and 10% customers are disagreeing with this statement.

TABLE 18: AGRANI BANK HAS SUITABLE BRANCH LOCATION

Satisfaction Score	Level of Satisfaction
5	25%
4	45%
3	20%
2	10%
1	0%

CHART 18: AGRANI BANK HAS SUITABLE BRANCH LOCATION



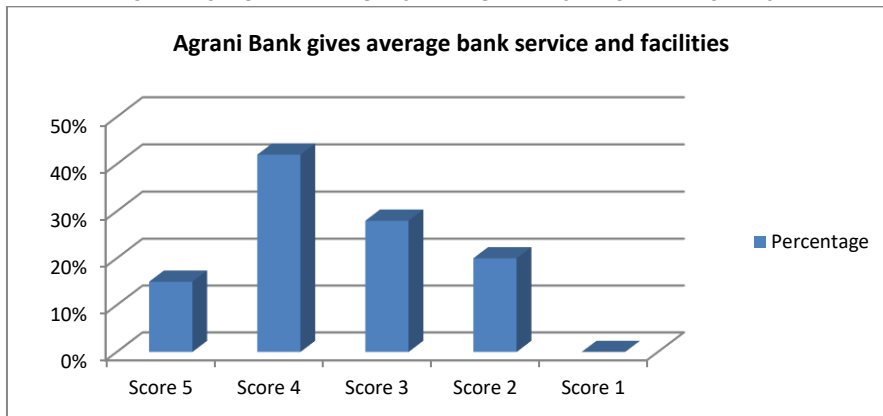
Q4: Does Agrani Bank gives average bank service and facilities?

Comments: Customers always compare the products and services of one organization with another to find out the best one. 15% customers are highly satisfied, 42% customers are satisfied, 28% customers are indifferent with this statement and 20% customers are disagreeing with this statement.

TABLE 19: AGRANI BANK GIVES AVERAGE BANK SERVICE AND FACILITIES

Satisfaction Score	Level of Satisfaction
5	15%
4	42%
3	28%
2	20%
1	0%

CHART 19: AGRANI BANK GIVES AVERAGE BANK SERVICE AND FACILITIES



5.7. SOME OTHER ANALYSIS IN DIFFERENT WAYS

The process of measuring the Quality of Services and Satisfaction in another way

The Quality of Services and Satisfaction is an abstract task. The customers are divided into two section-**employee**, who are considered as **internal customer** and the **external customer** that the person who deposit money or take the investment facility.

The respondents expressed their answer in a 5(five) point grading scale. Any point close to 5(five) indicates the higher satisfaction of the customer about that criteria and any point close to 1(one) indicates the dissatisfaction of the customer regarding the criteria.

So the service level of the bank has been expressed in these five points. These five points stands for some special meaning and explanation. The statement that stands with these points are given below-

Very good

The service level is very high. The bank enjoyed a huge advantage in this regard. This will help the bank to get more customers and maintain a warm relation with the customers. The bank is really getting benefits from this type of service while maintaining the highly satisfaction from the customers point of view. So it can be ranked as high-quality service.

Good

The service is competitive in the Banking business and is one of the strong points for the bank. The customers are satisfied in an acceptable way for the service provided by the bank. They enjoy some advantage over other banks in regard of this service, which helps the bank to create new customers and maintain well relation with the existing ones.

Satisfactory

The bank is doing well in the regard of this service. But it is not a strong point for the bank. The bank does not enjoy any advantages over other banks in this regard. The customers are satisfied but do not have much positive impression for this service of the bank. The bank needs to improve the level of this service in order to gain comparative advantage to other banks.

Average/Moderate

The service level is very ordinary. It is considered as one the vulnerable point of the bank. The other banks can easily enjoy superiority over this respective bank. The bank really needs to improve in this regard as the customers are not satisfied with the service.

Poor

The service is really worst and the customers are quite dissatisfied in this regard. It is a real disadvantages and weak point for the bank. In order to maintain the customers' loyalty to the bank, the bank needs to improve this service with no delay. If the bank fails to improve this sector, there is a great possibility that the bank will loose a huge cluster of its present customers and lag behind in the competitive market.

