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FEMALE ROLE PORTRAYAL IN INDIAN MEDIA: AN EXPLORATION OF FACTORS AFFECTING IT'S ADVERTISING EFFECTIVENESS

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ABSTRACT

The purpose of this paper is to explore the various factors that affect advertising effectiveness of female role portrayal in Indian Media. A total of 410 consumers above 20 years of age and from northern region of India were surveyed employing researcher controlled sampling. Data was collected through structured, refined research instrument that comprised of scales to measure various aspects of sex role advertising and its effectiveness. The research instrument also had items to generate demographic profile of respondents and female autonomy levels. Exploratory Factor Analysis (EFA) was conducted to reveal the existence of underlying factors that made up the attitude of Indian consumers towards female role portrayals, purchase intention and company image. Also sociocultural attitude of consumers towards appearance and idealized imageries in media was explored. The results of this paper aim to provide valuable insights in the area of sex role stereotyping in Indian media and its effect on Indian consumers. It shall help domestic and international marketers in dovetailing their marketing strategies and developing appropriate promotional messages.

KEYWORDS

company image, female role portrayals, information, internalization and purchase intention.

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INTRODUCTION

Media is undeniably reaching a level of near "omnipresence". It has affected all aspects of human lives, influenced thought processes, produced economic revolutions and cleansed societal evils. It has become the ultimate platform that showcases us to the world and the world to us. The most evolved form of media is the Social Media. It is a dynamic, instantaneous medium of communication that connects opposite corners of the planet with a few simple clicks of the mouse. Its "viral" nature makes it the most useful platform to quickly generate a global response for any issue ailing humanity. Social issues, particularly, issues related to women have for a major part been in the shadows. But with the advent of the Social Media epidemic, much support and impetus has been received by the "Feminism" movement.

Despite all the limelight women issues have recently received, there still remain certain "stigmas" and stereotypes that abound on the social media itself. These stereotypes generally portray women in roles that have now become redundant in our fast-evolving society. These discrepancies often create a setback to the positive progress the society had previously gained. The constrictive defining roles of women which generally range from, traditional stay-at-home wife to the independent and career driven corporate lady, are no longer applicable to today's female population. Media is the mirror that shows the reflection of the society and when the image it portrays isn't accurate, the purpose of its existence fails. Since these stereotypes are generally propagated through media itself, thus, it becomes an obligation on the media to correct these errors.

Issues regarding gender stereotyping in advertising has been a highly researched topic in the recent past. The history of Indian society has long been accused of unfair treatment of its female population. But with the turn of a new century, gradual transformations have brought about massive positive changes. The epidemic of social media addiction has also boosted awareness regarding this issue. Consequently innumerable campaigns have been launched to protest against such unfairness. Indians have taken up the aim of breaking gender stereotypes with vigor. Whether the cause is the recent rise in the phenomena of "Feminism" or in the general awareness of our society towards the gross misrepresentation of the fairer gender, this issue can now neither be avoided nor pushed to the background. This realization has also hit big brands and is slowly metamorphosing their advertising approaches.

REVIEW OF LITERATURE

A significant amount of work has been done on consumer and industry response to stereotypic role portrayals in the media. Still there exists a dearth of substantial literature in quantitative study on this topic. Usually the reactions of women are more focused upon towards these role portrayals. In 1971, the *Good Housekeeping* magazine conducted a poll. 40% of the polled audience (women only) felt television commercials offended women. Fram *et. al.* (1971), came up with factual proof that women may differ in their attitudes towards role portrayal of women in media. Younger, highly educated women were more critical in their views in comparison to their older or lesser educated counterparts. Witkowski (1974) and Lundstrom and Sciglimpaglia (1977) found similar results when they surveyed women's attitudes towards magazine advertisements. The effect of this attitude on purchase intention of the consumers was also studied by Lundstrom and Sciglimpaglia. Going deeper into the subject matter, these attitudes of women were related to the concept of a woman's own beliefs regarding her societal role. Wortzel and Frisbie (1974) studied the influence perceptions regarding a women's role in the mind of consumer on the preference they harbor towards specific situational depictions of women in advertising. They found the relation between preference and product function trumped the relation with role of women in society. On the other hand, Sciglimpaglia, Vanier and Lundstrom found that, the less traditional the role orientation of woman was, the more offended she was with stereotypical portrayals in advertising (1978).

From the above mentioned works, it is clear that from consumer point of view, the overall impression one gets is that of criticism. When we come to the industry's viewpoint, the situation is quite different. According to an article by Kerin, Lundstrom and Sciglimpaglia (1979), the industry held on to its non critical view towards these stereotypical portrayals of women in advertising. They quoted Franchille Cadwell, President of Compton/Cadwell, division of Compton advertising. He said that the industry persons, for example, copywriters "aren't going to show women in new roles if women don't respond to being shown in new roles." (*Advertising*

Age, 1976). The expert believed that women hadn't really changed much, but they were ready to change their advertising strategies if they felt a change in figures of recall, attitudes towards products and sales with the use of "liberated" advertising. At that point of time the industry people also came up with academic research conducted on proprietary data, showed proof that stereotypical role portrayals were instead of being offensive, were actually approved by a substantial group of women, thus ensuring its continued use in media (Major, 1969).

When talking about women portrayals as decorative objects initially there wasn't much research. The earliest documentation is from 1969 by R. H. Bruskin Associates. They conducted a survey and nearly one half of the respondents claimed to recall great deal of sex in advertisements they had viewed. Also out of the population, when asked if they were offended by such portrayals, fewer than one half replied in the affirmative. As discussed before the study by Lundstrom and Sciglimpaglia (1977), 42% of surveyed women felt objectification of women in media was prevalent. The younger and more educated women were more vocal about their dissent than in comparison to their older and less educated counterparts. Some other researchers also tried to explore this area. Wise, King and Merenski (1974) conducted a survey of college going students and their parents. They were requested to provide their thoughts on a single, general worded question- "Advertisers make too much use of sex appeal in their advertisements" the overall response to this was avoidance to give solid support to the above-mentioned statement. The details of demographics brought to fore the differences in agreements to the notion aforementioned. Older females were mostly of the opinion that the use of sex appeal was a bit too much in advertising. There are studies that tried to relate use of sexual appeal with other consumer behavior dimensions like brand recognition and recall.

SOCIO-CULTURAL ATTITUDE TOWARDS APPEARANCE

In a typical advertising print copy it mainly consists of an illustration, reading sequence and a body copy (Bovee and Arens, 1986). Thus the point of priority for the advertisers became the visual part, that is, the image. A general rule of thumb that is prevalent in most minds everywhere is that "Beautiful is good". Thus physically alluring models and celebrities were employed to create and advert with a better reach and selling point features that brought better recall. The advertiser's justification to such measure was that the model or celebrities employed in such advertisements were in congruence to the product segment being advertised. Also they were used in such a way that generated more brand recall. This was in accordance to the "match up hypothesis" (Kamins, 1990) and the ELM concept (Elaboration likelihood model). Audiences are groomed with such symbolism that when exposed to related image and subject their minds would be stimulated to recall the relevant product of service. Therefore when the images of these specific "good looking" entities are repetitively exposed to the audience they begin to internalize such standards and subconsciously start pursuing the "contemporary ideal beauty" (Lin, 2008). Englis *et al.* (1994) came from the other side of the spectrum to advocate against such impressions. According to them the focus should not be on these contemporary feministic depictions in the media. Rather it should focus on trying to balance the rising masculine expressions in advertising and the restricted definition of beauty standard that focuses on the "ideal women". As Till and Busler (2000) observed in their studies that the notion of contemporary beauty had been revolutionized to incorporate features of women like intellectual competence, social competence, concern for others and integrity. And thus in order to make advertising more effective measures like understanding the audience's behavior like purchasing decisions and emotional reflections should be thoroughly researched upon. The understanding from these research works shall help devise better marketing strategies that would materialize into symbolism of advertising and appease the latest feminist and thus become the current fashion trend in advertising industry (Englis *et al.*, 1994).

Researchers (Thompson *et al.*, 2004) developed a scale SATAQ (Sociocultural Attitude towards Appearance) to measure media influence by assessing internalization of appearance ideals and appearance pressures alongwith awareness about media information sources that provide these pressures. Appearance pressures are another aspect of media influence wherein the consumer feel pressured to behave in a particular way due to the idealized imageries present in advertising. Information sources and awareness regarding them also influence consumers by shaping their attitudes towards ad stimuli. This scale was widely used and repetitively validated in many studies (Cusumano & Thompson, 1997; Heinberg, Thompson and Storer, 1995). Factor analysis of the scale brought forth three major constructs: Internalization, Pressure and Information (Thompson *et al.*, 2004). One study conducted by Ichani and Ahmad (2016) found the SATAQ constructs to act as a moderator on the variable of purchase intention. Not much work was found regarding the constructs of information and pressure with advertising effectiveness.

OBJECTIVES

Thus keeping in mind all the above studies the following objectives were the aim off this study:

1. To investigate and identify factors that constitutes media influence on consumers.
2. To investigate and identify factors that constitutes a consumer's attitude towards advertising effectiveness of role portrayal of females in Indian media.

RESEARCH METHODOLOGY

The questionnaire used in the study had two major sections. The first section used a scale adapted from the (Lundstrom and Sciglimpaglia, 1977). It contains 17 attitudinal items. The main aim of this scale was to measure attitude of audiences towards advertising effectiveness in regards to female portrayals in media and its subsequent effect on consumer behavior like purchase intention and company image. Many previous researches have shown the said scale contains four sub scales namely "Role Portrayal Criticism, Accuracy of Role Portrayals, Company Image and Purchase Intention (Theodoridis, Kyrousi, Zotou and Panigyrakis, 2013). The items under Role Portrayal Criticism (RPC) construct consisted of six statements that were negatively worded with respect to female portrayals in media (statements 2, 4, 8, 9, 10 and 11). For the Role portrayals Accuracy (RPA) construct, it included six statements, which were positively worded with respect to female stereotyping in media (statements 1, 3, 5, 6, 7 and 12). Company Image (CI) subscale had two image oriented statements (statement 13 and 14). Purchase Intention (PI) construct had three items (statements 15, 16 and 17). This scale has been used in numerous studies and thus repetitively validated in the process (Harker *et al.*, 2005).

The second section of the questionnaire contained a scale with thirty items. This questionnaire is also known as SATAQ (Sociocultural Attitude towards Appearance Questionnaire). Thompson *et al.* (2003) conducted a vast and comprehensive study to develop and validate this widely used measure via factor analysis. According to their analysis, four different subscales were generated. Two distinct Internalization (INT) factors were received (general and athletic). For the purpose of this study, the athletic internalization items were forgone as they didn't add value to the research topic. Next construct was of media Pressure (PR) and media as an Information (INF) source.

The research instrument was administered to 410 consumers from Northern India region. Some were administered online while others in paper and pencil form. The researcher was always ready to remove any doubts or ambiguities faced by the respondents. Convenience sampling was used. The collected data was screened for missing data and outliers with the help of software SPSS (Version 19). Exploratory factor Analysis was conducted to identify the factors underlying attitudes of respondents towards female role portrayals and its advertising effectiveness along with their socio cultural attitude towards appearance/idealized images present in media.

RESULTS AND DISCUSSIONS

The following table shows the gender distribution of respondents of this study:

TABLE 1: SUMMARY OF RESPONDENTS OF THE STUDY

Gender	Frequency	Percentage
Male	217	52.9
Female	193	47.1
Total	410	100

Almost equal representation of both genders was present for the study in order to keep in mind the opinions of both genders on the topic and thus increase the generalizability of the results.

The data collected after being coded into SPSS 19, was screened and then subjected to exploratory analysis section wise. Exploratory Factor Analysis of section one is shown in table below:

TABLE 2: EXPLORATORY FACTOR RESULTS OF SECTION ONE

Factor	Items	Reliability (Cronbach's Alpha)
1	<ul style="list-style-type: none"> Overall, I believe that the portrayal of women in advertising is changing for the better Ads which I see accurately portray men in most of their daily activities. Ads which I see accurately portray women in most of their daily activities. Ads which I see show men as they really are 	.746
2	<ul style="list-style-type: none"> Ads suggest that women don't do important things Ads treat women mainly as "sex objects" I find portrayal of women in advertising to be offensive Ads suggest that women are fundamentally dependent upon men 	.742
3	<ul style="list-style-type: none"> Even though I may see an ad which is offensive for one product, I would continue to purchase other products that I have been using from the same company If a new product is introduced with ads that I find offensive, I might still buy it if it offers me benefits which I find attractive If a new product or service which I use adopts an ad campaign which I find offensive, I'll discontinue using it 	.774
4	<ul style="list-style-type: none"> Companies that portray women offensively in their advertising are more likely to discriminate against women and other minorities in job promotion and advancement, compared to other companies in the same business or industry. I believe that how women are portrayed in ads merely reflects the general attitude of that company toward women's place in society 	.607

Exploratory Factor Analysis of section two is shown in table below:

TABLE 3: EXPLORATORY FACTOR RESULTS OF SECTION TWO

Factor	Items	Reliability (Cronbach's Alpha)
5	<ul style="list-style-type: none"> I compare my appearance to the appearance of TV and movie stars I do not try to look like the people on TV I compare my body to the bodies of people who are on TV I wish I looked like the models in music videos I compare my appearance to the appearance of people in magazines I do not compare my body to the bodies of people who appear in magazines I would like my body to look Like the people who are in movies 	.877
6	<ul style="list-style-type: none"> Movies are an important source of information about fashion and "being attractive" Pictures in magazines are an important source of information about fashion and "being attractive" Movie stars are not an important source of information about fashion and "being attractive." Famous people are an important source of information about fashion and "being attractive" Magazine advertisements are an important source of information about fashion and "being attractive" TV commercials are an important source of information about fashion and "being attractive" 	.897
7	<ul style="list-style-type: none"> I've felt pressure from TV or magazines to exercise I've felt pressure from TV and magazines to be thin I do not feel pressure from TV or magazines to look pretty I've felt pressure from TV or magazines to have a perfect body I've felt pressure from TV or magazines to diet 	.880

In accordance to the items loaded under each factor and as logic dictated the factors were named as follows:

- Factor 1: Role Portrayal Accuracy – this factor showed positive attitude of respondents towards female role portrayals
- Factor 2: Role Portrayal Criticism- this factor indicated negative attitude of respondents towards female role portrayals.
- Factor 3: Purchase Intention: this factor was indicative of positive or negative purchase intention behavior of respondents due to female role portrayals in advertising of related products and service.
- Factor 4: Company Image- : this factor was indicative of positive or negative image of company engaging in female role portrayals related advertising, in the mind of the respondents.
- Factor 5: Internalization: this factor included items that indicated whether respondent internalized to high or low degrees the idealized images being shown in media.
- Factor 6: Information- this factor showed whether respondents held media sources as important information sources for lifestyle and social roles related decisions.
- Factor 7: Pressure- this factor was indicative of the degree to which the respondents felt pressure from media images to conform to their portrayals in advertising.

Thus, Exploratory Factor Analysis (EFA), provided with seven significant factors that affect advertising effectiveness of female role portrayals in Indian media.

CONCLUSIONS

As was evident from the results, seven factors viz., Role Portrayal Accuracy, Role Portrayal Criticism, Purchase Intention, Company Image, Internalization, Information and Pressure were received. The aim of this study was to explore these variables in Indian context. The existence of these variables has been proved and

validated in international studies. This study conclusively proves that similar factors also affect Indian advertising in relation to female role portrayals. Internalization, information and pressure together make the socio cultural attitude of consumers towards appearance (Thompson et al., 2004). These factors have been shown to affect the audience's self image issues. Thus the presence of these factors in Indian context raises concerns whether marketers include these variables when creating promotional messages because the negative effect of such portrayals could severely affect audiences' self image and health too (Phares et al., 2004; Klaczynski et al., 2004; Thompson and Stice, 2001; Rand and Wright, 2000; Demarest and Langer, 1996; Drewnowski and Yee, 1987; Mintz and Bentz, 1986). Effect of female stereotyping in media and its effect on purchase intention and company image has been studied often in international context before (Few studies of significance exist that explore variables of attitude towards sex role portrayal and advertising effectiveness (Ford and LaTour, 1996; Sciglimpaglia and Lundstrom, 1978; Wortzel and Frisbie, 1974 and Ford, LaTour and Lundstrom 1991). Thus again in Indian context these factors need to be studied and the relationships between these need to be kept in mind by Indian marketers and managers. Thus, this study provided empirical proof of these variables in Indian context and validated the scales measuring these variables for Indian consumers. Reliability was also achieved and thus these scales can be used in future studies to carry out more in depth research on the topic of female role portrayals.

LIMITATIONS

The study has following limitations:

1. Study is restricted to northern region of India.
2. A larger sample size will create generalizability of results.
3. Time limitations also existed.

SCOPE FOR THE FURTHER RESEARCH

The results of this study shall help and guide future researchers for more quantitative studies on the topic which as of yet are rare. Studies that cover larger regions of India and its population are recommended. Longitudinal studies shall help improve results and its applicability. Also empirical relationship between these variables can be tested in future studies.

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ERGONOMIC SEATING: THE SEAT-DEPTH PROBLEMS**MURAT DARCIN****ASSOCIATE PROFESSOR****GENDARMERIE & COAST GUARD ACADEMY****ANKARA****MURAT ALKAN****Sr. LECTURER****GENDARMERIE & COAST GUARD ACADEMY****ANKARA****GURDOGAN DOGRUL****Sr. LECTURER****GENDARMERIE & COAST GUARD ACADEMY****ANKARA****ABSTRACT**

Anthropometric measurement results are taken into consideration at the design stage in the manufacturing of an ergonomic chair but there are few research studies on seat depth. In this study, the seat depths of some chairs and the buttock-popliteal lengths (BPL) of their users were measured. The purpose of this study was to determine whether the seat depths of the office chairs sold in Turkey are compatible with the Turkish people or not. It was determined that the problem of incongruity arises from seat depth. At the end of this study, it was determined that 64 (53%) of the 120 office chairs are compatible with the anthropometric measurements of the users. The differing sensitivity in the buttock and thigh areas between populations is an indication that chairs should be designed and selected for the specific population under consideration. Correct posture on a chair designed by using the anthropometric data reduces back and shoulder pain. Sitting depth significantly affects the design of other seat components.

KEYWORDS

anthropometry, buttock-popliteal length, office chair, seat depth, seating.

JEL CODE

J81

INTRODUCTION

Because sitting is one of the main activities human beings do over their lifetime, many studies have been done on office chair comfort. In the last 20 years, the ergonomic design of office chairs has gained major importance. Sitting is described as a body position in which the weight of the body is held and transferred to a supporting area by the ischial tuberosities of the pelvis and their surrounding soft tissue [Chaffin et al., 2006; Pynt et al., 2001]. In studies about sitting comfort, objective and subjective data are associated with each other in order to determine the relative effects of the comfort. This kind of study focused mainly on the comparative comfort characteristics of different seat cushions [Seigler, 2002]. However, in contemporary ergonomic office chair designs, basic anthropometric measurements such as shoulder width, hip breadth while sitting, sitting height, shoulder height, sitting elbow height, buttocks-knee length, buttock-popliteal length (BPL), knee height, and popliteal height should be taken into consideration. Although anthropometry alone might not provide all the comfort required, it is important to determine the functional dimensions of the office chairs [Corlett, 1999; Vergara and Page, 2002].

The body weight of a seated person is primarily carried by the lower part of ischial tuberosities of the pelvis; three-fourths of the body weight is supported by a small area of 26 cm² [Parcells et al., 1999]; 45% of the weight of a person is supported by ischial tuberosities. Since the impact of body weight on the soft tissues is unavoidable, the sitting posture remains to be one of the key factors affecting comfort [Seigler, 2002]. According to Branton (1969), 65% of body weight is borne by the seat pan [Branton, 1969]. Therefore, seat dimensions are a key determinant for the support of user's lumbar region [Kolic, 2003]. However, the seat pan cannot by itself hold the entire body — the muscles of the legs, feet, and back also help to support the body in a proper sitting posture [Branton, 1969]. Seat depth is the most critical issue in the sitting posture because a seat depth that is too short or too long removes these supports for the body and causes the body weight to put pressure on the wrong areas. This results in bad posture which in turn leads to various health problems [Seigler, 2002; Panero and Zeinik, 1979; Shen and Vertiz, 1997; Diane et al., 2006].

When the seat pan depth is more than normal (too long), the seat pan front will put pressure on the region behind the knee and hamper blood circulation throughout the legs [Pheasant, 1996; Smellie, 2003]. In order to mitigate this problem, the user will lean forward and lose waist and back support [Parcells et al., 1999; Smellie, 2003]. Moreover, a too long a seat pan depth prevents the user from getting the benefit of the armrest and back support that share the pressure on the backbone [Goonetilleke and Feizhou, 2001]. On the other hand, too short seat pans cause discomfort by removing necessary body supports; they increase the load on the buttocks by removing the support to the lower thighs giving the user an impression of falling forward [Panero and Zeinik, 1979; Collins, 1999].

The purpose of this study was to determine whether the seat depths of the office chairs sold in Turkey are compatible with the Turkish people or not. In this study, only seat depth was investigated instead of the relevant components used in office chair designs. The main reason for the choice is that there has been a good deal of research on the other components of office chair design including the adjustable mechanisms that provide suitable seating for a wide range of people. The seat depths of the office chairs and the BPLs of chair users were measured and compared, and the conformity between them was determined.

METHOD

The measurements were gathered from the BPLs of 120 workers (80 male, 40 female) and 48 office chairs. Due to the subject matter of this study, only the BPL of the subjects was measured. BPL is the horizontal distance from the rearmost surface of the buttock to the back of the knee [Parcells et al., 1999; Pheasant, 1996]. In the anthropometric measurements performed, the subject sat in a position in which the thighs touched the seat pan completely, the seating surface reached the knee hollow as far as possible, the lower legs were held vertical to the floor or solid surface, and the lower buttocks were fixed with a block attached vertically against the seat pan. Then the distance between the block and BPL was measured by using a standard Martin-type anthropometer. The measurements were taken from the subjects in a situation in which they felt relaxed. None of the subjects had any musculoskeletal injuries. Measurements were taken from the subjects in their daily work clothes so no allowance or extra margin was added to the measurements. Each subject was asked their first name, surname, age, date and place of birth. After this data (plus the gender) was recorded on the data form, an expert measured the BPLs with an anthropometer.

Seat depth was determined by measuring the horizontal distance from the back (starting point of the buttocks) to the front edge of the seat pan [Parcells et al., 1999, Karwowski, 2001].

RESULTS

The seat depth measurements of 48 office chairs, the BPL of 120 office workers who use these 48 types, seat depth lower limit ($LL = SD \cdot 0.8$) and upper limit ($UL = SD \cdot 0.95$) based on the values of SD and BPL are found. The seat depth is regarded as "compatible" (C) if it is between the 80-95% of the BPL ($LL \leq SD \leq UL$), "incompatible and extremely short" (ES) below 80%, and "incompatible and extremely long" (EL) above 95%. In other words, user-friendly seat depth is acceptable at shorter than 95% of the user's BPL and longer than 80% [Parcells et al., 1999]. At the end of this study, it was determined that 64 (53%) of the 120 office chairs are compatible with the anthropometric measurements of the users. The other 56 (47%) chairs are incompatible with the users. Among the incompatible office chairs, it is found that 45 of them are extremely long and 11 are extremely short. The incompatibility ratio of the office chairs used by female workers is 57%. The main reason for the incompatibility is the extremely long seat depths. The incompatibility ratio of the office chairs used by male workers is 41% (33 office chairs in total).

DISCUSSION

When determining the appropriate seat depth, BPL was taken into consideration. However, some ergonomists argued that there should be a space between the back of the leg and the seat pan which would enable the knees to bend 80 degrees when the user is standing up [Diffrient et al., 1974]. Some studies supported the argument that longer seat pans cause discomfort during sitting and standing [Pheasant, 1996; Smellie, 2003]. Moreover, it is suggested leaving a 2 cm space between the back of the knee and the seat pan when determining the seat depth [Collins, 1999]. Some studies noted that depth should be at least 5 cm shorter than BPL [Gouvali and Boudolos, 2006; Poulakakis and Marmaras, 1998]. Most researchers report that seat depth should be designated for the fifth percentile of BPL distribution, including even the shorter users [Milanese and Grimmer, 2004; Occhipinti et al., 1993; Helander, 2003].

As this study suggests, longer seat depths abate the benefits of back rest and height adjustment and also cause the user to lean forward in order to mitigate the pressure of the front edge of the seat pan to the back of the knees [Smellie, 2003]. Moreover, the user experiences discomfort, especially on the back of the knees due to restricted blood circulation caused by the longer seat depths, when trying to use the back and arm rests. On the other hand, shorter seat depths don't allow the user to utilize the support components of the office chairs properly [Panero and Zeinik, 1979; Collins, 1999]. Thus, both longer and shorter seat depths are problematic.

Despite this kind of study, chair manufacturers are not expected to produce office chairs with adjustable seat depths. But, even if they continue their conventional production, the producers will have to offer their products with suitable anthropometric properties to the target populations. Just as clothes and shoes are classified according to size, the manufacturers might provide the consumers the appropriate products and, in doing so, will increase consumer awareness of the subject. It is now time for consumers to focus on ergonomic comfort and not just taste or choice. Both consumers and manufacturers will benefit in the end; consumers will be satisfied because they will have the chance to sit on office chairs that they like and the firms will produce more ergonomic products which will increase their sales.

Adequate lumbar support is one of the most crucial functions of a backrest. Inadequate support places excessive pressure on the spine. The backrest should either be small enough to fit into the small of the back, clearing the pelvis and back of the rib cage, or curved to provide adequate support. Many office chairs come with a built-in lumbar adjustment option and most have some type of seat height adjustment mechanism that allows the user to adjust the chair so the feet can rest on the floor while upper body is properly aligned with tools such as computer monitor, keyboard, etc. Users generally prefer office chairs with such features, however, seat depth, which has been neglected by manufacturers for such a long time, is one of the most important elements in the design of ergonomic office chairs. It is not an exaggeration to say that the firms that will focus widely on the adjustable seat depths will have a comparative advantage in the market.

CONCLUSION

The results of this study indicate that office chairs should have adjustable seat depths despite the increase in cost it may entail or that office chairs should be marketed according to the BPL of the consumers. People's expectations are changing along with their physical size. It is obvious that new office chairs will be produced in the course of the changes and it should be kept in mind that the designs which don't take human characteristics into consideration cannot continue.

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A RELEVANCE OF TOURISM EMPOWERMENT AND TOURISTS VITALITY: A STUDY OF VIJAYAPUR

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ABSTRACT

A developing country like India, which is on path of modern economic growth through structure transformation of the economy. Tourism is the practice of travelling for pleasure or the business of offering information, accommodations, transportation and other services to tourists. This word was first documented between 1805 and 1815. Tourism is an activity done by an individual or a group of individuals, which leads to a motion from a place to another. From a country to another for performing a specific task, or it is a visit to a place or several places in the purpose of entertaining which leads to an awareness of other civilizations and cultures, also increasing the knowledge of countries, cultures, and history. Tourism has a direct impact on the national revenue for all touristic countries, it creates work opportunities, industries, and several investments to serve and raise nations performance and cultures, also distributes their history, civilization, and traditions. It has the highest number of national protected monuments in India, at 507. The present study has carried for the purpose of understanding of growth of tourism, SWOT analysis of tourism industry in Vijayapur and factors impact of tourism on economic development of Vijayapur District, Karnataka State. The sources of information had been collected from secondary and primary data. The primary data had collected through a set questionnaire from 150 respondents included domestic and foreign tourists during 2016. The data has analyzed and interpreted with the help of statistical techniques. The study has found some of the challenges and potentialities of tourism entrepreneurship in Vijayapur District, 2016. The study was concluded that the tourism destiny is a vital arena of service and hospitality industry, which attracts and enhance worth of tourism destinations in Karnataka State.

KEYWORDS

Vijayapur, growth of tourism.

JEL CODE

Z32

INTRODUCTION

A developing country like India which is on path of modern economic growth through structure transformation of the economy. Tourism is the practice of travelling for pleasure or the business of offering information, accommodations, transportation and other services to tourists. This word was first documented between 1805 and 1815. Tourism is an activity done by an individual or a group of individuals, which leads to a motion from a place to another. From a country to another for performing a specific task, or it is a visit to a place or several places in the purpose of entertaining which leads to an awareness of other civilizations and cultures, also increasing the knowledge of countries, cultures, and history. Tourism has a direct impact on the national revenue for all touristic countries, it creates work opportunities, industries, and several investments to serve and raise nations performance and cultures, also distributes their history, civilization, and traditions. It has the highest number of national protected monuments in India, at 507. We must also take note that India is best suited for all kinds of tourism. Rural, cultural, eco-tourism, spiritual, sports and adventure tourism and Indian tourism Industry must concentrate on encouraging Indian citizen to holiday within the country. It has outlined various dimensions of tourism. Though the shift to more recent forms of alternative tourism in the context of contemporary development in the tourism industry within and outside the country.

REVIEW OF LITERATURE

1. Singh M. (2003)¹, in his article reveals that many tourists coming from urban/suburban settings feel the need to get back in touch with nature. Bound by their daily desk routine they are looking for challenge and excitement. This is probably why eco-tourism is the buzzword nowadays. The most popular activities for eco tourist are spotting wild animals, trekking, hiking, bird watching, nature photography, wildlife safari, camping, mountain climbing, fishing, river rafting, scuba diving and botanical studies. The author said that the India has immense potential for eco-tourism. If conducted rightly it will not only yield significant economic returns but will help protect and preserve our natural resources and wildlife.
2. Kumar S. and Binu R. (2004)², in their article critically analyze the growth of tourism industry in Kerala. The study analyses development activities of tourism industry in Kerala, the role of different agencies involved in tourism development, infrastructure, and tourism vision of the State and compare it with that in other States. Despite being a small State with not much historical or heritage monuments, but with abundant natural beauty and good climate round the year, Kerala has achieved remarkable growth in tourism industry. It is the only industry in Kerala which has recorded continuous growth for the past few years.
3. Bhatia A. K. (2004)³, takes us through the harsh realities of travel during the ancient times to the present day pleasure travel. He cites a series of factors responsible for the growth of tourism worldwide. He claims that tourism is not only an economy activity of importance but also an important medium of social and cultural development. He has also discussed the service dimensions which will help in understanding and managing the tourism activity. He has outlined various dimensions of tourism. Though the shift to more recent forms of alternative tourism have not been elaborated upon.
4. Sundara S. (2007)⁴, discloses that India with its diverse socio culture, varied eco system and cost effective health care industry has immense potential to become the most preferred tourist destination. India is slowly but surely awakening to its tourism potential. Concerted efforts have been made by the Indian Government to boost tourism activity. Proper coordination between the centre and states will help in toning up the image of tourism. One must realize that sustainability of

¹ Singh M. (2003), "Peril and Perils of eco-tourism", Facts for you.

² Kumar S. and Binu R. (2004), "Performance of Tourism Industry in Kerala", The Indian Journal of Commerce, Vol-57, No-2. April-June

³ Bhatia A. K. (2004), "Principles and Practices (2nd Revised edition) Sterling Publishers Private Ltd.

⁴ Sundara S. (2007), "Tourism: India Awakens to Incredible Opportunities," Facts for you. December

tourism activity in the long run is more important than immediate gains. We must also take note that India is best suited for all kinds of tourism. Rural, cultural, eco-tourism, spiritual, sports and adventure tourism and Indian tourism Industry must concentrate on encouraging Indian citizen to holiday within the country. 5. **Sanchey Malviya**, Tourism: Policies, Planning and Governance, Volume-3, ISHA Books, Delhi, ISBN-81-8205-15-3, 2005. This book concerned with the planning and governance of tourism. This book covered human resource planning, tourism policies, motivation of nature tourism, tourism and heritage, community based tourism, transportation and tourism and promotional methods in tourism.

OBJECTIVES OF THE STUDY

1. To study the growth of tourism industry in selected Vijayapur city, Karnataka
2. To analyse the degree of satisfaction of tourist about selected tourist destination.
3. To study the various forces impact on tourism industry selected area.

HYPOTHESIS

1. **Ho1:** there is no growth of tourism industry in selected Vijayapur city
2. **Ho2:** there is no significant relationship between tourist destiny and degree of satisfaction of tourist.
3. **Ho3:** there is no forces impact on tourism industry in Vijayapur area.

RESEARCH METHODOLOGY

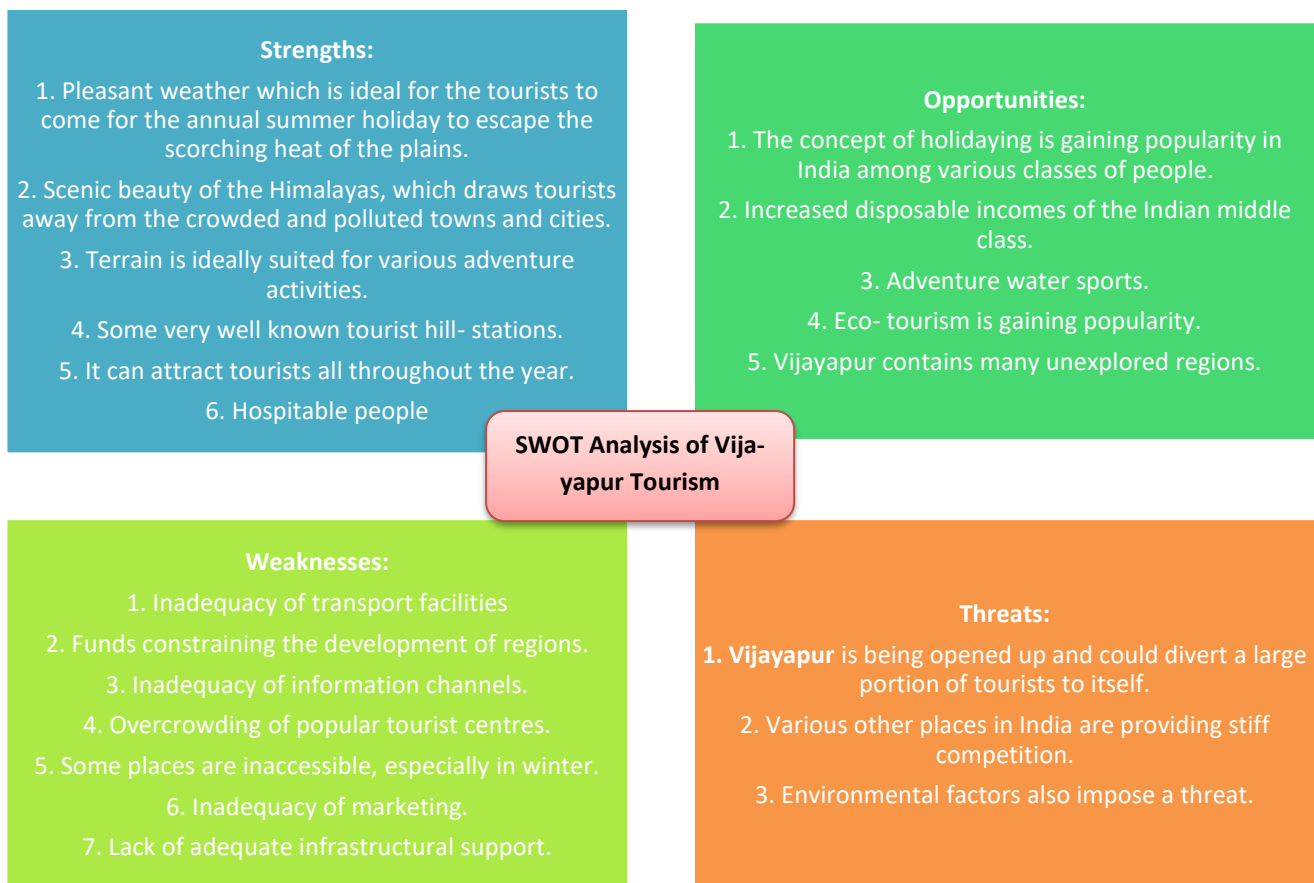
The present study has descriptive and analytical in nature and encompasses both primary and secondary data. The primary data has been collected through the interview, discussing the subject matter by the set open ended and close ended questionnaire to the domestic and foreign tourist. The sample size obscured 150 tourist respondents from various parts of nation and world during 2016. The secondary data was collected from the journals, textbooks, reports of tourism department, Karnataka and relevant websites etc. The simple statistical measurements has been used to analyse the data and had been used SPSS programme for data analysis.

INTRODUCTION TO VIJAYAPUR TOURISM

Vijayapur is rich in historical attractions, mainly related to Islamic architecture, especially those of the Vijayapur Fort. Vijayapur is a town blessed by scattered ruins and still intact gems of the 15th to 17th century Muslim architecture. It was the capital of the Adil Shahi dynasty (1489-1686), one of the splinter states formed when the Bahamani Muslim kingdom broke up in 1482. The town is dotted with mosques, mausoleums, palaces and fortifications. A formidable fort surrounds the town, which has some of the finest mosques in the Deccan and retains a pleasant atmosphere.

STRENGTH, WEAKNESSES, OPPORTUNITIES AND THREATS ANALYSIS OF VIJAYAPUR TOURISM

EXHIBIT 1



Source: Author's design

DATA ANALYSIS AND INTERPRETATION

TABLE 1.0: DISTRIBUTION OF RESPONDENTS ON THE BASIS OF RESIDENTIAL STATUS

Residential Status	Male				Female				Gross Total	% to Total
	Married	Unmarried	Total	% to Total	Married	Unmarried	Total	% to Total		
Domestic	42	12	54	60.00	28	08	36	40.00	90	100.00
Foreign	25	14	39	65.00	16	05	21	35.00	60	100.00
Total	67	26	93	62.00	44	13	57	38.00	150	100.00

Source: Field Survey, 2017

From the above table 1 it is understood that, Out of 150 respondents of the study, 60% are domestic respondents and 40% belongs to foreign countries. Of the domestic respondents, 60% of the respondents are male and remaining are female respondents. The percentage of foreign male respondents is more in number compared to female foreign respondents. It clearly states that more number of male respondents is selected for the study and of the total respondent's majority is married.

TABLE 1.1: PROFILE OF THE RESPONDENTS

	Frequency	Percent	Valid Percent	Cumulative Percent
I. Age of the respondents				
a. less than 15 years	9	6.0	6.0	6.0
b. 15 years to 25 years	41	27.3	27.3	33.3
c. 25 years to 45 years	65	43.3	43.3	76.7
d. More than 45 years	35	23.3	23.3	100.0
Total	150	100.0	100.0	
II. Educational qualification				
a. Illiterate	10	6.7	6.7	6.7
b. Matriculation	31	20.7	20.7	27.3
c. Under Graduation	55	36.7	36.7	64.0
d. Post-Graduation	54	36.0	36.0	100.0
Total	150	100.0	100.0	
III. Occupation				
a. Govt. worker	24	16.0	16.0	16.0
b. Private worker	32	21.3	21.3	37.3
c. Businessman	53	35.3	35.3	72.7
d. Professional	18	12.0	12.0	84.7
e. Students	12	8.0	8.0	92.7
f. Others	11	7.3	7.3	100.0
Total	150	100.0	100.0	
IV. Annual Income				
a. Up to Rs. 50,000	7	4.7	4.7	4.7
b. Rs. 50,000 to Rs. 1,00,000	27	18.0	18.0	22.7
c. Rs. 1,00,000 to Rs. 1,50,000	54	36.0	36.0	58.7
d. More than Rs. 1,50,000	62	41.3	41.3	100.0
Total	150	100.0	100.0	
V. Annual Budget for tour and entertainment				
a. Up to Rs. 25,000	25	16.7	16.7	16.7
b. Rs. 25,000 to Rs. 50,000	30	20.0	20.0	36.7
c. Rs. 50,000 to Rs. 75,000	35	23.3	23.3	60.0
d. More than Rs. 75,000	60	40.0	40.0	100.0
Total	150	100.0	100.0	

Source: Field Survey, 2016

Inference: The above table inference that the profile of the respondents such as their age, education, occupation, annual income and annual budget for tour and entertainment. 41 out of 150 respondents arrived to visit various historical monuments in Vijayapur and Bagalkot districts and their age group were 15 years to 25 years old tourist at 35% respondents. The majority of the respondents were in the age group of 25 year to 45 years i.e., 43.33% and very least age-old respondents visit, tourist destinations. The majority of under graduation and post graduate qualified tourist visit tourist destinations at 36.7 % and 36% respectively. The study shows that the most of government and businessmen visits Pattadakallu, Aihole, Badami, Vijayapur city, Alamatti etc. at 16% and 35.3 % respondents. Only 8% students' respondents had been visited to tourist areas. 54 no. of the respondents out of the 150 respondents has Rs. 1,00,000 to 1,50,000 annual income and 62 (41.3%) of the respondents has more than Rs. 1,50,000 annual income during the study period. 23.3 % of the respondents' annual budget for tour and entertainment were Rs. 50,000 to Rs. 75,000 and the most of the respondents has tour budget more than Rs. 75,000 annually i.e., 40%.