➤ **External Customers**

Agrani Bank limited, **District Council Branch, Faridpur** deals with a huge number of customers and customer response is quite satisfactory. For my study purpose I have taken 50 customers as my sample in another way. Five points scale is also used here for evaluation. The maximum number under each criterion is 250 (50x5). The state of service level of the bank in terms of the satisfaction of the customers is expressed in the points:

TABLE 20

Very Good	Total score	201-250	Out of 250
Good	Total score	151-200	Out of 250
Satisfactory	Total score	101-150	Out of 250
Moderate	Total score	51-100	Out of 250
Poor	Total score	00-50	Out of 250

1. Banking environment in "Agrani Bank Limited"

TABLE 21

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
07	21	17	03	02	178	Good

Comment: The point shows that peoples find a good environment in the bank. They fell free and relax to make transaction in this bank. There is prevailing sound banking environment in Agrani Bank, **District Council Branch, Faridpur**.

2. Branches in convenient location

TABLE 22

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
12	17	14	06	01	183	Very good

Comment: The average point shows that the District Council Branch, Faridpur of Agrani Bank is in convenient location, which provides competitive advantages over its competitor Bank.

3. Profit rate in various deposits in "Agrani Bank Limited"

TABLE 23

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
00	09	15	16	10	123	Satisfactory

Comment: The profit bank provide, as interest in deposit is not so attractive to the depositor of the ABL. This does not provide any advantage over the other bank. Low interest in various deposits is a weak point of the bank.

4. Profit rate in various investment in "Agrani Bank Limited"

TABLE 24

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
16	26	05	03	00	205	Very good

Comment: Agrani Bank charges low interest in various investment schemes. The average point indicates that Agrani Bank charges interest is in its client's favors. This is a great competitive advantage of ABL in banking business over the other competitive bank.

5. Standard of service in "Agrani Bank Limited"

TABLE 25

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
07	17	24	01	01	178	Good

Comment: The average point shows that standard of service in Agrani Bank is good, but it has to improve to provide the service to delight the customer.

6. The service delivery process in "Agrani Bank Limited"

TABLE 26

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
08	16	12	9	5	163	Good

Comment: Officers are quick and skill enough to provide the service. Moreover, the selected process of delivery is seemed to be good and customer finds an understandable and easy process to work on.

7. Problem solving attitude of the employees

TABLE 27

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
20	21	4	4	1	205	Very Good

Comment: The officials are keen to provide their service and solve the problem of the customers. The officials are very expert and they can easily access the problems of the customers. They can properly realize the different features of the problems faced by the customers.

8. The communication process with the customer

TABLE 28

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
00	05	23	12	10	123	Satisfactory

Comment: Agrani Bank limited did not use any promotional mix. They don't have any sales team yet. Communication is done properly when clients come to the Branch. Word by mouth and Banks brochure are only means of promotion here. Communication gap is found here.

9. Promptness of given services in "Agrani Bank Limited"

TABLE 29

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
08	20	13	07	02	175	Good

Comment: promptness of service given Agrani bank is good. They newly install computer base service.

10. Fulfillment of customer expectation

TABLE 30

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
04	15	12	17	02	152	Good

Comment: The average point indicates that banking service somewhat fulfill the customer expectation. Management has a perception about the customer.

11. Use of modern technology in "Agrani Bank Limited"

TABLE 31

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
00	09	16	14	11	123	Satisfactory

Comment: Tough it newly introduces computerized service but it does not provide mass online banking facilities. It provides limited ATM service. Bank has to improve this sector to gain competitive advantages over its competitor.

12. Accuracy in transaction in "Agrani Bank Limited"

TABLE 32

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
05	21	20	02	02	175	Good

Comment: Agrani Banks employees are transparent and accurate in banking operation. Its helps to achieve the customer trust in banking.

Results: Average Score: 165.25(Good)

➤ Employee section:

In Agrani Bank Limited, District Council Branch, Faridpur I have found only ten employees who expressed their views. The maximum numbers under each criterions is 50 (10x5). The state of service level of the bank in terms of the satisfaction of the customers is expressed in the points-

TABLE 33

Very Good	Total score	41-50	Out of 50
Good	Total score	31-40	Out of 50
Satisfactory	Total score	21-30	Out of 50
Moderate	Total score	11-20	Out of 50
Poor	Total score	01-10	Out of 50

1. Banking environment in "Agrani Bank Limited"

TABLE 34

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
03	06	01	00	00	42	Very good

Comment: The employees seem that there is a good working environment prevails in the Agrani Bank, District Council Branch, Faridpur.