TABLE 1.2: THE AWARENESS ABOUT VIJAYAPUR TOURISM

	Frequency	Percent	Valid Percent	Cumulative Percent
Advertisements	44	29.3	29.3	29.3
Friends and Relatives	35	23.3	23.3	52.7
As a Researcher	11	7.3	7.3	60.0
Reading	52	34.7	34.7	94.7
Any Others (Specify)	8	5.3	5.3	100.0
Total	150	100.0	100.0	

Source: Field Survey, 2016

Interpretation: the above table explains that 34.7 % of the respondents knew the Vijayapur tourist spot by their reading and 29.3% of the respondents come to know about Vijayapur tour destiny by an advertisement. The friends and relatives also participated in word of mouth communication to create the awareness regarding our Karnataka tourism.

TABLE 1.3: NO. OF TIMES HAD BEEN VISITED TO VIJAYAPUR

	Frequency	Percent	Cumulative Percent
Once	104	69.3	69.3
Two times	24	16.0	85.3
Three times	13	8.7	94.0
Four times & More	9	6.0	100.0
Total	150	100.0	

Source: Field Survey, 2016

Inference: The study shows that the 104 no. of the respondents out of 150 respondents first time visited to Vijayapur, Badami, Pattadakallu and many other tourist places i.e., 69.5% and 16% of the respondents had been visited at two times. Hence, the study reflect that majority of respondents visited first time to our selected tour destinations.

TABLE 1.4: WHICH OF THE NORTHERN KARNATAKA TOURIST DESTINATIONS DO YOU PREFER TO VISIT?

	Frequency	Percentage	Cumulative Percent
Badami	24	16.0	16.0
Aihole	24	16.0	32.0
Pattadakallu	21	14.0	46.0
Kudalasangama	19	12.7	58.7
Alamatti	16	10.7	69.3
Vijayapur	36	24.0	93.3
Lakkundi	10	6.7	100.0
Total	150	100.0	

Source: Field Survey, 2016

Inference: The above table explains that the tourists preference about the northern Karnataka tourist destinations such as Badami, Pattadakallu, Aihole, Kudalasangama, Alamatti, Vijayapur and Lakkundi and many others destinations. Badami Taluq tourist destinations has more preference on an average at 19% and Vijayapur is also more preferable to visit and enjoy the art, culture and architecture of monuments at 24%. Hence, Vijayapur had attracts more no. of tourists towards its beauty of architecture.

TABLE 1.5: SHOWS THE REASONS BEHIND TOUR PLAN OF RESPONDENTS

Reasons	Frequency	Percent	Cumulative Percent
Health and wellness	9	6.0	6.0
Cultural tour	50	33.3	39.3
Eco-tour	22	14.7	54.0
Incentive travel	21	14.0	68.0
Research tour/ Industrial tour/ Conference	48	32.0	100.0
Total	150	100.0	

Source: Field Survey, 2016

Inference: the above table shows that the reasons behind tour plan of respondents is health and wellness, culture, eco-tour, incentive travel and research conference. 33.33% of the respondents were plan to travel historical places because cultural tour, 32% of the respondents are interested in the research conference and 6% of the respondents were interested in health and wellness. Henceforth, majority of the respondents were visit tourist destination due to cultural and research conference.

TABLE 1.6: SHOWS FACTORS EFFECTS ON TOURISM INDUSTRY IN VIJAYAPUR

Si. No.	Key Factors	A	b	c	d	e	Total
1	Tourist Accommodation	16	34	49	35	16	150
		10.7%	22.7%	32.7%	23.3%	10.7%	100
2	Service quality by hotels	7	39	34	29	41	150
		4.7%	26.0%	22.7%	19.3%	27.3%	100
3	Services by tour agencies	9	39	29	35	38	150
		6.0%	26.0%	19.3%	23.3%	25.3%	100
4	Value for money	14	43	33	29	31	150
		9.3%	28.7%	22%	19.3%	20.7%	100
5	Safety	5	16	39	35	55	150
		3.3%	10.7%	26.0%	23.3%	36.7%	100
6	Cultural attractions	16	35	45	25	29	150
		10.7%	23.3%	30.0%	16.7%	19.3%	100
7	Water sports	3	10	17	25	95	150
		2.0%	6.7%	11.3%	16.7%	63.3%	100
8	Infrastructure	9	11	51	34	45	150
		6.0%	7.3%	34.0%	22.7%	30.0%	100
9	Airline connections	0	0	0	0	150	150
		0%	0%	0%	0%	100%	100
10	Train connections	27	64	21	20	18	150
		18.0%	42.7%	14.0%	13.3%	12.0%	100
11	Tour and travel consultancy	4	7	35	31	73	150
		2.7%	4.7%	23.3%	20.7%	48.7%	100
12	Internet facility	0	5	7	47	91	150
		0%	3.3%	4.7%	31.3%	60.7%	100

Source: Primary Data, 2016.

Note: a- Excellent b-Very Good c- Good d-Fair e- Poor

Interpretation: From the above table encompasses that the factor effects on tourism industry of Vijayapur such as tourist's accommodation, hotel service, service of tour agency etc. are taken in to consideration. 32.7% of the respondents were satisfied regarding accommodation facility facilitated by lodge in Vijayapur and 11% of the respondents said that a poor about accommodation.

The majority 27.3% of the respondents were not satisfied about with a service quality of hotels in Vijayapu and 26% of the respondents said a very good of service quality of the hotels in Vijayapur. Service by tour agencies are satisfactory to the tourists at Vijayapur at 26% and 38 respondents out of 150 respondents disagreed

about a service by tour agencies. The majority of the respondents not satisfied towards a safety of tourists i.e., 36.7% and 23.3% of the respondents are said fair. 30% of the respondents expressed their opinion about cultural attractions of Vijayapur has more and touch an every tourists. The majority 63.3 % of the respondents are not satisfied about water sports facility at tourist destiny and 16.7% of the respondents are merely agreed. 34% of the respondents were said good about infrastructure of tourist place but Vijayapur city has to improve in various factors such as dust, road facility, more needy of tourist information centre, and other aids to vijayapur tourism destiny. 100% of the respondents were unhappy about airline connections to Vijayapur and its negatively impact on tourism industry. 42.7% of the respondents were happy about train facility to Vijayapur city. 73 respondents out of 150 respondents strongly disagreed about tour and travel consultancy to domestic and foreign tourists at Vijayapur city. Therefore, many force adversely effected on the Vijayapur tourism industry and few factors are favorable on the perspectives tourism development.

TABLE 1.7: SHOWS THE KEY STRENGTHS OF VIJAYAPUR AS A TOURISM DESTINATION

Key strengths	Frequency	Percent	Cumulative Percent
1. Shopping	5	3.3	3.3
2. Culture	50	33.3	36.7
3. Value for money	10	6.7	43.3
4. Friendliness of people	13	8.7	52.0
5. Safety and security	8	5.3	57.3
6. Good hospitality	12	8.0	65.3
7. Entertainment	5	3.3	68.7
8. Historical education	44	29.3	98.0
9. Festivals and events	3	2.0	100.0
Total	150	100.0	

Source: Field Survey, 2016

Interpretation: The above table 1.7 explains that the strengths of Vijayapur as a tourism destination such key strengths shopping, culture, friendliness, safety and security, hospitality, entertainment, education and festivals. 33.33% of the respondents are impressed about the culture of the Vijayapur, 8.7% of the respondents are happy towards the friendliness, 8% of the respondents are felt happy about good hospitality and 29.33% of the respondents were thought that the Vijayapur is utmost suitable for historical education. Hence, the research survey has resulted that the Vijayapur is one of the best tourist places in India.

TABLE 1.8: SHOWS WEAKNESSES OBSERVED IN THE VIJAYAPUR TOURISM

	Frequency	Percent	Cumulative Percent
1. Air access	40	26.7	26.7
2. Standard of accommodation	23	15.3	42.0
3. Range of products	14	9.3	51.3
4. Tourism awareness	16	10.7	62.0
5. Infrastructure	31	20.7	82.7
6. Quality of service	13	8.7	91.3
7. Cleanliness	10	6.7	98.0
8. Others	3	2.0	100.0
Total	150	100.0	

Source: Field Survey, 2016

Inference: From the above table inference that the weakness of Viayapur tourism in Karnataka because many of the drawbacks showed while doing pilot survey about tourism. 27% of the respondents are expressed negative opinion about air connectivity, 15.3% of the respondents are not comfort with accommodation facility, lack of infrastructure, lack of service quality, least cleanliness and many others weaknesses are there. The study has found that many things are not yet improved according to the changes take place a world tourism and even the local govt. politicians and officials not interested to improve tourism industry in Vijayapur.

FINDINGS

1. The percentage of foreign male respondents is more in number compared to female foreign respondents i.e., 65%.
2. The majority of under graduation and post graduate qualified tourist visit tourist destinations at 36.7 % and 36% respectively.
3. 54 no. of the respondents out of the 150 respondents has Rs. 1,00,000 to Rs. 1,50,000 annual income and 62 (41.3%) of the respondents has more than Rs. 1,50,000 annual income during the study period.
4. 34.7 % of the respondents knew the Vijayapur tourist spots by their reading and 29.3% of the respondents come to know about Vijayapur tour destiny by an advertisement.
5. 104 no. of the respondents out of 150 respondents first time visited to Vijayapur, Badami, Pattadakallu and many other tourist places i.e., 69.5%.
6. Vijayapur has more preferable to visit and enjoy the art, culture and architecture of monuments at 24%.
7. 33.33% of the respondents were plan to travel historical places such as Viayapur in the name of cultural tour.
8. 32.7% of the respondents were satisfied regarding accommodation facility facilitated by lodge in Vijayapur.
9. 38 respondents out of 150 respondents disagreed about a quality service by tour agencies.
10. 73 respondents out of 150 respondents strongly disagreed about tour and travel consultancy to domestic and foreign tourists at Vijayapur city.
11. 29.33% of the respondents were thought that the Vijayapur is utmost suitable for historical education.
12. 27% of the respondents are expressed negative opinion about air connectivity, 15.3% of the respondents are not comfort with accommodation facility, lack of infrastructure, lack of service quality, least cleanliness and many others weaknesses are there.

SUGGESTIONS

Suggestions based on the research survey and tourists direct relation to inconveniences faced during visit destinations were as expressed like a provision of required information in tourism centers, clean and maintain the environment in certain places, improve roads and transport facilities, shopping complexes, provision for hot water, more coverage in the media, more parking space, diverse culinary must be available, presence of hotels for the lower segment in peak months, clinics must be provided, exploitation by locals, parks and play grounds must be provided, improve higher education facilities, should be well connected and accessible, more entertainment facilities for tourists, display of required information and publicize local handicrafts. All the above information is very valuable as it directly provides the attitudes, behaviour, needs, wants, preferences, etc of the tourists, which are very helpful in building tourism strategies to encourage tourism.

CONCLUSION

Tourism is the practice of travelling for pleasure or the business of offering information, accommodations, transportation and other services to tourists. Tourism has a direct impact on the national revenue for all touristic countries, it creates work opportunities, industries, and several investments to serve and raise nations

performance and cultures, also distributes their history, civilization, and traditions. The study has found that many things are not yet improved according to the changes taken place in a world tourism and even the local govt. politicians and officials not interested to improve tourism industry in Vijayapur. Vijayapur is being opened up and could divert a large portion of tourists to itself, various other places in India are providing stiff competition and environmental factors also impose a threat.

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DEMONETISATION AND ITS IMPACT ON INDIAN ECONOMY

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ABSTRACT

On November 8, 2016 evening at 8 pm, the Indian currency Rs 500 and Rs 1000 note had been demonetizing. Demonetisation means withdrawing or pulling out of a particular form of currency from circulation. An unpredicted action taken by the prime minister has affected money aspect of India. In narrow sense, it has affected the growth rate of economy. It has an impact on consumer buying behavior and other population household and also on e-commerce business. As we know that due to this action, India faces so many problems. So it becomes necessary to study the impact of demonetisation on economy as well as on civil public. However, the prime minister gives emphases on e-commerce mode and promotes it. Yet the population of India is villager mostly and cannot either effort the latest technology due to backwardness or low income or has no sufficient knowledge about the technology. Therefore, the main aim of the study is to understand the positive and negative aspect on economy and on the public after the demonetisation.

KEYWORDS

demonetisation, currency, GDP, livelihood, corruption, black money, govt. (government).

JEL CODE

O50.

I. INTRODUCTION

Demonetisation is the act of stripping a currency unit of its status as legal tender." In other words, the current form or forms of money is pulled out from circulation and retired, often to be replaced with new notes or coin.

Prime minister of India, Sh. Narendra Modi, gave surprise when he announced about the demonetisation of INR 500 and INR 1000 currency on 8th November 2016.

There are three main purpose of this move- To eliminate the fake currency, to control on parallel economy and black money in India and to reduce corruption and tax evasion.

This is the third time that Indian high value currency has been pulled out from its status as a legal tender. This is the first time when demonetisation affected whole economy because currency represented by it was 86% of total currency in circulation.

A cursory look at the reserve bank of India's data on money supply as on 11th of November shows that M3 (broad money) has shrunk by Rs 38300 crore and currency available with the public has shrunk by Rs 1.75 lakh crore while demand deposit and time deposit have increased reduction in money supply means falling consumer spending investment spending and net exports leaving aside government spending.

India has a long-standing relationship with demonetisation. On January 16, 1978 Rs 1,000, Rs 5,000 and Rs 10,000 currency notes were scrapped through ordinance, impacting 0.6 % of the total currency in circulation at that time. Before that India had experienced demonetisation of high value currency in January 1946. On all occasion, it impacted only a miniscule segment of the society and economy.

Rs 100 were the highest denomination in circulation till 1987 whenever Rs 500 note and Rs 1000 note were re-introduced in November 2000. HOWEVER, till 2000-01 the share of high value notes was only 26.7 % of the total currency in circulation.

Demonetisation is not a strategy of India only. Other countries also demonetized their currency time to time. The coinage act of 1873 demonetized silver by united states in favor of fully adopting the gold standard which led to a five year depression throughout the country. Another example of demonetisation for trade purpose occurred when the nations of the European Union officially began to use the euro as their everyday currency in 2002. In 2015 the Zimbabwean government demonetized its dollar as a way to combat the country's hyperinflation which was recorded at 231,000,000%.

II. OBJECTIVES OF THE STUDY

The main objective of the study are:-

1. To know the effect/probable consequences on Indian economy, society / public and industries of demonetisation.
2. To know whether it do work as a monitor of corruption and black money or not. Or whether it abolish from corruption and black money or not and if yes than how much.

III. RESEARCH METHODOLOGY

The research is based on primary as well as on secondary data. The primary data are collected from villagers through interview and observation method and secondary data are collected from internet, magazines and books. These data are modified according to the need of objective of study.

For primary data collected by observation technique is used.

IV. INDIA' DEMONETISATION

In 2016 as we know, Indian government decided to demonetize the 500 and 1000 rupee notes, the two biggest denominations in its currency system. These notes accounting for 86% of the country's circulating cash. The govt. has called this short term pain for long term gain. But many citizens said they are willing to endure short term pain. People started counting the cash they had accumulated for years legally or illegally. Big queues before the banks and ATMs become the order of the day. Instead of getting shorter, these rows were getting longer day by day. The last date for the whole process of converting their old currency with new one was 31st of December (50 days). The persons could deposit the old cash worth Rs 2.5 lakh till the above date. Though the people faced a lot of inconvenience owing to shortage of fund, they did not criticize the government for this move.

The most interesting thing regarding the demonetisation is that the people are devising various unique methods for converting their black money in white one. Some of these are as given bellow

- Depositing money in the account of their relatives and friends.
- Giving some percentage of money for exchange to the peoples.
- Parching gold by black money.
- Paying salaries in advance.
- Utilizing their links with bank employees for converting such money and so on.
- Giving donation to temple.

V. IMPACT OF DEMONETISATION

The Impact of demonetisation can be studied in respect of three major points of views. These are as follow:-

1. Effect on economy
2. Effect on peoples/ public
3. Effect on share market or no BSE SENSEX and NIFTY.

EFFECT ON ECONOMY

The main point related to economy on which the demonetisation effects positively or negatively are studied as long-term effect and short-term effect. these are as below:-

- **MARKET LIQUIDITY**

These currency units banned are the unfavorable in daily life. These are 86% of the total currency circulation. Current reports indicate that all printing presses can print only 2000 million units of Rs 500 notes by Dec 2017. Nearly 16000 million Rs 500 notes were in circulation as on end march 2016. Towards end of March 2017 approximately 10000 million units will be printed and replaced. All these data indicate that currency crunch will be our economy for the next three months.

- **BUSINESS PRODUCTION AND DEMAND**

Due to demonetisation almost every type of business is negatively affected. By the second week after demonetisation, cigarette sales witnessed a fall of 30 to 40 % while E commerce companies saw upto a 30% decline in cash on delivery orders. However some business grows also. E-payment options like payTM and payment gateway, pay u money has seen arise. Debit card transactions rose by 108% and credit card transactions by 60% on November 2016. App downloads for payTM increased by 300%.

- **BANKING SERVICES/DEPOSIT**

The growth in bank deposits which was at a 53 year low at the end of March 2016 has seen a spike ever since the demonetisation was announced. The deposit collected by bank was Rs 6 trillion by 23rd of November 2016. Major Banks in India like the ICICI, HDFC and SBI have lowered their interest rates approximately by.25%. till November 27, 2016 an amount of 2.16 lakh crore has been withdrawn by peoples from their accounts. According to The Economic Times, more than 80 % of fake currency in India originates from Malda district in West Bengal.

- **GDP GROWTH RATE**

Due to demonetisation the growth rate of GDP is decreased. Global analysts cut their forecasts. Each 1% reduction in growth rate represent a shortfall of US \$ 22.5 billion (Rs 1.54 lakh crore) for the Indian economy. The following table shows the expected growth rate of India by different agency/ institutions:

TABLE 1

Agency	BEFORE Demonetisation	After DEMONETISATION
ZGOLDMAN SACHS	8%	6.9%
Ambit capital	6.9%	4.1%
Emkay Global	7.6%	6.4%
ICRA	8%	7.5%
Fitch Ratings	7.6%	6.7%
Morgan Stanley	8%	7.6%
HSBC	7.5	6.3%
World Bank	8%	7.2%
ADB	7.8%	7.2%

- **REAL ESTATE**

The impact on real estate can be studied in five parts which are as-

Commercial real estate- there will be a minimum impact on office /industrial leasing and transaction, given that cash component do not play a significant role in such transactions.

Residential real estate: - The primary sales segment is largely influenced by home finance players and deals tend. The secondary or resale market will, however, certainly be impacted, since this segment does see the involvement of cash component.

Real estate investment market: - FDI, Private equity and debt players will suddenly find the market even more transparent and attractive.

Retail real estate; - the luxury segment is likely to be hit because of the historical high incidence of cash acceptance. Overall the domestic consumption story remains intact with no threat to the overall strength and growth of the Indian retail industry.

Land sales will see very little impact of the demonetisation move. However those carrying out direct land deal will doubtlessly suffer which tend to involve significant cash involvement.

- **ALTERNATIVE RECEIPT/PAYMENT METHODS**

Pay TM rival mobikwik also saw its downloads quadruple and a 20-fold increase in money added to the wallets. Other alternative include mobile payment, flip kart wallet, ola money etc. ola money, the payment portal for popular transportation app ola cabs, reported a 1500% jump in money added to the accounts.

- **RAILWAYS AND POWER COMPANIES REVENUES**

As on November 2016, Indian railways did not have the option to make payment with cards at the counter. Due to this move the revenue and advance booking of railway ticket was increased for saving black money and convert the old currency note with new one. After the demonetisation move, the government announced to make card payment options available at railway counters in the country. The railway placed an order for 10000 card reader machine in January 2017.

- **AGRICULTURAL IMPACT**

Transactions in the Indian agriculture sector are heavily dependent on cash and were adversely affected by the demonetisation. Due to scarcity of the new bank-note, many farmers have insufficient cash to purchase seeds, fertilizers and pesticides needed for the plantation of Rabi crops. The demonetisation led to unavailability of cash to pay for food products. The prices dropped as low as 50 paise par kilo for tomatoes and onions. Agricultural product such as vegetables, foodgrains, sugarcane, milk and eggs were dumped on roads.

- **FAKE CURRENCY**

The real impact will be on fake / counterfeit currency, as its circulation will be checked after this exercise. Demonetisation as a cleaning exercise may produce several good things in the economy. At the same time, it creates unavoidable income and welfare losses to the poor section of the society.

Overall economic activities will be dampened in short term but the immeasurable benefits of having more transparency and reduced volume of black money activities can be pointed as long term benefits.

EFFECT ON CIVILIANS

- **HUMAN TRAFFICKING**

The note ban had led to a huge fall in sex trafficking. Satyarthi said the demonetisation would be effective in combating exploitation of children as well as corruption and would be a great obstacle to traffickers. They face a problem in hospitality due to shortage of cash.

- **CASH STORAGE**

The scarcity of cash due to ban led to chaos, and most people holding old banknotes faced difficulties exchanging them due to endless lines outside banks and ATMs across India which become a daily routine for millions of peoples waiting to deposit or exchange the bank note. Sporadic violence was reported in many places. People attacked bank premises, ATMs and a ration shops.

- **DEATHS**

Several people were reported to have died from standing in queues for hours to exchange and deposit their old bank notes and converting them with new ones. Deaths were also attributed to lack of medical help due to refusal of old bank notes by hospitals. Opposition leader claim that over 100 peoples had died due to this move.

- **TRANSPORTATION HALTS**

Due to demonetisation near 800,000 truck driver were affected with shortage of cash and around 400,000 truck stranded at major highway across of India. **Nitin Gadkari**, the Minister of Transport, subsequently announced a suspension of toll collections on all national highways across India till 2 December 2016.

- **JOB LOSSES**

There was a loss of job due to demonetisation, especially in an unorganized and informal sector and in small enterprises because of slow growth rate of capital formation.

- **MEAN TAX RAIDS AND CASH SEIZURES**

The amount of tax evasion is so high that nearly 40% of medical stores are not even registered. Many attempts have been made for tax evasion by the peoples. In Gujarat, Delhi and many other major cities, sales of gold increased on 9 November, with an increased 20 to 30% premium surging the price as much as Rs 45000 from the ruling price of Rs 31900 per 10 grams. Donation to the temples was given in bulk amount and multiple banking transactions were done for tax evasion. There is a whole chain of tax avoidance that will be broken if payment are captured in the formal system.

It was reported that the prime minister himself were directly coordinating the raids conducted by the income tax, enforcement directorate and agencies. Income Tax departments raided various illegal tax evasive businesses in Delhi, Mumbai, Chandigarh, Ludhiana and other cities that traded with demonetized currency. In Chhattisgarh liquid cash worth of Rs4.4 million (US\$65,000) was seized. As of December 28, official sources said that the Income Tax department detected over Rs 4,172 crore of undisclosed income and seized new notes worth Rs 105 crore as part of its countrywide operations. As of 10 December, Rs 242 crore in new notes had been seized.

- **WELFARE**

The population who constitute the 'base of the pyramid' uses currency to meet their transactions. The daily wage earners, other labourers, small traders etc. Who reside out of the formal economy uses cash frequently. These sections will lose income in the absence of liquid cash. Cash stringency will compel firms to reduce labour cost and thus reduces income to the poor working class. There will be a trickle up effect of the liquidity chaos to the higher income people with time.

- **CONSUMPTION HIT**

68% transaction is cash based in India. When liquidity shortage strikes, it is consumption that is going to be adversely affected first. Consumption is related with Production and production is related with Employment and employment with Growth and growth with Tax revenue and tax revenue with income.

EFFECT ON SHARE MARKET

- **IMPACT ON BSE SENSEX AND NIFTY 500**

As a combined effect of demonetisation and US presidential election, the stock market indices dropped to an around six month low in the week following the announcement. The day after the demonetisation announcement, BSE SENSEX crashed nearly 1,689 points and NIFTY 50 plunged by over 541 points. By the end of the intraday trading section on 15 November 2016, the BSE SENSEX index was lower by 565 points and the NIFTY 50 index was below 8100 intraday

VI. CONCLUSION

- Due to demonetisation, the growth rate of GDP is decreased by approx. 1%.
- These currency units banned are the unfavorable in daily life.
- Pay TM rival mobikwik also saw its downloads quadruple and a 20-fold increase in money added to the wallets.
- Opposition leader claim that over 100 peoples had died due to this move
- near 800,000 truck driver were affected with shortage of cash.
- Due to this move the revenue and advance booking of railway ticket was increased.
- The amount of tax evasion is so high that nearly 40% of medical stores are not even registered.
- The BSE SENSEX index was lower by 565 points and the NIFTY 50 index was below 8100 intraday.
- Overall economic activities will be dampened in short term.

VII. LIMITATIONS OF THE STUDY

These are as follow:

- The study is conducted in a limited area basically in Bhiwani. So the limitations of the sample are also the limitation of study.
- Only few areas are considered in the study. It is possible that some other area affected by demonetisation.

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A STUDY OF CUSTOMER'S ATTITUDE, PERSONALITY AND PERCEPTION TOWARDS INSURANCE

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ABSTRACT

India is developing rapidly into a global economic power with over a billion of people. With a relatively well-informed and youthful population, India will become an attractive insurance market within a couple of decades. This paper reflects the general attitude of the customers towards insurance policies. A study was conducted where random samples of about 250 customers were surveyed of varied age groups to find out the influence factor of the policy holders and their attitude, personality and behaviour towards several insurance schemes and policies. For analysis purpose, an important multivariate technique has been used to reduce the large and the varied group of factors into a concise one for better analysis. This study also helps to find out the customers' expectations and satisfaction level from the different insurance companies. It also helps us to evaluate whether the customers are drawing the maximum benefit from the insurance policies they are applying for.

KEYWORDS

attitude, buying behaviour, influencing factor, satisfaction level, general insurance.

JEL CODE

G22

INTRODUCTION

Insurance is a process of indemnity or a means of protection from financial loss at the situations of emergencies. It is a form of risk management, primarily used to hedge against the risk of a contingent, uncertain loss.

An entity which provides insurance is known as an insurer, insurance company, or insurance carrier. The person or entity who buys insurance is known as an insured or policyholder. Insurance involves the insured where there is a guarantee and relatively a small loss in the form of premium payment to the insurer against the promise of the insurer who agrees to compensate the insured in the event of a covered loss. The loss for which the insurer agrees to compensate, may or may not be financial, but it must be reduced to financial terms, and must involve something in which the insured has an insurable interest established by ownership, possession, or pre-existing relationship.

The insured enters into a contract, called the insurable policy, which is handed over in writing by the insurance company to the insured, the conditions and circumstances under which the insured will be financially compensated is written in detail in the policy, which is a legal document. Premium is the amount of money charged by the insurer to the insured for the coverage set forth in the insurance policy. The claim adjuster assesses the insurance claim, if the insured experiences a loss which is potentially covered by the insurance policy. There are 7 types of insurance policies:-

- 1) Term Insurance Policy
- 2) Endowment Policy
- 3) Whole-Life Insurance Policy
- 4) Child-Life Policy
- 5) Money Back Insurance Policy
- 6) Unit Linked Insurance Policy
- 7) Pension Plan Policy

Risk is an uncertainty of financial loss. It should not be confused with the peril which is defined as the cause of loss or with a hazard which is a condition that may increase the chance of loss. Finally risk also should not be confused with the unintentional decline or disappearance of value arising from a contingency.

The products and services the insurance industry provides, offer many benefits to society. Today's insurance provides protection by reimbursing people when their property is damaged or they suffer some other life losses. Insurance help individuals and business owners resume their normal standard of living and operations, which also benefits the society as a whole like payment of losses, economic growth, credit support, prevention of loss, peace of mind, etc.

REVIEW OF LITERATURE

The Indian insurance sector has transformed from open competitive market to nationalized market and then again back to liberalized market. Unearthing the evolution in the Indian insurance sector, the change happened over a period of two centuries. Nowadays the youth is gaining much prominence by insuring themselves as well. The average age of an insured person is now 33, down from 37 five years ago. Indians are insuring more, the average sum assured is now three to five times the average of Rs. 83,000 per policy. Agents are being edified to understand the needs of a client and then suggest the best policy that meets the client's needs, rather than just sell anything. Additional benefits can be bought in the form of riders as cover against deadly disease, surgeries and disability due to accident. The propel or the thrust is on an average seen on the endowment, child-life and pension plans because life expectancy is going up with time.

Barbara Culiberg and Ica Rojsek (2010) examined the retail banking sector in Slovenia and its influence on customer satisfaction. Through factor analysis and regression analysis the research suggest that all dimensions of service quality as well as service range influence customer satisfaction. It improves marketing strategies in retail banking.

R.Serenmadevi, M.G. Saravanaraj and M.Lathe Natajan (2011) conducted a study on insurance product pattern and customer preference for ULIP life insurance product with reference to Delhi city to find out the preference towards life insurance and found out that majority of them responded positively to ULIP and enjoys excellent perception of brand value.

Anand Prakash, Sanjay Kumar Jha and S.P Kallurkar, the research describes the Indians attitude towards the service quality for life insurance business presented through different demographical factors. This research reveals that the personality, age, gender, level of education, monthly income of the customers influence the attitude towards the service quality and also provides research implications useful for business transformation and further development of research on service quality.

J.N. Mojekwu (2011) studied modes of exit-trends and patterns of insurance policy holders in Nigeria. According to this research, most life insurance policy holders complain of adverse effect of inflation on policy values at the time of payment on the happening of the contingencies. This has resulted in a high rate of lapse, surrender and conversion to paid-up status. Based on the findings, the study recommends that life insurance companies should enlighten the public more on the benefits of life insurance and evolve some benefits to avoid negative impacts.

B.Das, S.Mohanty and Nikhil Chandra Shil (2008) examined Consumer's buying behaviour in consumer durable market. Consumer's buying behaviour is divergent and situational. This research finds out factors influencing buying patterns like price, quality, advertisements, recommendation from friends and families. It at the same time reveals customers perception about the insurance schemes and policies.

Subhadis Ray, Ajay Pathak (2007) worked on Strategizing Brand Positioning in the context of Indian Insurance Industry. The study attempts to find out the influence of various brands building initiatives on brand recall and how this translates into market share.

Clifford Paul S., Joseph Anbarasu D. (2010) showed that real growth of insurance schemes will occur when customers realize the true value of it beyond tax savings.

Aurelija Albinaite, Marija Kucinskiene and Yannick Le Moule (2011) described an agent based model simulation environment that enables the analysis of customer behaviour towards insurance service. They have proposed three-tier model that includes its core features as well as internal and external influencing factors.

Cliff Mayfield, Grady Perdue and Kevin Wooten (2008) examined several psychological antecedents with focus on the big five personality taxonomy, tests short term and long term investment intentions. These results indicated that individuals who are more extraverted intend in short term investing, while those who are higher in risk aversion avoid this activity.

Morril (1959) conducted a study on creative marketing on life insurance. It was found out that annual life insurance was declining for every income group except the highest. The people who tend to move up to higher income groups tended to reduce the average amount spent for life insurance in the group they leave as well as enter. It was suggested that policies and endorsement should be simplified. The package plan could also serve the common insurance needs of the most of the families.

National Council of Applied Economic Research (1979) undertook a survey of 5125 households spread over the rural and urban areas to examine their pattern of income, investment, wealth and savings. Additional information was also collected on the innovations of various savings groups and their attitude towards life insurance. The main objectives were:- 1) present a profile of the savings group and their savings potential, 2) study the policy of the rural and urban holders, 3) examine the profile of non-insured earners and reason for not taking life insurance policies. It was seen that the proportion of earners aware of insurance was more in the urban than that of the rural areas. In urban reduction in income was considered as the main reason for discontinuance of policies.

Insurance Institute of India (1987) conducted a study to know the perception towards service provided by the insurer. It was observed that agents did not maintain regular contacts with their policy holders and were not readily accessible. It further revealed that the agents were more concerned about resolving their benefits than that of their policy holders.

Pascale Turquet (2012) in his study found that for a number of years, the Dutch, German and French health insurance systems have been attempting to contain costs and diversify their sources of finance, which traditionally have come mainly from social contributions. Diversification may involve broader-based public finance, as well as greater recourse to private resources and operators. In the case of the Netherlands and Germany, the reforms and efforts to introduce competition between health insurance bodies go hand in hand. In France, private complementary insurance is indispensable for adequate access to health care. However, these measures have immediate impact for redistribution, which is done through social assistance programmes that have difficulty in addressing.

NEED FOR THE STUDY

The need for the study arises to know about the Customer's Attitude, Personality and Perception towards Insurance.

STATEMENT OF THE PROBLEM

The study states that people are not usually satisfied with the type of service rendered by the various insurance companies and hence their attitude towards insurance.

OBJECTIVES OF THE STUDY

The study presently undertaken has the following objectives:

1. To examine the buying pattern and trends of insurance policies.
2. To study individuals attitude, personality and perception towards different insurance policies and schemes.
3. To build a framework for determining factors that influences the policy holders to select general insurance company for taking insurance policy.
4. To study and analyze the satisfaction and expectation level of the customers from their insurance companies and their respective brand values.

HYPOTHESIS

FIRST HYPOTHESIS

Null Hypothesis (H_{01}) = With an increase in age individuals are not likely to invest more in insurance plans

Alternative Hypothesis (H_{11}) = With an increase in age individuals are likely to invest in insurance plans.

SECOND HYPOTHESIS

Null Hypothesis (H_{01}) = Females are not insured more than males.

Alternative Hypothesis (H_{11}) = Females are insured more than males

THIRD HYPOTHESIS

Null Hypothesis (H_{01}) = Income do not influences the type of insurance taken by an individual.

Alternative Hypothesis (H_{11}) = Income influences the type of insurance taken by an individual.

FOURTH HYPOTHESIS

Null Hypothesis (H_{01}) = Individuals do not rely on public insurance company than private.

Alternative Hypothesis (H_{11}) = Individuals rely on public insurance company than private.

FIFTH HYPOTHESIS

Null Hypothesis (H_{01}) = Premium charges do not influence buying trends and pattern of insurance policy

Alternative Hypothesis (H_{11}) = Premium charges influence buying trends and pattern of insurance policy.

SIXTH HYPOTHESIS

Null Hypothesis (H_{01}) = Individuals do not buy insurance policy keeping in mind the maximum benefit.

Alternative Hypothesis (H_{11}) = Individuals buy insurance policy keeping in mind the maximum benefit.

SEVENTH HYPOTHESIS

Null Hypothesis (H_{01}) = Individuals are not interested towards the short- term policy than the long-term ones

Alternative Hypothesis (H_{11}) = Individuals are interested towards the short-term policy than the long-term ones

EIGHTH HYPOTHESIS

Null Hypothesis (H_{01}) = Transparency do not affect the attitude of the customer while availing for insurance policy

Alternative Hypothesis (H_{11}) = Transparency affects the attitude of the customer while availing for insurance policies

NINTH HYPOTHESIS

Null Hypothesis (H_{01}) = Commitment and Quality service do not help getting insured easily.

Alternative Hypothesis (H_{11}) = Commitment and quality service helps getting insured easily.

TENTH HYPOTHESIS

Null Hypothesis (H_{01}) = Return of the policy and its attractiveness do not determine customer’s attitude towards general insurance.

Alternative Hypothesis (H_{11}) = Return of the policy and its attractiveness determines customer’s attitude towards general insurance.

ELEVENTH HYPOTHESIS

Null Hypothesis (H_{01}) = Risk coverage and brand value do not determine the personality and perception of individuals with the company one has been insured.

Alternative Hypothesis (H_{11}) = Risk coverage and brand value don’t determine the personality and perception of individuals with the company one has been insured.

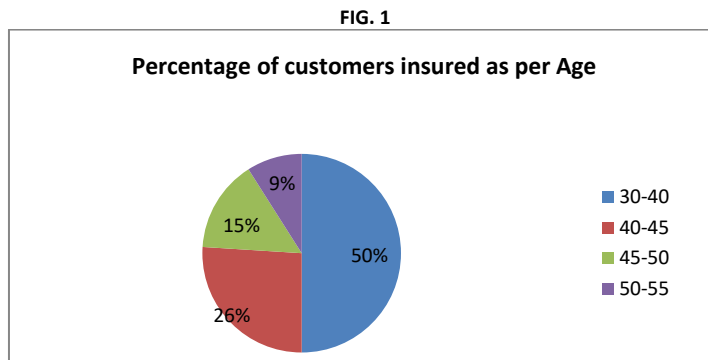
RESEARCH METHODOLOGY

The study includes the primary analysis on the attitude and personality of the customers with regard to general insurance and insurance policies of varied age groups and sex within Kolkata. It relates to a one-point period study. Around 250 individuals were surveyed through a questionnaire and was asked to rate the questions in accordance to the options that were given as choices. It is based on the primary data of the urban people of Kolkata. The responses were recorded and later was calculated, analyzed, interpreted and an appropriate conclusion was drawn.

RESULTS AND DISCUSSION

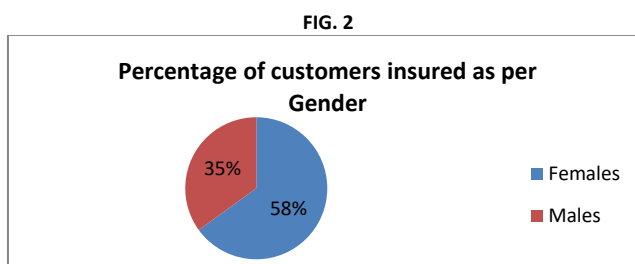
1- WITH AN INCREASE IN AGE INDIVIDUALS ARE MORE LIKELY TO INVEST FOR INSURANCE PLANS

Age is the most important factor on which major insurance related decisions are taken. In this study, 50% of the respondents with an age group above 30-40 were inclined towards pension policy.



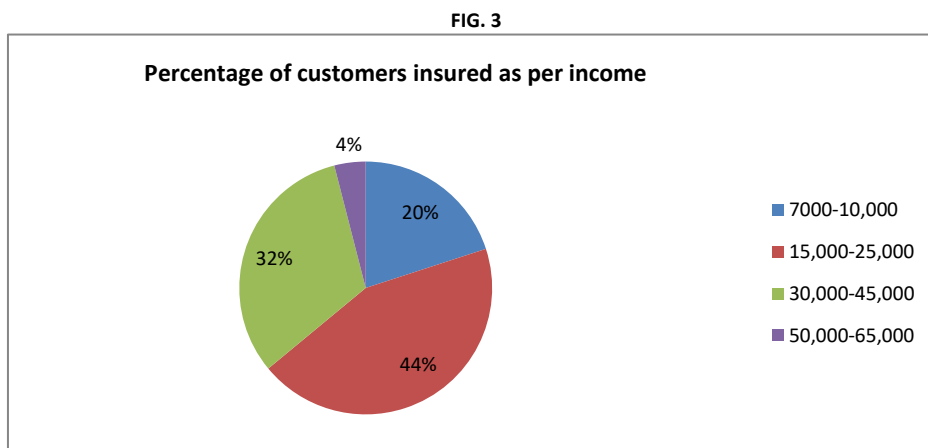
2- FEMALES ARE MORE INCLINED TOWARDS BEING INSURED RATHER THAN THE MALES.

Gender roles in utilization of several insurance policies and health care services were accorded greater importance particularly in the context of developing and poor countries where gender inequality is a phenomenon that permeates all strata of the society. In this study majority of the respondents were females like 58% who were insured rather than their male counterparts. This shows that females were more conscious regarding safety and security issues rather than male.



3- INCOME OF AN INDIVIDUAL INFLUENCES THE TYPE OF INSURANCE POLICY HE/SHE HAS TAKEN.