2. Compensation package in "Agrani Bank Limited"

TABLE 35

	Good	Satisfactory	Moderate	Poor	Score	Position
05	04	01	00	00	44	Very Good

Comment: Now a day banking industry is seemed to be a sophisticated job industry. Peoples want to work here for good environment culture and compensation package. Agrani Bank Limited does not go an exception in this respect.

3. Profit rate in various deposits in "Agrani Bank Limited"

TABLE 36: NO OF RESPONSES EACH CRITERIA

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
00	03	05	02	00	31	Good

Comment: The average point indicates that profit/interest in various deposit schemes are not so attractive. So, top management should to concentrate into it.

4. Profit rate in various investment in "Agrani Bank Limited"

TABLE 37

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
06	04	00	00	00	46	Very good

Comment: Employees opinion that there is a very good profit rate in various investments. That means interest in various investment schemes is favorable for the clients.

5. Standard of service in "Agrani Bank Limited"

TABLE 38

	Good	Satisfactory	Moderate	Poor	Score	Position
03	03	04	00	00	39	Good

Comment: The service providers' score denotes the good standard of their service. Standard Gap is almost absence.

6. The service delivery process in "Agrani Bank Limited"

Table 39

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
04	05	01	00	00	43	Very good

Comment: The service provider's work with a very good service delivery process. Delivery Gap is almost absence.

7. Support in problem solving by the authority

TABLE 40

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
04	04	02	00	00	42	Very good

Comment: Problem can be created by many ways. But the appropriate solution can minimize the risk. According to the opinion off the employees the authority uses to give very good support in problem solving.

8. The communication process with the customer

TABLE 41

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
05	04	01	00	00	44	Very good

Comment: Employees contradict with the customer idea in this respect. They think the exiting process is sufficient enough for the organization to communicate with the clients.

9. Top management helps in strategy implementation

TABLE 42

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
05	03	02	00	00	43	Very good

Comment: Employees think that the top management helps in strategy implementation is very good.

10. Similarity between customer expectation and your perception about providing service.

TABLE 43

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
03	04	03	00	00	40	Good

Comment: Customers and employees are in the same opinion in this respect. Both think that there is no knowledge gap between the Bank and the customers.

11. Use of modern technology in "Agrani Bank Limited"

TABLE 44

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
00	02	06	02	00	30	Satisfactory

Comment: The average point shows that the bank use the modern technology is satisfactory. But the bank has to improve its uses of modern technology to compete in the banking business.

12. Top management evaluation and action in banking activities

TABLE 45

Very Good	Good	Satisfactory	Moderate	Poor	Score	Position
06	04	00	00	00	46	Very good

Comment: Employees seem that top management evaluation and action in banking activities is very good.

Results: Average Score 40.83 (Very Good)

FINDINGS

- To develop my practical knowledge I had to attach with my respective organization (Agrani Bank Ltd District Council Branch, Faridpur.) three months and I have found that their banking works, environment, culture, discipline, norms, employee behavior towards clients was really crossed the level of standard, and they have lots of potentialities to improve in the field of customer satisfaction.

- Satisfying the customers on existing service grounds and different service quality dimensions is good enough and in case of external customer analysis respective organization (Agrani Bank Ltd District Council Branch, Faridpur.) achieved Average Score: 165.25(Good). And in case of employee section it also obtained Average Score 40.83 (Very Good).
- Most of the customers feel safe in transactions with Agrani Bank. So that it is one of the most vital or strong part for Agrani Bank.
- After evaluation of the opinion of the employee towards existing services, I have found that their only demand was they want to attach with new technological equipment to give the service more effectively and efficiently to the customer. It is their demand as soon as possible their organization should start intra banking online system facilities.
- Shortage of employee sometimes creates problems. There is a good pressure of customer is in Agrani bank limited District Council Branch, Faridpur. It becomes very difficult to handle the customer when there are more than five customer are in the same table.
- Though the ATM machines are latest in technology but every the customers are coming up with complaints regarding the ATM booths are not available in different area.
- For financing, a lot of papers are needed that makes the customer monotonous and boring. For every investment a new A/C is appended and it takes extra time also.
- After evaluating the overall service characteristics in Agrani bank limited District Council Branch, Faridpur on the basis of its Tangibility, Reliability, Assurance, Responsiveness, and Care & Empathy, I have found that the bank may have some problem that is associated with tangibility, but most of the clients are highly satisfied and gave good complement to their reliability and assurance. But little bit unhappy with their responsiveness and care and empathy.