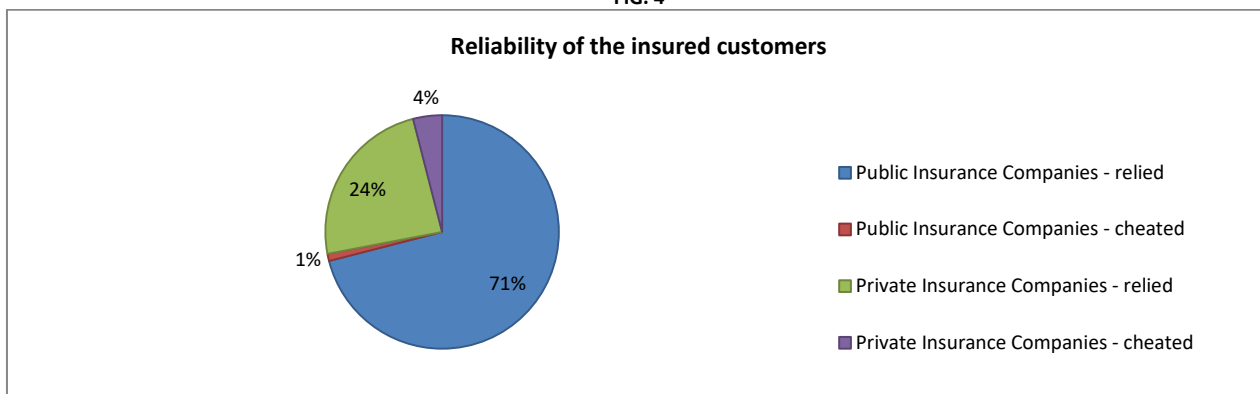
Income is another factor that have its impact on several insurance policy. In this study 20% belongs to the monthly income group ranging from Rs 7000 - Rs 10,000 and were insured. The people belonging to the monthly income group range of Rs 15,000 – Rs 25,000 were 44% and they were more inclined towards Term policy, Money Back Policy and child life policy. People belonging to the monthly income range Rs 30,000 and above were 32% insured and the rest had varied range of income where some earned Rs 50,000 above or Rs 65,000. Most of these people who were inclined to life insurance at present are of a age group of 30 – 40 years.



4- INDIVIDUALS ARE LIKELY TO RELY MORE ON PUBLIC INSURANCE COMPANIES THAN PRIVATE

It is the ability of the insurer to perform the promised service dependably and accurately. From this study 71% of the respondent relied more public insurance companies. The private companies reported of getting better service from them within the stipulated time. Among the private companies, ICICI and Bajaj received the maximum votes of preference. While 4% reported of being cheated while doing insurance with private insurance companies.

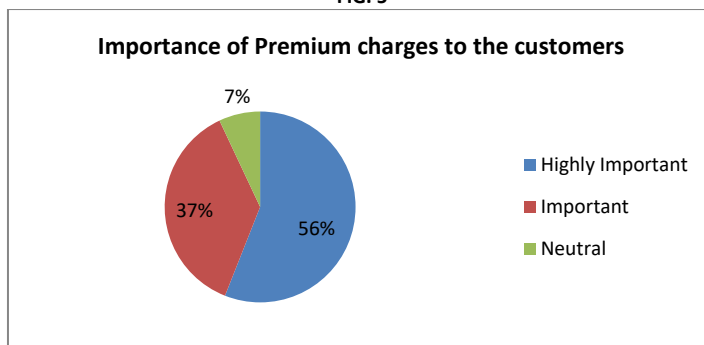
FIG. 4



5- PREMIUM CHARGES ALSO INFLUENCES THE BUYING TRENDS AND PATTERNS OF INSURANCE POLICY

It talks about amount of premium, mode of premium payment, financial incentives and concessions. In this study 56% of the respondents rated premium charges as “Highly important” and 37% rated as “Important” and the rest were neutral.

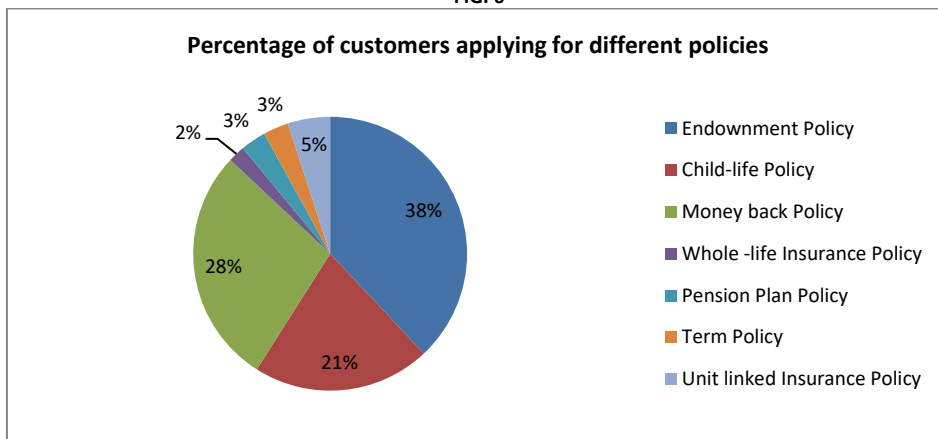
FIG. 5



6- INDIVIDUALS BUY INSURANCE POLICY KEEPING IN MIND FROM WHERE THEY WILL GET MAXIMUM BENEFIT AND REWARD.

People reported of benefiting maximum from the endowment, child-life and money back policy whereas pension scheme and term policy are somewhat unpopular among the customers and whole life insurance accounts to the least beneficial according to the customer amongst all. Out of the popular three, the endowment policy is the most popular accounting to 38%, followed by child-life policy and then the money back policy.

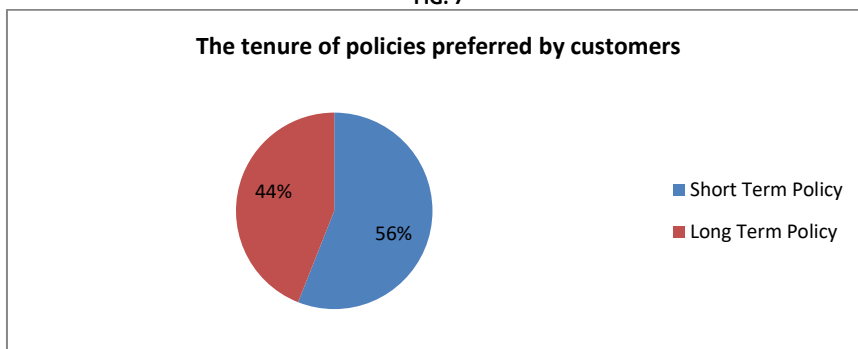
FIG. 6



7- INDIVIDUALS ARE INTERESTED MORE TOWARDS SHORT-TERM POLICY THAN THE LONG- TERM ONES

The tenure for which the policy remains valid. Majority of the respondents about 56 % voted for short-term policy than that the long term. People have a tendency of reaping benefits as of early as possible from their investments, through insurance policies should not be considered as investments.

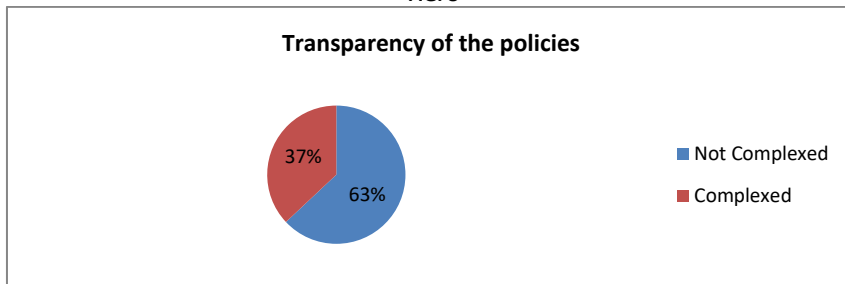
FIG. 7



8- **TRANSPARENCY AFFECTS THE ATTITUDE OF THE CUSTOMERS WHILE AVAILING FOR INSURANCE POLICIES**

This means simplicity and quickness in dealing. When the question of complexity of policies came 63% rated as "No" which were the majority.

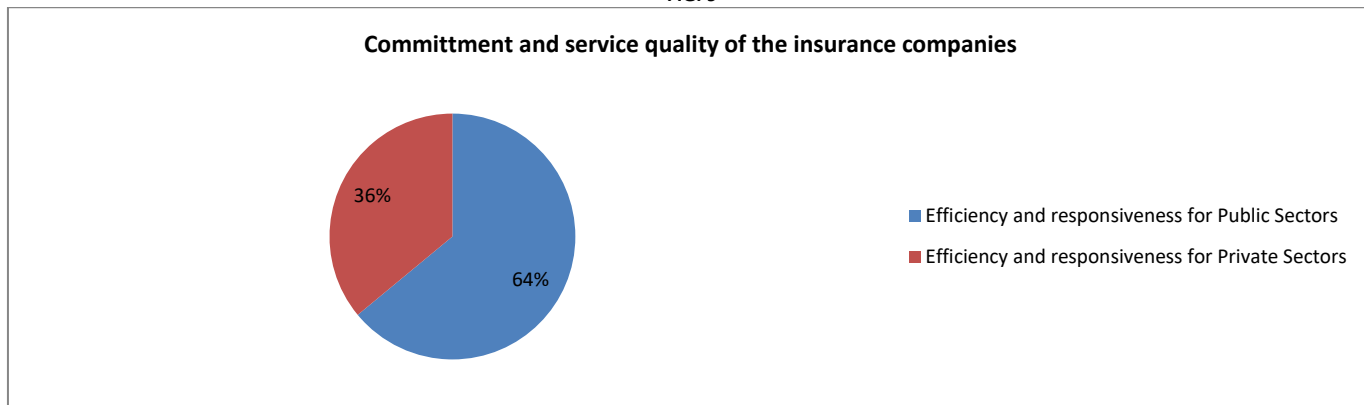
FIG. 8



9- **COMMITMENT AND QUALITY SERVICE DRAGS ONE TO GET INSURED EASILY AND TO REMAIN A LOYAL CUSTOMER OVER TIME**

Efficiency and responsiveness of employees in providing services. From this study on the grounds of providing ethical conduct towards the customers the public insurance companies were rated the more and was reported of having a sense of safety and security with them. About 36% of the respondents were insured with private insurance companies and their feedback were also not negative. ICICI and Bajaj among the privates received the maximum popularity among the public companies.

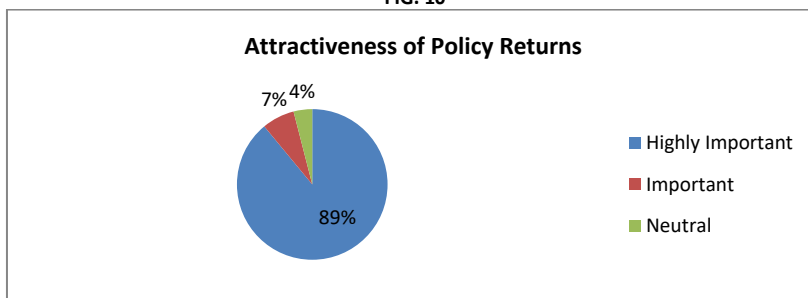
FIG. 9



10- **RETURN OF THE POLICY AND HOW ATTRACTIVE IT IS ALSO DETERMINES CUSTOMER'S ATTITUDE TOWARDS GENERAL INSURANCE**

Policy receivable on maturity and other financial benefits. Keeping in mind expectation from insurance policy, return was the parameter which was to be rated on a 5-point scale and 89% of the respondents rated it to be as "Highly important."

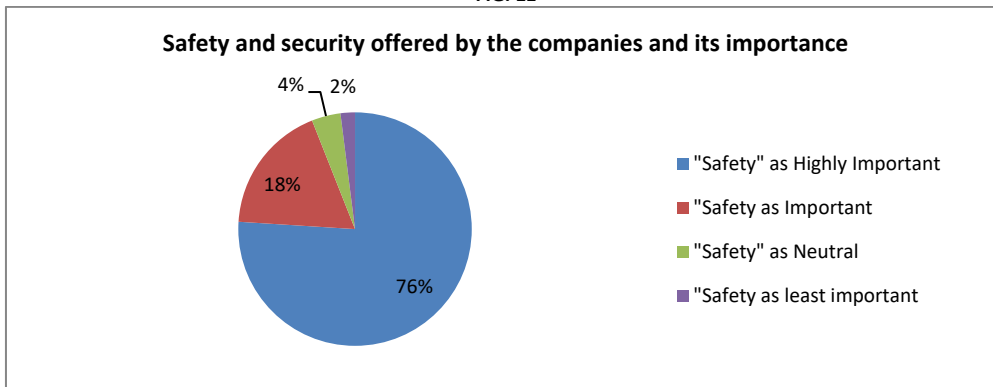
FIG. 10



11- **RISK COVERAGE AND BRAND VALUE DETERMINES THE PERSONALITY AND PERCEPTION OF INDIVIDUALS WITH THE COMPANIES HE/SHE HAS BEEN INSURED**

Proper safety and security of life is offered by all the companies but 76% people feel they are safe and think it to be the key element of a insurance policy, others feel its important, high or least important as per the sequence.

FIG. 11

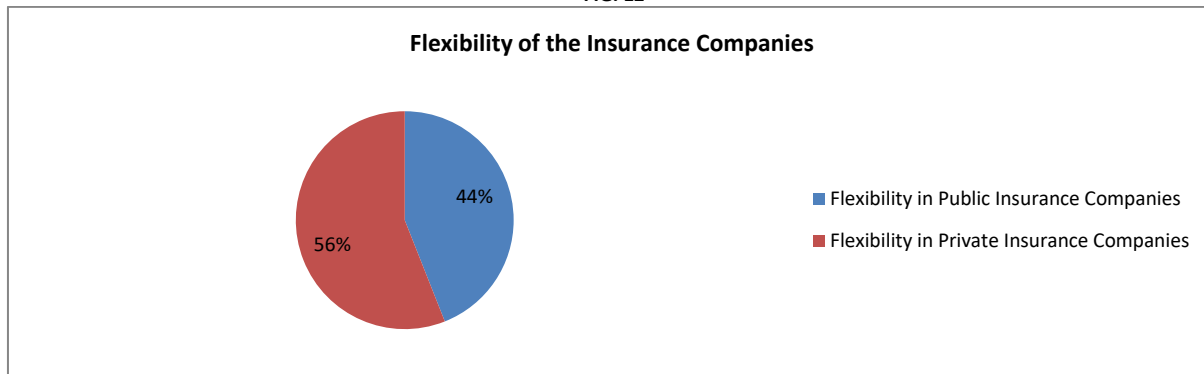


Company's image is also coupled with reducing risk factors and here majority relied on public companies, which were more reliable and gave security measures.

12- INDIVIDUALS ARE INCLINED TOWARDS FLEXIBILITY AND SIMILAR OFFERS

Options to change to other policies were less and a bit complicated in public units than private companies and their offers, returns are also less attractive than the private ones. This was reported by almost 52% of the respondents.

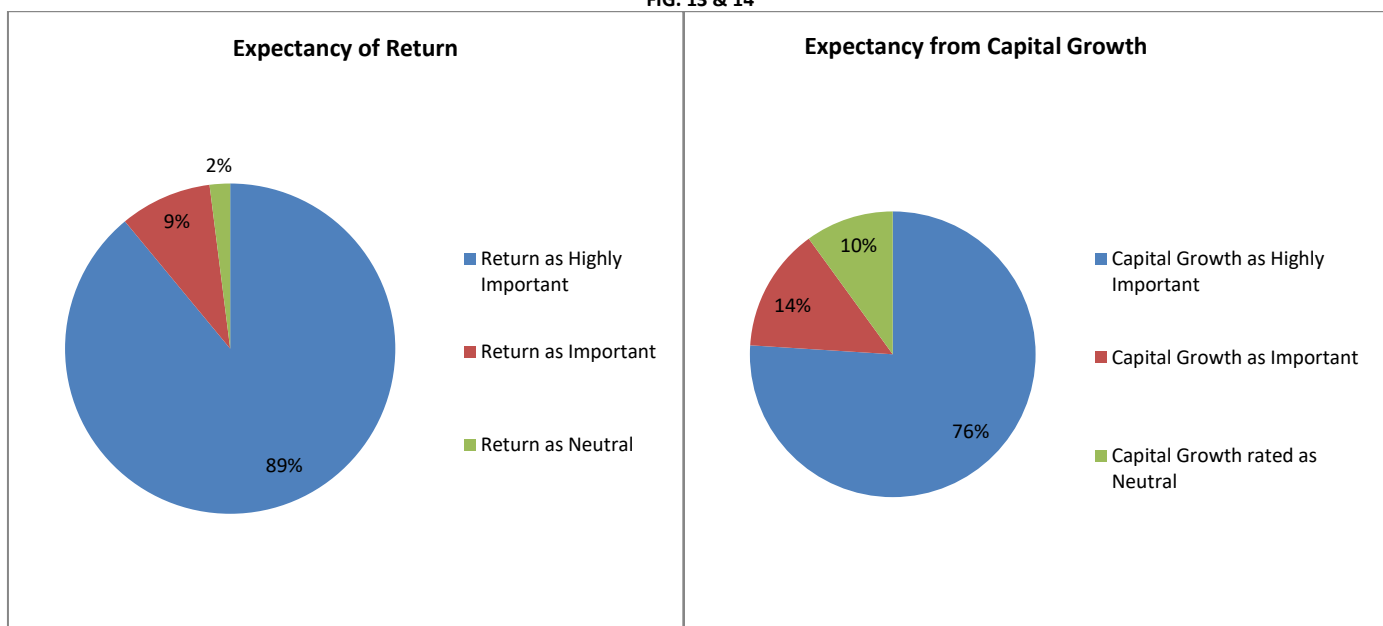
FIG. 12



13- EXPECTATION IS ONE OF THE MOST IMPORTANT FACTORS IN ORDER TO RETAIN CUSTOMERS AND MAKE THEM A PART OF THE INSURANCE COMPANY FOR AN EXTENDED PERIOD OF TIME

Expectations were rated high on the capital growth and return. In case of return 89% rated it as "Highly important" and in case of capital growth 74% rated for the same.

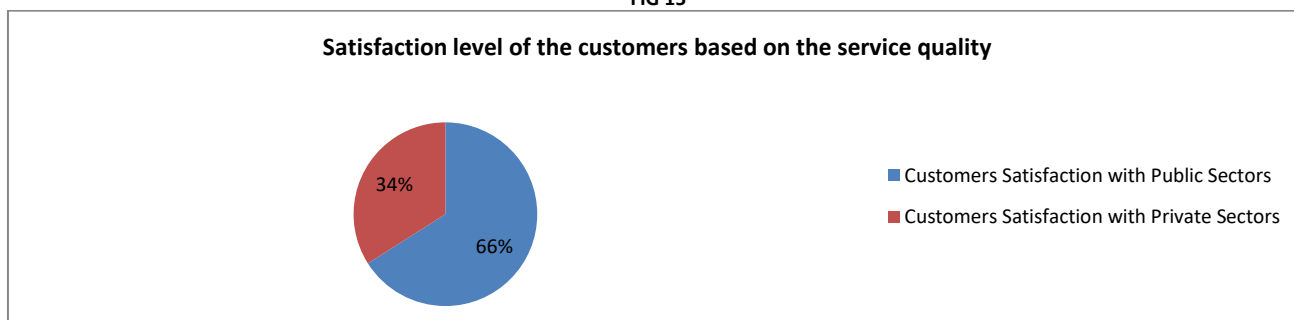
FIG. 13 & 14



14- QUALITY SERVICE TO THE CUSTOMERS DETERMINES THEIR SATISFACTORY LEVELS

To what extend insurance companies gives weight to their word of mouth also reflects on the satisfaction level of the customers. Policy holders who were connected with public insurance companies reported to be satisfied which accounted for 66%. About 7% being insured in the public company still reported of them negatively. While 34% voted for private companies, reported to be quite satisfied.

FIG 15



FINDINGS

Therefore keeping all the parameters in mind the buying pattern of the insurance policies were noticed mainly among the middle aged group and the type of insurance policy on which they were insured varied significantly with income, age and gender. However the most popular insurance policies that majority opted for, were 'Endowment Policy', 'Child-life policy' and 'MoneyBack Policy' The pension policy and the life insurance policy were significant above the age group of 50 years and 9% of the customers were seen to get insured with the same. At the same time it is also noted that the percentage of females being insured is more than that of the males. Individuals were more interested in short-term policies than the long-term ones.

The awareness of several schemes of the insurance policies is mainly seen among the adults compared to the youth and therefore it is seen that once they are enlightened about its benefits there personality, attitude and behaviour is favourable to a considerable amount. As mentioned about their attitude and behaviour along with which the factors affecting them should also be minutely noted. There are several factors that throws immense impact on the customer's attitude,

personality and behaviour. They are age, gender, income, term of policy, transparency, premium payment, return, flexibility, reliability, expectation, agent cooperation and satisfaction level. The response of the customer's is based on such factors.

From among the several factors that has been evaluated, customer's satisfaction level gains the utmost importance. It is seen that customers who are insured with the public sectors is more satisfied than that of the private ones. However about 7% belonging to the private sectors reported negatively.

RECOMMENDATIONS/SUGGESTIONS

The insurance companies should be customer centric and should aim at maximising its customer's benefit to attain their highest level of satisfaction. One should make its customers aware of the benefits that they will be deriving in detail to inculcate a positive attitude towards several insurance schemes.