RECOMMENDATIONS/SUGGESTIONS

The analysis of the importance scores across various attributes of service quality dimension pointed out some attributes that were highly important to the customer. These attributes are listed below according to importance and Agrani bank limited should try improving these sectors-

- Speed of Service need to improve and consider value of time to the customers.
- Locations of ATM's and availability of ATM's booth should be set up.
- Friendliness & courtesy of the employees should develop through proper training and orientation.
- Promptness of error correction is necessary through proper computerized systems.
- Location of the branches and communication facilities should be develop as per the principles of marketing mix.
- Individual attention and promotional activities like adds and regular articles and social program should arrange.
- Problem solving interests within employees need to develop to show.
- Contentious research and development work and brand building and retaining strategy need to follow.

CONCLUSIONS

If banks are to improve their satisfaction loyalty ratings and differentiate themselves from the competition, they need to understand what really drives satisfaction and loyalty. They also need to know which areas have the greatest room for improvement. There is little point in intervening resources on areas that are important but are performing well, or in areas that there is much room for improvement but they are not important in driving satisfaction and loyalty. Thus Agrani Bank top management need to know what levers to push to increase these measures of success.

LIMITATIONS

- The actual survey was done with in a very short period. Time frame of the research was very limited.
- As it is my second time to prepare these types of report. So I am not enough experienced.
- Agrani bank's documentation after limited company is very conservative and past document is not too much available in my respective bank.
- Hesitance to share all types of information on the part of the Bank.

ACKNOWLEDGMENT

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APPENDIX/ANNEXURE

APPENDIX

- General questionnaire for measuring customer satisfactions.

Reliability:

Ques.1. Does the Bank provide services within the time promised?

TABLE 46

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Ques.2. Do the employees give appropriate solution to problems?

TABLE 47

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Ques.3. Does the Bank errors and mistakes correct its promptly?

TABLE 48

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Responsiveness:

Ques.1. Does the employee gives you prompt services?

TABLE 49

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Ques.2. Are employees always willing to help?

TABLE 50

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Ques.3. Does the employee always search for solution?

TABLE 51

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Assurance:

Ques.1. How is the friendliness & courtesy of the employees?

TABLE 52

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Ques.2. Do you feel safe in your transactions with Agrani Bank?

TABLE 53

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Care & Empathy:

Ques.1. Does the Agrani Bank give attention to every individual ?

TABLE 54

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Ques.2. Does the employees of Agrani Bank understand your specific needs?

TABLE 55

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Ques.3. Does the Agrani Bank have your best interest at hearts?

TABLE 56

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

5.5 Tangibles

Q1: Has Agrani Bank visually appealing facilities?

TABLE 57

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Q2: Has Agrani Bank convenient hours of operation?

TABLE 58

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Q3: Are the statements easily understood, reliable and accurate?

TABLE 59

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Q4: Has Agrani Bank modern equipment and technology that better satisfy your needs?

TABLE 60

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

5.6 Some other Analysis

Q1: Has Agrani Bank strong brand name and reputation?

TABLE 61

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Q2: Has Agrani Bank sufficient ATM booths?

TABLE 62

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Q3: Has Agrani Bank suitable branch location?

TABLE 63

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

Q4: Does Agrani Bank gives average bank service and facilities?

TABLE 64

Satisfaction Score	Level of Satisfaction (%)
5	Highly satisfied
4	Satisfied
3	Indifferent
2	Negative with that statement
1	Highly disagree with the statement

2. Question for external Customers to know their personal opinion towards Agrani bank limited.

1. What is the condition of banking environment in Agrani Bank Limited?
2. Has Agrani bank limited Branches in convenient location?
3. What is the Profit rate in various deposits in "Agrani Bank Limited?"
4. What is the rate in various investments in "Agrani Bank Limited?"
5. What is the level of Standard of service in "Agrani Bank Limited?"
6. Is the service delivery process in "Agrani Bank Limited" sufficient?
7. What is the real scenario of Problem solving attitude of the employees?
8. Is the communication process with the customer sufficient enough?
9. Promptness of given services in "Agrani Bank Limited"
10. Are they capable of fulfillment of customer expectation?
11. Is "Agrani Bank Limited" attach with modern technology?
12. What is the level of accuracy in transaction in "Agrani Bank Limited?"