CONCLUSION

There exists a competition in the insurance market, which has changed over the years. At the same time changes have been made in the government regulations and technologies. There exist insurance companies which developed new products to gain a competitive advantage over other private companies who are their competitors.

Attracting customers to more bonus facilities and other offers is one of the most important factors that determine the buying trends of several insurance policies. It is seen that majority of the people are well aware of several policy schemes, their periodicity and return. Among them the Endowment policy, Money Back policy and Child life Policy is what the majority is interested in and turned out to be more popular. Therefore the study reveals that there exist a direct relationship between customer quality service and their buying patterns of insurance. Satisfaction, Expectation and Commitment are major areas to give maximum emphasis on. In spite of the fact that Private Insurance Companies being more flexible and offers better bonus and attractive policies people is inclined towards getting insured with a Public Unit for fulfilling only safety and security needs.

Among all human relations in service-oriented industry, which is the critical force to run or ruin any organization. Instead of confrontational attitude, it is wise for both to understand each other to the maximum possible extent so as to establish a permanent soothing relationship. This is possible only when both are aware of their duties.

LIMITATIONS

The limitations of the study are as follows:

1. The sample size is limited, so there are chances of misrepresentation of data.
2. Only few parameters are considered here to reach the final results, several other could have also be considered.

SCOPE OF FURTHER RESEARCH

Insurance is a very vast concept and it has many sub topics that can be taken up for future studies. This present study helps one to analyze the behaviour and psychology of the customers and accordingly attract them towards several insurance plans in accordance to their benefits and expectations. Furthermore this study gives a clear picture of when individuals are willing to be insured and thus they can approach them accordingly for accomplishing their goals and targets efficiently.

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SUSTAINABILITY OF COSMETIC SALES BY SALES PROMOTION

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ABSTRACT

Cosmetic include all substances, preparations devices and treatment used to promote the attractiveness or to alter the face and body. They are made for both men and women. Cosmetics include beauty products for the hair, scalp, face and hands". The objectives of the study is to study the general concepts of sales promotion, study the various sales promotion offers of different brands of cosmetics, know the opinion of consumers about the quality of cosmetics under sales promotion offers and analyze the identify the source of knowledge required about the sales promotion offers. The problem undertaken for the study purpose in levels of sales by the sales promotion by the cosmetics business. The cosmetics companies provide offer to customer as well as retailers for the boost of sales. The researcher collect the information from Thiruvapur sample respondents and are analyzed to find them, most of the consumer prefers the product for variety of product deliver the concern. Majority of the consumers purchase the product through FMCG distributors, majority of consumers choosing the brand through friends. And majority of the consumers are influenced by media Advertisement. The researcher suggest to sensible advertisement should be made for better impression in the customer mind, samples could be provided to rural areas to create an awareness about the product and the consumer feels about price off or gift offer to buy the product. So, it should be given at least three months and six months once. As regards manufactures, they should realize that the consumers are the focal point of any business enterprises. They should be conscious of the fact that the consumer is a prime determining factor or decisive force in the market. So the producer should understand what exactly is expected of him by the consumers who are highly sensitive and reactive.

KEYWORDS

sales promotion, cosmetic sales.

JEL CODES

M31, M39.

INTRODUCTION

The word cosmetic has not been withered either by age or costume "cosmetics have been dealt in brief the OXFORD ENGLISH DISTIONARY as moving power adore embellish or beautify the complexion. "Preparation rendered to beautify the complexion and of adorning or beauty the body"

The cosmetics act of U.S.A in 1938 defined cosmetics as articles intended to be rubbed, powdered sprinkled and sprayed on introduced into or otherwise applied to human body or part there of for beautifying: promoting attractiveness or altering the appearance and articles indented for use a component of any such articles". "The word cosmetics is derived from the Greek word" COSMETICS which means "skilled in adornment". "Cosmetics have been used from early where than associated and medicine".

The rise in standard of living after the second world war brought an increased demand for cosmetics". Further the development of online dyes which made wide co lour range available for beauty aids caused a giant step towards modern,. Cosmetics. The growth of modern cosmetics industry owes its credit also the availability of a mass media to inspire and instruct".

Now – a – days cosmetics has become more or less necessities in the day to day life of all the families from babies to agreed one and production of more cosmetics has created competitive markets".

The latest media and techniques of publicity made by the marketers keep the world of consumption under the most dilemmatic situation in determine their choices. DECSION MARKING has become the most complex one.

The factors like family members, reference group, social and cultural factors decide the buying behaviors and product preference, the quantity to the purchased etc. promotion is the final element in the marketing mix. The success of selling activities mainly depends on sales man ship and advertising. One not under estimates the role of sales promotion. That is why researcher made an all apt reversal the effects of sales promotional activities in the selection of brands, amount to the shear, age group which use cosmetics more, in hence income level on quantity of cosmetics purchased etc.

OBJECTIVES OF THE STUDY

The present study has been undertaken with the following objectives.

1. To study the general concepts of sales promotion
2. To study the various sales promotion offers of different brands of cosmetics.
3. To know the opinion of consumers about the quality of cosmetics under sales promotion offers.
4. To identify the source of knowledge required about the sales promotion offers.

STATEMENT OF THE PROBLEMS

The problem undertaken for the study purpose in levels of sales by the sales promotion by the cosmetics business. The cosmetics companies provide offer to customer as well as retailers for the boost of sales. On what basis the consumer prefers and which influence him to buy the product. Promotion includes marketing of a product and all other activities designed to increase and expand the market. The basic aim of advertisement, personal selling, sales promotion is to increase the volume of sales. An advertising manager has remarked it.

"Sales Promotion moves the product towards the buyer, while advertising moves the buyer towards the product",

METHODOLOGY

Therefore the population of the study is the total population of the Thiruvapur town, so, 150 respondents have been selected at random using stratifies random sampling method. Out of 60 consumers 25 each belong to the teaching profession, bank employees, College students and housewife's random- Sampling method was employed to choose 25 respondents from each of this group.

COLLECTION OF DATA

PRIMARY DATA

Questionnaire was the instrument being used for collecting the primary data.

SECONDARY DATA

The data was collected from journals, magazines and records of the company.

IMPORTANCE OF THE STUDY

Products are manufactured to satisfy the needs of the consumers. The responsibility of the manufacturer does not cease with production whatever may be the nature of the product. The present day markets are consumer oriented. Where it is the duty of the manufacturer to know what is required by the consumers. Successful marketing consists in offering the right product at the right price, at the right place and with right promotion.

SALES PROMOTION – A REVIEW

DEFINITION

According to William J. Stanton “promotion is an exercise in information, persuasion and influence. “Philip Kotler” defines it, “Promotion encompasses all this marketing mix whose major role is persuasive communication” American Marketing association has defined it as “Those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and various non-recurrent selling efforts not in the ordinary routine.

OBJECTIVES OF SALES PROMOTION ACTIVITIES

1. Providing information
2. Increase in sales
3. Reducing seasonal decline
4. To keep the memory alive
5. To induce middlemen to purchase more

ADVANTAGE OF SALES PROMOTION

- Low cost
- Effective sales support
- Increased speed of product acceptance

SALES PROMOTION AT DIFFERENT LEVELS

As stated earlier, various sales promotion schemes can be undertaken with various objectives at three levels. Viz., the dealer’s level, the consumer’s level and the salesmen’s level, all the three are discussed below:

Dealer’s Level	Consumer’s level	Salesman’s Level
Sales Meetings	In-store demonstrations	Sales meetings
Contests	Premiums	Sales Manuals
Dealer Gifts	Samples	Product
Demonstration	Coupons	Contests
Point of Purchase	Trading Stamps	Sales bulletins
Materials	Refunds	
Trade shows and Exhibitions	Contests	
Advertising Allowances	Direct Mailing	
Business Catalogue		

The researcher collects the information and summarized as follows:

TABLE 1: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF BRAND DECISIONS IN THE FAMILY

S.No	Brand Decision	No. of Respondents	Percentage
1	Husband	30	20
2	Wife	51	34
3	Both	49	33
4	Others	20	13
	Total	150	100

Source: Primary data

Inference: The above table shows that 34% of the respondents are decided the brand by wife. 33% of the respondents are decided by both members of the family, 20% of the respondents are decided by husband and rest of the respondents is decided by others.

CHART 1: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF BRAND DECISIONS IN THE FAMILY

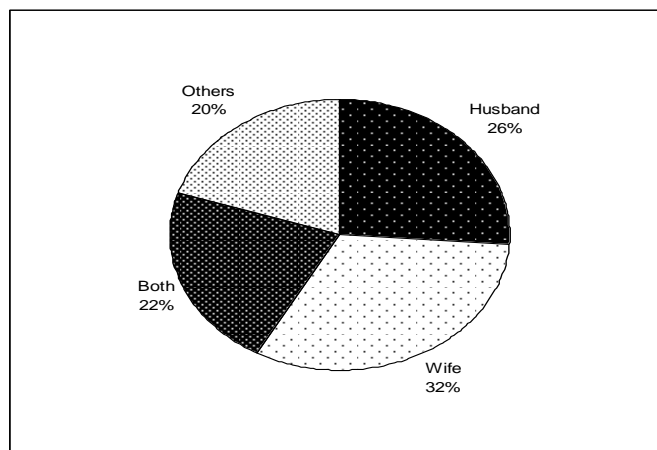


TABLE 2: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF MEDIA SELECTION

S.No	Media Selection	No. of Respondents	Percentage
1	Television	89	59
2	Newspaper	38	25
3	Salesman	23	16
	Total	150	100

Source: Primary data

Inference: The above table shows selecting brand of the respondents in terms of 59% are television, 25% of newspaper and remaining 16% are Salesman.

CHART 2: CLASSIFICATIONS OF RESPONDENTS ON THE BASIS OF MEDIA SELECTION

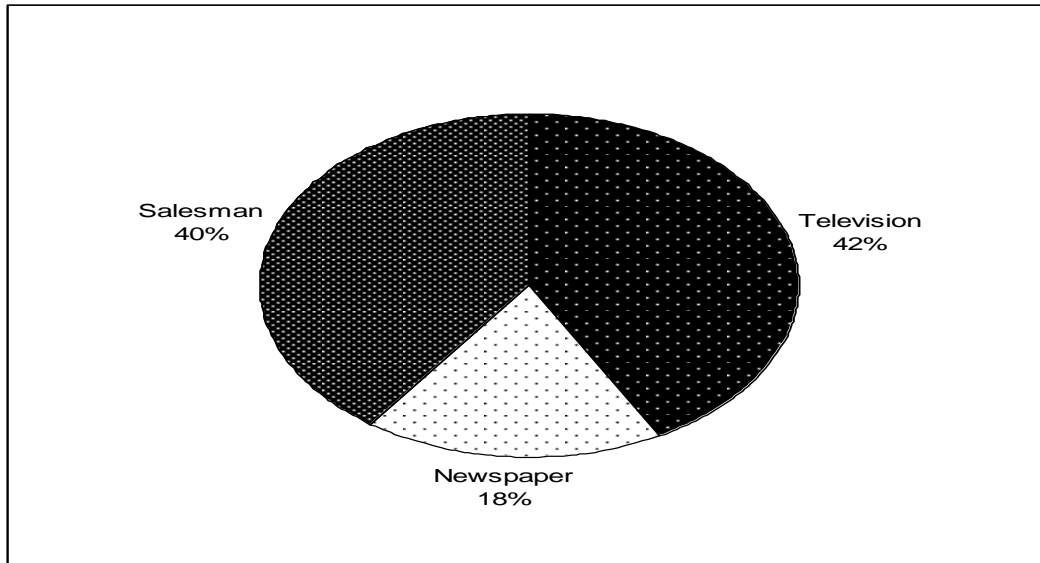


TABLE 3: ON THE BASIS OF BRAND SELECTION

S. No	Selection of brand	No. of Respondents	Percentage
1	Price	47	10
2	Freshness	31	26
3	Beneficial measures	31	30
4	Healthcare measures	41	34
	Total	150	100

Source: Primary data

Inference: From the above table it is identified that 34% of the respondents are purchasing for healthcare measures, 30% of the respondents are purchasing for beneficial measures, 26% of the respondents for freshness and 10% of the respondents purchasing for reasonable price.

CHART 3: ON THE BASIS OF BRAND SELECTION



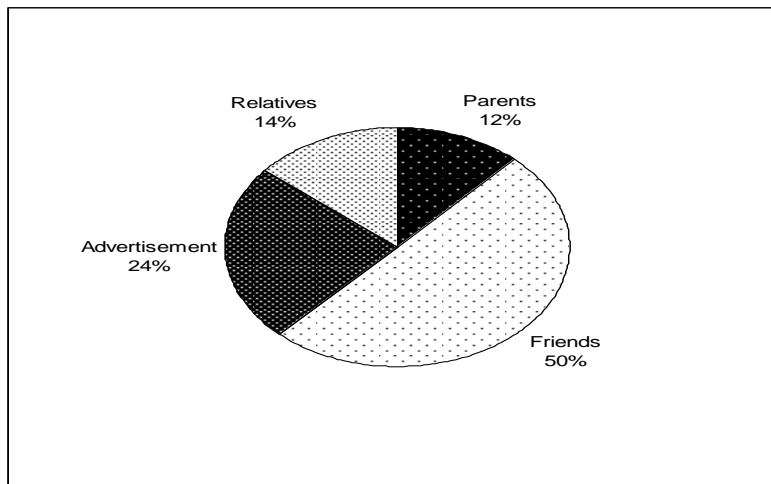
TABLE 4: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF SOURCES TO PREFER THE BRAND

S.No	Basis of their Brand	No. of Respondents	Percentage
1	Parents	28	12
2	Friends	47	50
3	Advertisement	55	24
4	Relatives	20	14
	Total	150	100

Source: Primary data

Inference: From the above table it is observed that 50% of the respondents came to know about the brand through friends, 24% of the respondents through Advertisement, 14% of the respondents through their relatives and 12% of the respondents through parents.

CHART 4: CLASSIFICATIONS OF RESPONDENTS ON THE BASIS OF SOURCES TO PREFER THE BRAND



In this chapter the research collect the information from sample respondents and give findings, suggestions and conclusion borne out to this study.

- ❖ 42% of respondents earn on income Rs.2000- Rs.5000, only 34% respondents are earning above Rs.5000.
- ❖ 56% of the respondents using the brand 5 years.
- ❖ Most of the consumer prefers the product for variety of product (36%) deliver the concern.
- ❖ Most of the consumer opinion that improve the quantity (56%).
- ❖ 72% of the respondents say that recommend the brand to others.
- ❖ 70% of the respondents purchase the product through FMCG distributors.
- ❖ 50% of the respondents choosing the brand through friends.
- ❖ 54% of the respondents attracting the brand towards from packing system.
- ❖ Most of the consumer opinion that influencing factor in quality in purchase decision (46%).
- ❖ Majority of the respondents are selecting Television media Advertisement.
- ❖ 54% of respondents are not changing this brand in future.

SUGGESTIONS

- ❖ Customers buy the brands depend upon the price of the product. If the price is reduced considerably all the consumers will prefer that brand.
- ❖ Improvement of quality should be considered but at the same time price equilibrium should be maintained.
- ❖ Better and improved flavour and taste may increase the sales.
- ❖ Steps should be taken to make the products available in different quantities.
- ❖ Sensible advertisement should be made for better impression in the customer mind.
- ❖ Samples could be provided to rural areas to create a awareness about the product.
- ❖ Most of consumer feels about price off or gift offer to buy the product. So, it should be given at least three months and six months once.
- ❖ The manufacturer must take Market survey, once in six months, to know the consumer attitude and preference.
- ❖ There should be regular supply of all brands of cosmetics product.

CONCLUSION

All people, whether young or old, like good health and fairness. They purchase the cosmetics product for increase the fair and maintain natural factors for health. So the company introduces variety of product for the people and takes more action availability to the shop. As regards manufactures they should realize that the consumers are the focal point of any business enterprises. They should be conscious of the fact that the consumer is a prime determining factor or decisive force in the market. So the producer should understand what exactly is expected of him by the consumers who are highly sensitive and reactive. The above proposition implies that there is an imperative necessity on the part of the manufacturers to supply tastier drinks at the competitive price but at the same time should see that the quality or standard is not deteriorated. Thus, the consumer is the most important aspect in his business, he should deliver quality product at an acceptable price.

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PERFORMANCE OF PRIMARY AGRICULTURE CO-OPERATIVE SOCIETIES IN INDIA AND HARYANA

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ABSTRACT

Primary agriculture credit societies mean a co-operative society. Primary Agriculture Co-operative Societies (PACS) are also known as "Mini Banks" or "Rural Credit Banks". They provide short-term and medium-term loan to the members/farmers at reasonable interest rates to meet their various needs. Primary Agricultural Co-operative Societies (PACS) are provide agricultural credit to farmers, agricultural inputs like seeds, fertilizers, pesticides and machinery, providing facilities for marketing of agricultural produce. The study findings that the number of members, deposits, borrowing, number of borrowers and total loan issued by the Primary Agriculture Co-operative Societies in India and Haryana has increased during the period from 2004-05 to 2014-15. The analysis of data shows that Primary Agriculture Co-operative Societies plays a significant role in rural development.

KEYWORDS

rural development, borrowers.

JEL CODES

P13, Q13.

INTRODUCTION

Primary agriculture credit societies mean a co-operative society. Primary Agriculture Co-operative Societies (PACS) are also known as "Mini Banks" or "Rural Credit Banks". Primary Agricultural Credit Societies are the foundation of the co-operative credit structure in India. The first Primary Agriculture Co-operative Societies was organized in India in 1904. PACS are playing a crucial role in improving the economic and social conditions of the common masses of India. They provide short-term and medium-term loan to the members/farmers at reasonable interest rates to meet their various needs. They are providing credit to the farmers for agriculture purposes at cheap and easy terms. The loans are given to members for the purchase of cattle, fertilizers, pesticides, etc. Agricultural Cooperative Credit Structure Short-term structure is a three tier structure with PACS in Rural areas, Co-operative Central Banks at the District level and the Apex Bank at the State level.

CO-OPERATIVE CREDIT STRUCTURE IN INDIA AND HARYANA

The structure consist of Co-operative credit in India can be divided into two broad category:

Particulars	INDIA	HARYANA
Short-term and Medium term credit (Three tier System)		
State Co-operative Banks (SCBs)	31	1
District Central Co-operative Banks (DCCBs)	370	19
Primary Agriculture Co-operative Societies (PACS)	93413	711
Long term credit (Two tier System)		
State Co-operative Agriculture and Rural development Banks (SCARDBs)	20	1
Primary Co-operative Agriculture and Rural Development Banks (PCARDBs)	697	76

Source: National Federation of State Co-operative Bank.

Three Tier Systems

The short-term credit not exceeds 15 month and medium term credit range 15 month to 5 year.

- ❖ **State Co-operative Banks (SCBs):** They operate at the apex level in the state.
- ❖ **District Central Co-operative Banks (DCCBs):** They operate at the District levels.
- ❖ **Primary Agriculture Co-operative Societies (PACS):** They operate at the village or grass-root level.

OBJECTIVES OF THE STUDY

1. To analyze the Cooperative Credit structure in India and Haryana.
2. To study the progress of PACS in India and Haryana.
3. To analyze the Performance of Primary Agriculture Cooperative Societies in India and Haryana.

RESEARCH METHODOLOGY

To fulfill the objective the secondary data have been used and collected information from Primary Agriculture Co-operative Societies (PACS), NAFSCOB (National Federation of State Co-operative Bank) during the years from 2004-05 to 2014-15. To analyze the data, Compound Annual Growth Rate (CAGR) and percentage growth have been used.

FINDINGS OF THE STUDY

NO. OF PACS

TABLE 1 (No. of PACS)

Year	INDIA		HARYANA	
	No. of PACS	Growth Rate (%)	No. of PACS	Growth Rate (%)
2004-05	66576	-	2443	-
2005-06	58559	-12.27	2441	-0.08
2006-07	57427	-1.93	571	-76.60
2007-08	58479	1.83	616	-7.88
2008-09	64872	10.93	620	0.64
2009-10	94647	45.89	628	1.29
2010-11	93413	-1.30	646	2.86
2011-12	92432	-1.05	640	-0.92
2012-13	91833	-22.79	656	2.5
2013-14	93042	1.31	657	0.15
2014-15	97289	4.56	663	0.91
CAGR	3.50		-11.18	

Source: National Federation of State Co-operative Bank.