3. Close ended questionnaire for employee section to measure the level of service performance of Agrani bank limited.

1. What is the condition of banking environment in Agrani Bank Limited?
2. What is the scenario of Compensation package in Agrani Bank Limited?
3. What is the Profit rate in various deposits in "Agrani Bank Limited?"
4. What is the rate in various investments in "Agrani Bank Limited?"
5. What is the level of Standard of service in "Agrani Bank Limited?"
6. Is the service delivery process in "Agrani Bank Limited" sufficient?
7. Which types of Support is given by the authority in problem solving situation?
8. Is the communication process with the customer sufficient enough?
9. Are top managements help in strategy implementation?
10. Is there any Similarity between customer expectation and your perception about providing service?
11. Is "Agrani Bank Limited" attach with modern technology?
12. What banking activity top management evaluates and control?

THE IMPACT OF FOREIGN DIRECT INVESTMENT INFLOWS IN BALANCE OF PAYMENT

RENJU JOSEPH
Ph. D. RESEARCH SCHOLAR
BHARATHIAR UNIVERSITY
COIMBATORE

ABSTRACT

India with a robust growth rate is now triumph more assimilated with world economy. The cross borders are ambiguous in a financial market and have made sway on the Indian economy as well. India after globalization has now braced the across borders trade and hence has advanced with the economic growth. Furthermore, we have endeavoured to relationship exists between some of the variables like current account and goods and services, Foreign Direct Investment and between Capital account inflows. The study investigates the impact of Foreign Direct Investment on India's Balance of Payment for a period of 2012-2016 quarter wise. Secondary data will be composed through RBI website, Journals, Research articles and newspapers. The study uses Regression to institute relation between dependent and independent variables. Here foreign direct investment, the current and capital accounts as explanatory variables, while the balance of payments is the dependent variable. The exploration is drawn for the balance of payment and an analytical conclusion is drawn for the relation of balance of payments with the independent variables.

KEYWORDS

FDI, current account balance, capital account balance, balance of trade.

JEL CODES

F33, F35, F39.

INTRODUCTION**MEANING OF BOP**

Balance of payment is countries used to monitor all international monetary transactions at periodically. BOP is used to calculated quarterly are annually for every year. All trade conducted by both public and private sector are accounted in order to determine how much money is going in and out of the country. The BOP mainly categorized into three categories current, capital, financial account.

Current account: The current account is used to maintain inflows and outflows of a country. With the current account all debits and credits of trade and merchandise of raw material, and manufacturing goods and services that are bought and sold with rest of the world to understand the significance of the part of BOP we should start of looking at the components of current account.

Capital account: the capital accounting economic term it is a net change in investment and ownership. Capital account is used to measure countries inflows and out flows of private and public investments. This account is used to maintain countries balance of payment with current account. The capital account balances with foreign direct investment, foreign security investments and bank deposits, and the countries reserve account. The capital account is used to maintain by the country's central bank and used to maintain foreign securities to stabilize countries' currencies.

Balance of trade: Balance of trade is the difference between all imports and exports of goods and services of a country for a period of time. It is a tool that helps to understand the country's current account it explains if country's export is more than its import is known as trade surplus. If a country's Import is more than its export is known as trade deficit.

Foreign direct investment: FDI is a key component of globalization. FDI is cross-nation investment to create foreign enterprise in host country and residential enterprise in foreign country, which creates employment, and enhance skills of local labor through transfer of technology and manager knowledge and helps to create and integrate the domestic economy with global economy.

REVIEW OF LITERATURE

Lovely Srivatsava (2016) analyzed the factors that influence countries trade balance and found that there are various gaps between trade among home country and rest of the world. Government is taking various initiatives to improve export and decrease import.

L. Kannan (2014) impact of Foreign Direct Investment in Imports and Exports and found that there is positive link between FDI and Exports and Imports. FDI is not the only explanatory measure for predicting exports and imports. It is impact on both public and private sector complementary trade and investment development accordingly.