Table 1 indicates the number of primary agriculture co-operative societies have increased from 66576 in 2004-05 to 97289 in 2014-15 i.e. an increase of 1.46 times in India. The compound annual growth rate of it accounts for 3.50 percent per annum during the study period. The highest growth rate of no. of PACS has 45.89 per cent during the period 2009-10. Table also indicates the number of primary agriculture co-operative societies have decreased from 2443 in 2004-05 to 663 in 2014-15 i.e. decrease of 0.27 times in Haryana. The compound annual growth rate of it accounts for -11.18 percent per annum during the study period. The highest growth rate of no. of PACS has 2.86 per cent during the period 2010-11 in Haryana.

NO. OF MEMBERS PACS

TABLE 2 (in 000)

Year	INDIA		HARYANA	
	No. of Members PACS	Growth Rate (%)	Total Membership	Growth Rate (%)
2004-05	30934.00	-	2658	-
2005-06	30578.00	-11.50	2748	3.38
2006-07	29458.00	-3.66	2838	3.27
2007-08	29725.00	0.90	2868	1.05
2008-09	28495.00	-4.13	2925	1.98
2009-10	126419.00	34.3	2970	1.58
2010-11	121225.00	-4.10	2985	0.50
2011-12	113595.00	-6.29	3015	1.00
2012-13	139376.00	22.69	3612	19.80
2013-14	130119.00	-6.64	3605	-0.19
2014-15	121087.81	-6.94	3710	2.91
CAGR	13.20		3.07	

Source: National Federation of State Co-operative Bank.

Table 2 indicates the number of members of primary agriculture co-operative societies has increased from 30934 in 2004-05 to 121087.81 in 2014-15 i.e. an increase of 43.91 times in India. The compound annual growth rate of it accounts for 13.20 percent per annum during the study period. The highest growth rate of no. of membership of PACS has 34.3 per cent during the period 2009-10. Table also shows the number of members of primary agriculture co-operative societies has increased from 2658 in 2004-05 to 3710 in 2014-15 i.e. an increase of 1.39 times in Haryana. The compound annual growth rate of it accounts for 3.07 percent per annum during the study period. The highest growth rate of no. of membership of PACS has 19.80 per cent during the period 2012-13 in Haryana.

TOTAL DEPOSITS OF PACS

TABLE 3 (Rs. In Lakhs)

Year	INDIA		HARYANA	
	Total Deposits of PACS	Growth Rate (%)	Total Deposits of PACS	Growth Rate (%)
2004-05	1897604.00	-	26998	-
2005-06	1956119.00	3.08	31961	18.38
2006-07	2348407.00	20.05	29848	-6.61
2007-08	2544926.00	8.36	30459	2.04
2008-09	2624538.00	3.12	31114	2.15
2009-10	3528606.00	34.44	37065	19.26
2010-11	3723815.00	3.53	50118	35.21
2011-12	5025278.00	34.94	53168	6.08
2012-13	6287416.00	25.11	57963	9.01
2013-14	8189409.00	30.25	56461	-2.59
2014-15	8461632.00	3.32	49718	-1.50
CAGR	14.55		5.70	

Source: National Federation of State Co-operative Bank.

Table 3 indicate the deposits of primary agriculture co-operative societies have increased from 1897604.00 in 2004-05 to 8461632.00 in 2014-15 i.e. an increase of 4.45 times in India. The compound annual growth rate of it accounts for 14.55 percent per annum during the study period. The highest growth rate of total deposits of PACS has 34.94 per cent during the period 2011-12. Table also shows the deposits of primary agriculture co-operative societies have increased from 26998 in 2004-05 to 49718 in 2014-15 i.e. an increase of 1.84 times in Haryana. The compound annual growth rate of it accounts for 5.70 percent per annum during the study period. The highest growth rate of total deposits of PACS has 35.21 per cent during the period 2010-11 in Haryana.

TOTAL BORROWINGS OF PACS

TABLE 4 (Rs. In Lakhs)

Year	INDIA		HARYANA	
	Borrowings of PACS	Growth Rate (%)	Borrowings of PACS	Growth Rate (%)
2004-05	4024949.00	-	331080	-
2005-06	4101760.00	1.90	391210	18.16
2006-07	4371449.00	6.57	423020	8.13
2007-08	4784797.00	9.47	400263	-5.37
2008-09	4893844.00	2.27	434008	8.43
2009-10	5176389.00	5.57	448529	3.34
2010-11	5400009.00	4.31	493651	10.05
2011-12	8883556.00	64.50	559331	13.30
2012-13	11565823.00	29.85	632192	13.02
2013-14	9583580.00	-17.13	690163	9.16
2014-15	9998011.00	4.32	749417	8.58
CAGR	8.62		7.70	

Source: National Federation of State Co-operative Bank.

Table 4 indicates the borrowings of primary agriculture co-operative societies have increased from 4024949.00 in 2004-05 to 9998011.00 in 2014-15 i.e. an increase of 2.48 times in India. The compound annual growth rate of it accounts for 8.62 percent per annum during the study period. The highest growth rate of borrowing of PACS has 64.50 per cent during the period 2011-12. Table also indicates the borrowings of primary agriculture co-operative societies have increased from 331080 in 2004-05 to 749417 in 2014-15 i.e. an increase of 2.26 times in Haryana. The compound annual growth rate of it accounts for 7.70 percent per annum during the study period. The highest growth rate of borrowing of PACS has 18.16 per cent during the period 2005-06 in Haryana.

NO. OF BORROWERS PACS

TABLE 5 (In Thousands)

Year	INDIA		HARYANA	
	No. of Borrowers PACS	Growth Rate (%)	No. of Borrowers PACS	Growth Rate (%)
2004-05	7253.00	-	1073	-
2005-06	6978.00	-3.79	1737	-61.88
2006-07	5671.00	-18.73	1760	-1.32
2007-08	5736.00	1.46	1791	-1.76
2008-09	5664.00	-1.25	1674	-6.53
2009-10	59799.58	95.57	1687	-0.77
2010-11	52387.59	-12.39	1785	-5.80
2011-12	44885.51	-14.32	1181	-33.83
2012-13	43082.70	-4.01	1979	67.56
2013-14	48081.20	11.60	1871	-5.45
2014-15	49857.65	3.69	1225	-34.52
CAGR	19.15		1.21	

Source: National Federation of State Co-operative Bank

Table 5 indicates the borrowers of primary agriculture co-operative societies have increased from 7253.00 in 2004-05 to 49857.65 in 2014-15 i.e. an increase of 6.87 times in India. The compound annual growth rate of it accounts for 19.15 percent per annum during the study period. The highest growth rate of borrowers of PACS has 95.57 per cent during the period 2009-10. Table also shows the borrowers of primary agriculture co-operative societies have decreased from 1073 in 2004-05 to 1225 in 2014-15 i.e. decrease of 1.14 times in Haryana. The compound annual growth rate of it accounts for 1.21 percent per annum during the study period. The highest growth rate of borrowers of PACS has 67.56 per cent during the period 2012-13 in Haryana.

TOTAL LOAN AND ADVANCED ISSUED OF PACS

TABLE 6 (Rs. In Lakhs)

Year	INDIA		HARYANA	
	Total loan and Advanced issued	Growth Rate (%)	Total loan and Advanced issued	Growth Rate (%)
2004-05	3921172	-	412536.73	-
2005-06	4291965	9.45	475956.29	15.37
2006-07	4961275	15.59	473634.43	-0.48
2007-08	57642.48	16.18	488756.73	3.19
2008-09	5878674	1.98	301110.29	-38.39
2009-10	7493753	27.47	431664.36	43.35
2010-11	9130382	21.83	513567.89	18.97
2011-12	10730023	17.51	608332.96	18.45
2012-13	16190916	50.59	702268.22	15.44
2013-14	17141956	5.87	748345.76	6.56
2014-15	15905029	-7.21	807592.45	7.91
CAGR	13.57		6.29	

Source: National Federation of State Co-operative Bank.

Table 6 indicates that the total loan and advanced issued by primary agriculture co-operative societies has increased from 3921172 in 2004-05 to 15905029 in 2014-15 i.e. an increase of 4.05 times in India. The compound annual growth rate of it accounts for 13.57 percent per annum during the study period. The highest growth rate of total loan and advanced issued of PACS has 50.59 per cent during the period 2012-13. Table also shows the total loan and advanced issued by primary agriculture co-operative societies has increased from 412536.73 in 2004-05 to 807592.45 in 2014-15 i.e. an increase of 1.95 times in Haryana. The compound annual growth rate of it accounts for 6.29 percent per annum during the study period. The highest growth rate of total loan and advanced issued of PACS has 43.35 per cent during the period 2009-10 in Haryana.

TOTAL LOAN OUTSTANDING OF PACS

TABLE 7 (Rs. In Lakhs)

Year	INDIA		HARYANA	
	Total Loan Outstanding of PACS	Growth Rate (%)	Total Loan Outstanding of PACS	Growth Rate (%)
2004-05	4878546	-	324569.93	-
2005-06	5177856	6.13	387741.26	19.46
2006-07	5862015	13.21	423486.16	9.21
2007-08	6566638	12.02	445725.44	5.25
2008-09	6404424	-2.47	432695.68	-2.92
2009-10	7647983	19.41	483279.50	1.69
2010-11	8776794	14.75	527964.15	9.24
2011-12	9124321	3.95	620771.26	17.57
2012-13	13939871	52.77	723489.33	16.54
2013-14	13005386	-6.70	774069.96	6.99
2014-15	14722557	13.20	949771.46	22.69
CAGR	27.25		10.25	

Source: National Federation of State Co-operative Bank.

Table 7 indicates that the total loan outstanding by primary agriculture co-operative societies has increased from Rs. 4878546 Lakhs in 2004-05 to Rs. 14722557 Lakhs in 2014-15 i.e. an increase of 3.01 times in India. The compound annual growth rate of it accounts for 27.25 percent per annum during the study period. The highest growth rate of total loan outstanding of PACS has 52.77 per cent during the period 2012-13. Table also shows the total loan outstanding by primary agriculture co-operative societies has increased from Rs. 324569.93 Lakhs in 2004-05 to Rs. 949771.46 Lakhs in 2014-15 i.e. an increase of 2.92 times in Haryana. The compound annual growth rate of it accounts for 10.25 percent per annum during the study period. The highest growth rate of total loan outstanding of PACS has 22.69 per cent during the period 2014-15 in Haryana.

RESULTS

1. The number of primary agriculture co-operative societies has increased i.e. an increase of 1.46 times in India and the number of primary agriculture co-operative societies have decreased i.e. decrease of 0.27 times in Haryana.
2. The number of members of primary agriculture co-operative societies has increased i.e. an increase of 43.91 times in India and 1.39 times in Haryana.
3. The deposits of primary agriculture co-operative societies have increased from i.e. an increase of 4.45 times in India and 1.84 times in Haryana.
4. The borrowings of primary agriculture co-operative societies have increased i.e. an increase of 2.48 times in India and 2.26 times in Haryana.
5. The borrowers of primary agriculture co-operative societies have increased i.e. an increase of 6.87 times in India and 1.14 times in Haryana.
6. Total loan and advanced issued by primary agriculture co-operative societies has increased i.e. an increase of 4.05 times in India and 1.95 times in Haryana.
7. Total loan outstanding by primary agriculture co-operative societies has increased i.e. an increase of 3.01 times in India and 2.92 times in Haryana.

CONCLUSION

The study findings that the number of members, deposits, borrowing, number of borrowers and total loan issued by the Primary Agriculture Co-operative Societies in India and Haryana has increased during the period from 2004-05 to 2014-15. But the number of PACS has decreased in Haryana during the study period. The analysis of data shows that Primary Agriculture Co-operative Societies plays a significant role in rural development and agricultural credit.

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ROLE OF MICRO, SMALL AND MEDIUM ENTERPRISES IN ECONOMIC DEVELOPMENT OF INDIA - AN EMPIRICAL ANALYSIS

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ABSTRACT

Economic development of a country is a vibrant area for interrogation because the models of development has consistently caught the academic attention. In this paper the attempt is to analyse the role of MSME in economic development. Annual data collected from Reserve Bank of India and Ministry of MSME has been analysed. Vector and Autoregressive analysis has been used for empirical analysis. The study reveals the contribution and significant influence of MSME on India's GDP and Export.

KEYWORDS

micro, small and medium enterprises, economic development of India.

JEL CODES

Q32, O10.

INTRODUCTION

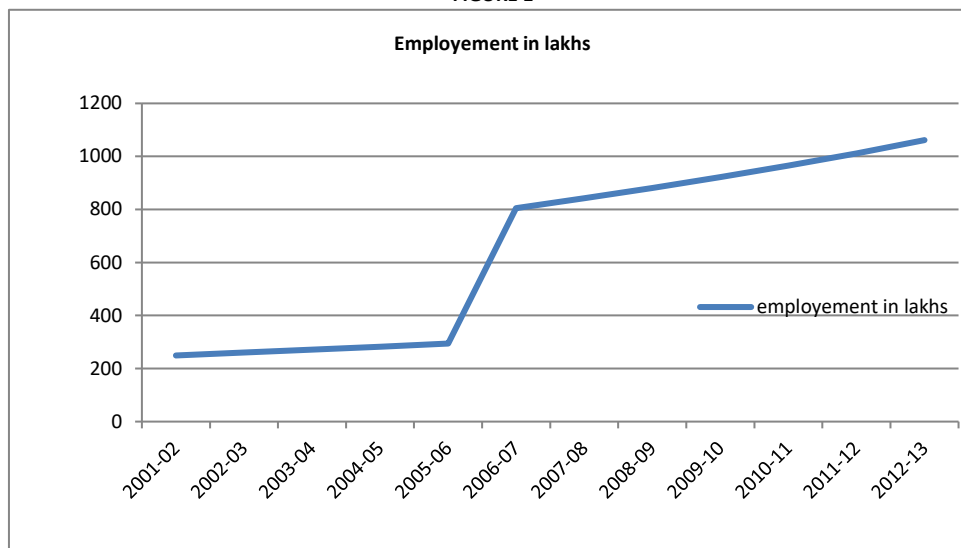
India is one of the most powerful emerging economy in the world because as per the latest statistics India is ranked 7th in case of Nominal GDP and 3rd in Purchase Power Parity. India's Gross Domestic Product Growth is 7.3% (as per Economic Survey 2015) whereas the global GDP growth is only 3.3% (as per IMF) in financial year 2015. After the global economic crisis, 2007-08, global economy faces various problems like European debt crisis, whereas Indian economy shows a steady growth, for 2014 Indian economy is estimated as Rs. 129.57 trillion. Government has taken numerous initiatives and simultaneously programmes are implemented to achieve magical two digit growth in economy.

Economic Survey of India 2015 reveals, in 1951, agriculture has contributed majorly to GDP but in 2014, major part is contributed by Service sector. Although, 49% of employment is provided by Agriculture and allied activities, in 2014-15 the service sector contributed 57%, industrial sector contributed 26% and Agriculture sector 17% to the Gross Domestic Product. Industrial sector consists of various sub sectors such as industry, mining quarrying, manufacturing and electricity gas, water supply and other utility services. Compared to developing countries like China, Russia, Brazil and South Africa the contribution of Industrial sector to GDP is low. Contribution of manufacturing sector to GDP is 5.3% in 2013-14 and 7.13% in 2014-15 economic survey 2015. Manufacturing sector is in growth stage but we need to accelerate the growth in a short span.

Accelerating industrialisation in the country cannot ensure a balanced development in the country even though a country can't survive without industrialisation. Thus, it is a very complex situation in which we need to handle industrialisation and balanced development. Government has given more attention to large scale industries for developing industrialisation but it requires large amount of capital mobilisation as well. In this context the relevance of Micro, Medium and Small Enterprises for Indian economy requires a sincere interrogation.

Now a day's MSME plays a vital role in Indian Economy. In India MSME sector including 36 lakhs units and MSME providing large number of employment opportunities in the country. MSME providing employment over 80 lakhs people. MSME producing more than 6,000 products. As per Ministry of Micro, Small and Medium Enterprises report 2016, MSME contribute 45% of share in total manufacturing output, 8% to Gross Domestic Product and 40% to total export in 2015-16. The number of unit and entrepreneurs are increasing gradually. In India, Micro, Small and Medium Enterprises plays a vital role in providing employment to Indian people. In 2012-13 MSMEs provide 1061.52 lakh employment opportunities in India.

FIGURE 1



Source: Annual report Ministry of MSME

The estimated value of manufacturing output of MSME in 2011-12 Rs. 1790804.67 crore, percentage share of MSME to total manufacturing output is 37.52% and MSME contribute 7.28% in Gross Domestic Product. It is very clear that MSME is an important sector in Indian Economy.

MSMEs have for long received government's attention but effort to build global scales is not apparent. China's Town & Village Enterprises have succeeded on the back of significant support in terms of fiscal incentives. In India we have geographical specializations which can be developed into large scale industries. It is imperative for small scale industries in India to cover new global markets. These are the industries that are capable of touching the bottom of the pyramid with their reach and product portfolio. This paper attempts to analyse the role of MSMEs in India in the context of economic development. The rest of the paper is arranged as 1. Review of Literature, 2. Data Methodology, 3. Empirical Analysis and Result, 4. Conclusion.

REVIEW OF LITERATURE

There are many studies in the area of MSMEs and its role. Boomika Garge in 2014 studied Role of MSME in economic development it shows it have significant role in various areas like skill development, Entrepreneur development etc. Robert McIntyre (2013) studies Role of Small and Medium Enterprises in Transition: Growth and Entrepreneurship, it gives a multinational perspective of SMEs growth and Entrepreneurship programmes. Dr. P. Uma (2013) studied the role of SMEs in economic development; it gives a conceptual frame work of performance of Small and Medium enterprises in India. Will Bartlett and Vladimir Bukvic (2001) talks about barriers to SME growth in Slovenia to identify the various bottlenecks faced by SME including institutional environment and bureaucracy. Eric Gonzales, Martin Hommes and Melina Laura Mirmulstein (2014) study: "Role of MSMEs in economic growth -cross country regression analysis reveals that the role of micro, small, and medium enterprises in the growth of per capita income, using an expanded database for firms in the formal manufacturing sector with fewer than 10, 20, 100, or 250 employees". In this study using regression models to know the relationship between the economic growth and firms size. the study find that causal relation between the variables. In this paper analyse the relationship between MSME output with GDP and Export of the Country. Stephan Wanhill (2000) studied Small and Medium tourism enterprises in this recommended that government should take initiatives for promoting the small and medium enterprises and these firms provide the community underpinnings for entrepreneurship and job creation.

RESEARCH GAP

In the above literature review, it is clear that there is no study conducted in India related to role of MSME in economic development by using Econometrics tools.

OBJECTIVE OF THE STUDY

The primary objective of the study is to analyse the relationship between MSME, GDP and Export. MSME is one of the important factors in GDP and Export of the country. This study attempts to find out the role of MSME in GDP and Export.

DATA AND METHODOLOGY

a) **Type of Study:** research type study

b) **Sample:** Annual data is used for analysis from the period of 1991-92 to 2013-14.

c) **Method of Data Collection:** Secondary data methods are used in this study. Data has been collected from RBI and annual reports from Ministry of MSME.

d) **Variable selected for this study are:**

1) Gross Domestic Product:- GDP of country is one of the important indicator of growth and development. Economic development is mostly measured in GDP and percentage growth in GDP. The study measures significance of MSME in GDP.

2) Export: Export have significant role in growth of an economy. Products of MSME have good demand in foreign market. MSME is one of the important sector that contribute to high amount of foreign currency through export oriented activity.

3) Output of MSME:- MSME has been divided into various groups like Micro, Small and Medium firms on the basis of MSME act. This study focuses only on the total output produced by these groups. The time series data given by RBI Data Base is total production of MSME.

e) **Statistical Tools Used:**

Firstly we check the stationary of time series data, because most of economic data are non-stationary. For this unit root test are conducted and ADF statistics are used for testing unit root. It is clear that GDP is integrated two series and other variable are integrated one series. After that lag Order selection criterion is used, selected optimum lag structure for this AIC is used. In the next stage developed Vector Auto regression is used because MSME is an important sector in GDP and GDP growth is also influencing the MSME. Likewise the exports have significant influence in MSME and growth of export is also dependent on MSME was seen after analysing the Impulse Response Function and Variance Decomposition.

EMPIRICAL ANALYSIS AND RESULTS

UNIT ROOT TEST

Traditionally, most of the economic variable is non-stationary; hence we test for the presence of unit root using Augmented Dickey-Fuller test.

Augmented Dickey-Fuller Test Result:

TABLE 1

Variable	t-statistics	Prob	I DIFF.
GDP	-4.517	0.0022	I DIFF.
EXPORT	-5.685	0.0022	I DIFF.
MSME	-4.3924	0.0027	I DIFF.