OBJECTIVES

The main objective is to show the relation between current account and balance of trade and capital account and FDI and how its effect on balance of payment of a country.

RESEARCH METHODOLOGY

The paper is based on secondary data, which collected various sources like RBI, Investopedia, and Trading economics etc. The paper is majorly in descriptive in nature.

DATA ANALYSIS

TABLE 1

Year	Current Account	Current Account Growth	Capital Account	Capital Account Growth
2012-13 Q1	-886		-10	
2012-13 Q2	-1232	-39%	-17	-74%
2012-13 Q3	-1,767	-43%	1	103%
2012-13 Q4	-979	45%	8	-1393%
2013-14 Q1	1,218	-24%	43	-427%
2013-14 Q2	-1158	5%	-14	132%
2013-14 Q3	-262	77%	7	150%
2013-14 Q4	-75	71%	-9	239%
2014-15 Q1	-469	-527%	1	111%
2014-15 Q2	-612	-31%	-1	183%
2014-15 Q3	-509	17%	-3	-223%
2014-15 Q4	-80	84%	-13	-372%
2015-16 Q1	-392	-390%	0	104%
2015-16 Q2	-534	-36%	0	45%

The above table and graph shows the growth in current and capital account for a period of 16 quarters from 2012-2016. The data analysis above shows the percentage change in capital and current account for a period of 16 quarters. The average growth is -46% in current account and capital account is -115%. The highest in current account deficit is recorded in the year 2015-16 Q4 and the lowest is recorded in the year 2012-13 Q3. The capital account is recorded highest in the year 43 in the year 2013-14 Q1 and the least in the year 2012-13 Q2.

TABLE 2

Model	Multiple R	R Square	Adjusted R Square	Standard Error	Significance
Balance of Trade	0.993594736	0.987230498	0.986318391	55.45658647	0.000*

Predictors : Balance of trade

Dependent variable : Current Account

* At 95% confidence level.

The table above explains the summary for balance of trade and current account. The R value explains the correlation value of balance of trade and current account which is 0.99 that depicts there is perfectly positive correlation between balance of trade and current account. R² determines the strength between two variables current account and Balance of Trade, R² value is 0.98, which shows statistically significant. Beta value 1.04, which signifies there is perfect relationship. P value 0.000 which is <0.05 at 95% confidence level, hence null hypothesis rejected and infer that there is significance relationship between balance of trade and current account.

TABLE 3

Model	Multiple R	R Square	Adjusted R Square	Standard Error	Significance
FDI	0.0528299	0.0027910	-0.068438209	14.1157883	0.8459311
Capital Account		05		4	56

Predictors : Foreign Direct investment

Dependent variable : Capital Account

The table above explains the summary for Foreign Direct Investment and Capital Account. The R value explains the correlation value Foreign Direct Investment and Capital Account of which is 0.052 that depicts there is no positive correlation between Foreign Direct Investment and Capital Account. R² determines the strength between two variables Capital Account and Foreign Direct Investment, R² value is 0.00279, which shows statistically not significant. P value: 0.845 at 95% confidence level, hence null hypothesis accepted and infer that there is no significance relationship between Foreign Direct Investment and Capital Account.

CONCLUSION

In this research paper, the study of Balance of Payment is made with the analysis of Current account and Capital account.

The analysis was made by using Regression analysis between Current account and Balance of Trade account. The analysis shows us that there is a significant association of Current account to the Balance of trade with Beta value as 1.04, Regression value is 0.99 and R square value is 0.987 with Significance value 0.000. This implies that the Balance of trade has a strong impact on Current account. Currently the Current account is in deficit but on a declining mode. Balance of trade having a strong association can be used as a major tool to control the deficit and decrease the deficit further.

The analysis for Capital account was also made with respect to Foreign Direct Investment using Regression analysis. The analysis shows that there is no significant association in between Capital account and Foreign Direct Investments with Beta value as -0.00403, Regression value is 0.052 and R square value is 0.0027 with Significance value 0.8459. Hence, further research has to be carried on to find out the factors, which have strong association with Capital account, as Foreign Direct Investment does not affect the Capital account. Currently Capital account is in surplus with a growth rate of 40% in Q4 of 2015-16. Hence, analysis of factors other than Foreign Direct Investments has to be made to find factors with positive association, which can be used as tool for improving the Capital Account growth rate.

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