It clear that GDP is a I(2) variable so it is in stationary with second difference, export and MSME are I(1) variables so these are stationary with first difference.

VAR LAGS ORDER SELECTION CRITERION

TABLE 2

Lag order	AIC	SC	HQ
0	-6.65376	-6.504636*	-6.628521*
1	-6.68314	-6.08666	-6.58219
2	-6.696051*	-5.6522	-6.51939

* indicates lag order selected by the criterion

AIC: Akaike information criterion

SC: Schwarz information criterion

HQ: Hannan-Quinn information criterion

Akaike information criterion is used to select lag order to construct a VAR model. According to AIC optimum lag order is two.

VECTOR AUTO REGRESSION ESTIMATE

TABLE 3

Lagged variable	MSME	GDP	EXPORT
MSME(-1)	-0.004792 (-0.28927) [-0.28927]	-0.029489 (-0.03631) [-0.81213]	0.013945 (-0.06335) [0.22013]
MSME(-2)	-0.018179 (-0.29477) [-0.06167]	0.02236 (-0.037) [0.60431]	-0.105448* (-0.06455) [-1.63348]
GDP(-1)	2.194127 (-2.18916) [1.00227]	-0.027425 (-0.2748) [-0.09980]	1.690358*** (-0.47942) [3.52582]
GDP(-2)	-1.408862 (-2.93947) [-0.47929]	-0.202749 (-0.36898) [-0.54949]	1.691632*** -0.64374 [2.62782]
EXPORT(-1)	0.995976 (-0.95204) [1.04615]	-0.042939 (-0.11951) [-0.35931]	-0.544245*** (-0.20849) [-2.61035]
EXPORT(-2)	0.501819 (-0.71089) [0.70590]	-0.000908 (-0.08923) [-0.01017]	0.03903 (-0.15568) [0.25070]

***, **, * indicate 1%, 5% and 10% level of significant.

Standard errors () & t-statistics []

Lagged values of MSME and GDP are influencing the export of India. MSME have significant role in boosting export. Level of economic activities also influences export of India.

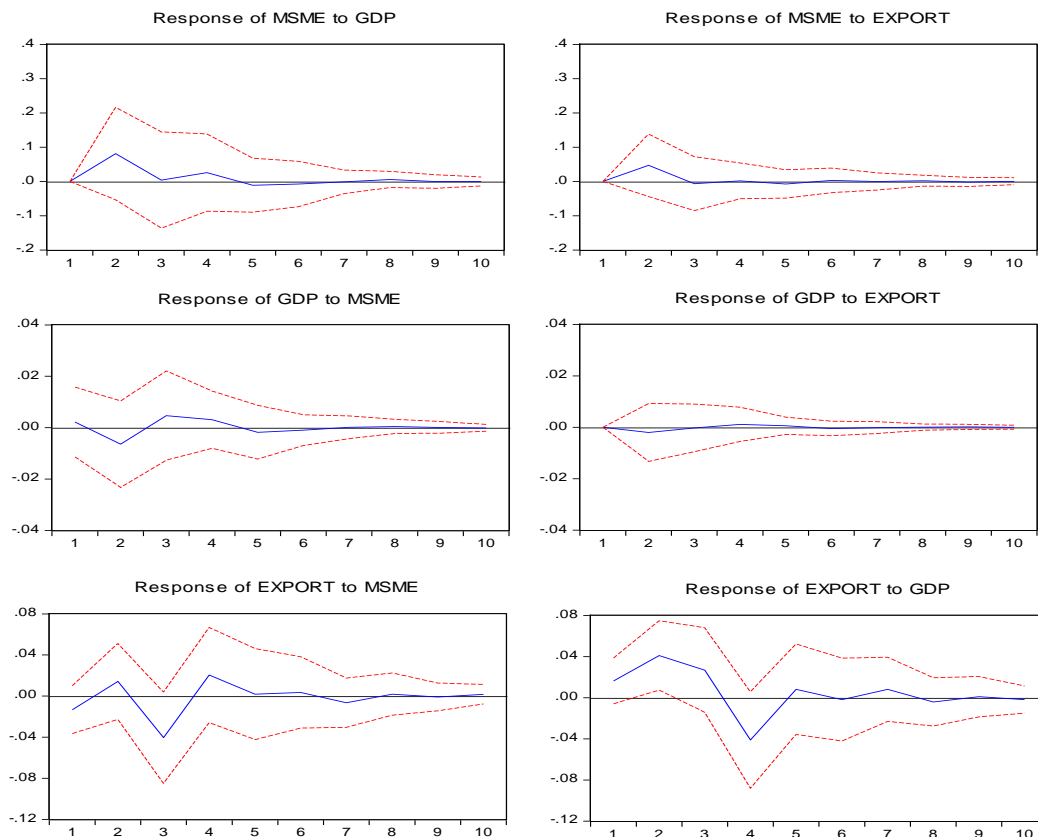
VARIANCE DECOMPOSITION

TABLE 4

Variables	MSME	GDP	EXPORT
MSME	85.17	7.65	23.63
GDP	11.30	91.78	42.77
EXPORT	3.52	0.5	33.56

Variance de composition shows that MSME itself explain 85.17%, 11.30% of MSME explained by GDP and only 3.52% is explained by Export factor. In GDP 7.65% is explained by MSME, 91.78% is explained by GDP itself and 0.5% is explained by the export factors. But in Export 23.63% is contributed by MSME, 42.77% is explained by GDP and 33.56% is explained by export itself.

FIG. 2 TO 7
Response to Cholesky One S.D. Innovations \pm 2 S.E.



MSME to GDP explains that, if we give one standard deviation shock to GDP, the performance of MSME is accelerate and it last for five to six years after that it will come back. MSME to Export shows that one shock in export will boost MSME performance effect will last for several years. That means if export increases the performance of MSME will increase. Response of GDP to MSME shows mixed reactions, if we give one shock to MSME the GDP responds negatively and it recovers very soon. Response of GDP to Export shows constant effect. Response of Export to MSME shows combined effect that is if we give one shock to MSME, Export will react positively at first stage and in very short period it shows a negative impact and after that it will recover. Response to Export to GDP has high impact it last several years.

CONCLUSION

Let us conclude the paper concerning the role of MSME in economic development, it is clear that MSME is one of the important sectors in Indian economy not only in employment generation but also has a significant role economic development and export promotion. In GDP 7.65% is contributed by MSME and in Export it is 23.63%. If the government does not take necessary steps to develop MSME in Indian economy, it is not possible to achieve project economic growth. Government should take initiatives to develop Micro, Small and Medium Enterprise to boost export of India and to capture a market in Global. This will facilitate a balanced development in the country.

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CAPITAL STRUCTURE ANALYSIS OF HINDUSTAN UNILEVER LIMITED

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ABSTRACT

The purpose of the study is to know about the Hindustan Unilever Limited (HUL) to study the growth of Hindustan Unilever Limited (HUL) the data required for the paper has been taken from "www.hul.com" "www.moneycontrol.com" from 2011-10 to 2015. as we know the company must having good liquidity this would be the better for the company reputation in the market, every company having the same goal to make profitability with less efforts but with this concept they need to maintain the same consistency in respect of liquidity, solvency etc. The fast moving consumer goods (FMCG) segment is the fourth largest sector in the Indian economy. The study conducted is based on the ratio analysis, t-test which helped to analyze the performance of companies in Indian FMCG Industry.

KEYWORDS

liquidity, solvency, income, industry, finance, business, products.

JEL CODES

D24, G31, G32.

INTRODUCTION OF FINANCE

Every enterprise, whether big, medium, small, needs finance to carry on its operations and to achieve its targets. In fact finance is so important for every business that it is rightly said that it is the life blood of an enterprise. Without adequate finance, no enterprise can run its business and cannot accomplish its objectives. Finance is said to be the life blood of the business. Funds are required to finance various activities of the business. The larger the size of the business, the larger will be the finance required. It shows that no business activity is possible without finance. That is why; every business has to make plans regarding acquisition of the funds. Because finance involves estimation, acquisition and administration of the funds of any kind used in meeting the needs and objectives of the business firms. Public finance is collection of taxes from those who benefit from the provision of public goods by the government, and the use of those tax funds toward production and distribution of the public goods. Private Finance is a method of providing funds for major capital investments where private firms are contracted to complete and manage the projects. These contracts are typically given to construction firms and last a long time, sometimes up to 30 years. The public services are leased to the public and the government authority makes annual payments to the private company.

Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods Company with a heritage of over 80 years in India and touches the lives of two out of three Indians. HUL works to create a better future every day and helps people feel good, look good and get more out of life with brands and services that are good for them and good for others. With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. Its portfolio includes leading household brands such as Lux, Lifebuoy, Surf Excel, Rin, Wheel, Fair & Lovely, Pond's, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall's and Pure it. The Company has over 16,000 employees and has an annual turnover of INR 27408 crores (financial year 2013 - 2015).

REVIEW OF LITERATURE

Theoretical and empirical research suggests that financial planner should plan optimal capital structure. In practices financial management a literature does not provide specified methodology for designing a firm's optimal capital structure. A number of research studies have been conducted regarding the choices of debit equity mix in the total capitalization of a firm in the international as well as Indian context.

Merton Miller (here after called M.M) (1958-1963): Present the First Formula Model on valuation of capital structure. In the model they showed that under the assumptions of perfect capital Markets, equitant risk classes no taxes, loot dividend payout ratio and constant cost of debt. The value of firm is independent of its capital structure. When corporate taxes are taken into account the value of a firm increases linearly with debt equity ratio, because of interest payment being tax exempt. M.M.s work has the Centre stage of the financial research till date, and these modes have been criticized, supported and extended over the last 35 years.

Author David Durand (1963) He criticized the model on the ground and says those assumptions used by M.M.s model are unrealistic. He argued that the cost of debit does not always remain constant when the leverage level exceeds. That accepted level, the probability of default in interest payments increase thus raising the cost of debt.

Scott and Martin (1975) They concluded that industry-class is indeed a determinant of financial structure. They also concluded that corporate size is the determinant of firm's financial leverage ratio.

Millar (1977): Miller challenged the trade-off theory and argued that bankruptcy and agency costs are too small to affect the tax advantage of debt. But when personal taxes are taken into account, this advantage is completely of personal tax. Thus in equilibrium, the value of a firm is independent of its capital structure even, when the market is imperfect.

Warner (1977) He argues that the potential bankruptcy costs a firm might face are reflected in its share price and this is taken into consideration by investors when they make investment decisions. Bankruptcy costs refer to the costs associated with declining credit terms with customers and supplier. It can be argued that supplier would not be willing to give long term credit terms to the firm as the latter faces risk of default and similarly, customers would avoid buying products and services from a firm facing a high risk of default since warranties and other after sales services will be void or at risk.

Ferri and Jones (1979) found that the industry-class was linked to a firm's leverage, but not in a direct manner than what has been suggested in other researches.

Author De Angelo Masulis (1980) These two author rejected Miller's Model and argued that even if bankruptcy agency and related cost are ignored, and presents the introduction of mom tax debt, should is enough for a firm to have an optimal capital structure and says even these costs are taken into account, an optimal capital structure exists irrespective of availability of mom-debt tax shields.

Bradely, Jarrell & Kimar (1984) They supported bankruptcy costs or an agency costs as partial determinants of Leverage and of optimal capital structure but the Author De Angelo demonstrated that, the presence of corporate tax shield substituted for debt, and says each firm have a, "unique interior optimum leverage decision with or without related costs.

Jensen (1986) Jensen defines the free cash flow as the amount of money left after the firm has invested in all projects with a positive N.P.V. and states that calculating the free cash flow of a firm is difficult, since it is impossible to determine the exact number of possible investments of a firm.

Kose John (1987) He revealed that, in the pure signaling case the equilibrium is characterized by direct contractual pre-commitments to implement investment policies, which riskier than pare to-optimal levels.

Jensen (1989) states that when free cash flows are available to top managers, they tend invest in negative NPV project instead of paying out dividends to shareholders. He argue that the compensation of managers with an increase in the firm's turnover. Hence the objective of the company is to increase the size of the firm by investing in all sort of projects even if these projects have a negative NPV.

Mathew (1991) He pointed out those optimum debt level balances, a decrease in the profitability of acquisition against a higher share of the synergy for the target's shareholders.

Ronen Israel (1991). He pointed out that the optimum debt level balances, a decrease in the profitability of acquisition against a higher share of the synergy for the target's shareholders.

Chungchang (1992) He found that the leverage can be used as an instrument to transfer wealth between investors and employees. The transfer can go in either direction.

SubarnaSarkar (1994). He found that a greater debt-oriented financing in public sector enterprises and private sector companies shows that the profits are retained in business for augmenting the resources.

Kumar Kakani (1999). He found that diversification strategy and size were found to be of significant strategy and sizes were found to be of insignificant in deciding the leverage level of the firm.

Kotrappa (2000). He stated that the choice between debt and equity sources of capital for a corporate borrower is greatly influenced by factors viz., taxes on corporate income, inflation, and controlling interest and capital market reforms.

Allen N Berger (2002) Allen Berger is consistent with the agency costs hypothesis (i.e.) higher leverage or lower equity capital ratio is associated with higher profit efficiency. He also concluded that under the efficiency risk hypothesis, the expected high earnings form greater profit efficiency substituted for equity capital in protecting the firm from the expected costs of financial distress.

Hull (2002) Author Hull also found that the industry debt to equity norms are significantly more negative than return for the firms moving closer to the norms.

.orff (2007) argued that compensation of managers tend to increase when there is an increase in the firm's turnover.

BalramDogra and Shaveta Gupta (2009). They conducted a study to examine the sources of funds of SME sector operating in the state of Punjab. The study tried to find out the existence of the relationship between capital structure of the firm and its characteristics. The Pearson chi-square statistics in this regard revealed that there was a highly significant association of capital structure with the type of firm.

OBJECTIVES OF THE STUDY

1. To understand the concept of Capital Structure.
2. To examine relationship between the debts equity position in Hindustan Unilever limited.
3. To examine the capital structure position of Hindustan Unilever limited.
4. To give the suggestions on the basis of findings of the study

HYPOTHESIS OF THE STUDY

Hypotheses are the assumptions to be proved or disproved and capable of being tested by scientific methods. It should be clear, precise and should be well consistent with available techniques. It gives direction to the study. Rejection of synopsis/thesis is based on quality of hypothesis formed. A well-defined hypothesis means well defined parameters. Sources of hypothesis are: intuition, research studies, consultations, theory, observation, analogies, culture, and continuity of research.

Ho: There is no significant difference in outsider's funds and shareholders' funds of Hindustan Unilever Limited.

JUSTIFICATION OF THE STUDY

Capital structure plays a vital role for capital mix. Every business has required debt and equity capital in their business, but the proportional debt and equity ratio difficult task to imply in the business. Debt and equity is depending on R and K. If R is greater than K then company improved the more debts in the business. While company has R is less than K. The company cannot use the more debt capital in the business. Because it will increase financial loss and financial risk. The profit position of the company is also depending on debt capital or structure of the company. How for capital structure will be helpful for increasing the profitability position of the company. It can also be examined through capital structure. Hence the capital structure of Hindustan unilever ltd. will also worthwhile for the organization to examine the effect of debt capital on profitable position of the business. Thus I have taken the topic of my study is capital structure analysis of Hindustan unilever ltd.

RESEARCH DESIGN

This research study has been completing with the help of secondary data. The major sources of secondary data are, annual report. Statistical report budget and any public documents. This research study is a micro in nature. I have carried out on the topic of capital structure analysis of HUL with reference to Hindustan Unilever ltd and have been taken in this study. This Research work has been completing 5 chapters. They will be as introduction, research methodology, and review literature, profile of the company, and capital structure and techniques, capital structure of Hindustan unilever ltd and finding of sources. In this research study I have been also taken hypothesis of the study which will be tested by research tool which is t. Test.

LIMITATION OF THE STUDY

This study has the following limitations, which are given as below:

1. Non-Availability of sufficient matter & literature.
2. This research study is based on secondary data.
3. It has covered only limited the period of the study from 2011 to 2015.
4. Data's are grouped and sub-grouped as per the requirement of the study.
5. The reliability of data is totally depending on audit.

SCOPE OF THE STUDY

In corporate financing decision has gained greater import because the optimal capital structure can be created through proper mix of finance. Corporate managers generally prefer borrowing over other means of financing management of a company has to be very careful while deciding the extent of financial leverage in its capital structure because the right use of financial leverage can increase the shareholder's wealth whereas it's improper use would adversely affect the interest of shareholders. This study examines the empirical effects of capital structure (financial leverage) on cost of capital and the market value of Hindustan Unilever limited.

ANALYSIS

TABLE 1: CONSOLIDATED BALANCE SHEET OF HINDUSTAN UNILEVER LTD. (Rs. in crores)

Particulars	Mar'2011 Rs	Mar'2012 Rs	Mar'2013 Rs	Mar'2014 Rs	Mar'2015 Rs
LIABILITIES					
Equity share capital	2,15.95	2,16.15	2,16.25	2,16.27	2,16.35
Reserves	25,18.33	34,64.26	26,47.85	33,20.35	38,04.62
NET WORTH	27,34.28	36,80.41	28,64.10	35,36.62	40,20.97
Secured Loans	-	-	2,4.74	8.44	7.00
Unsecured Loans	-	-	-	3,7.14	36.04
TOTAL DEBT	-	-	2,4.74	4,5.58	43.04
Minority Interest	1,4.58	1,8.30	2,0.86	2,2.28	24.80
Current Liabilities	58,64.81	57,39.90	64,82.97	7,191.63	66,38.69
Provisions	17,33.48	19,67.97	26,98.50	2,972.50	37,02.63
Total C.L. and Provisions	76,12.87	76,16.59	92,02.33	10,186.4	10,366.12
TOTAL LIABILITIES	10,347.15	11,406.58	12,091.17	13,768.64	14,430.13
ASSETS					
Net block	22,22.78	22,62.19	24,30.76	27,45.57	2,820.34
Capital work in progress	2,89.19	22,7.64	222.42	3,72.60	51,6.30
Investment	11,88.50	23,22.16	2,252.34	2,838.14	30,25.08
Cash and bank balance	17,75.68	19,96.43	1,900.71	2,516.03	26,89.49
Loans and advances	10,32.02	10,74.05	1,582.44	1,325.38	1518.95
Fixed deposits	-	-	-	-	-
Inventories	28,75.69	26,67.37	2,705.97	2,939.83	28,48.79
Sundry debtors	96,3.29	8,56.74	9,96.53	1,031.09	10,11.18
Miscellaneous expenses	-	-	-	-	-
TOTAL ASSETS	10,347.15	11,406.58	12,091.17	13,768.64	14,430.13

Source: Annual Report of HUL Ltd. 2011 to 2015.

PROFIT AND LOSS ACCOUNT

It is prepared to determine the operational position of the concern it is the statement of revenues earned and the expenses incurred for earning that revenue hence we have prepared profit and loss account of HUL Ltd.

TABLE 2: CONSOLIDATED PROFIT AND LOSS ACCOUNT OF HINDUSTAN UNILEVER LTD. (Rs. Crores.)

Particulars	2011 Rs	2012 Rs	2013 Rs	2014 Rs	2015 Rs
Net sales	19,908.57	23,311.35	26,881.24	29,066.10	31,785.72
Other income	5,89.98	498.29	12,60.50	97,6.90	14,32.34
Stock adjustments	3,07.60	95.15	2,6.00	17,2.47	57.04
Total income	20,806.15	23,714.49	28,167.74	30,215.47	33,161.02
Less:					
Raw material	10,637.35	12,507.44	14,237.36	15,162.18	16,260.83
Power and fuel cost	2,78.54	29,9.63	33,5.94	36,2.76	3,46.97
Other manufacturing expenses	-	-	-	-	-
Gross profit	9,890.26	10,907.42	13,594.44	14,690.53	16,553.22
Less:					
Employee cost	10,14.86	1,200.94	14,12.68	15,75.79	17,23.87
Miscellaneous expenses	56,88.19	5,849.61	68,38.69	75,63.34	81,69.75
Depreciation	2,29.29	2,33.54	2,51.32	2,95.54	3,22.39
Operating profit (PBIT)	2,957.92	3,623.33	5,091.75	52,55.86	6,337.21
Less: interest	1.01	1.65	25.72	40.68	17.70
EBT	2,956.91	3,621.68	50,66.03	52,15.18	6,319.51
Less: tax	6,50.28	8,21.54	12,26.66	12,59.44	1,944.00
Net profit	2,30.63	28,00.14	38,39.37	39,55.74	4,375.51

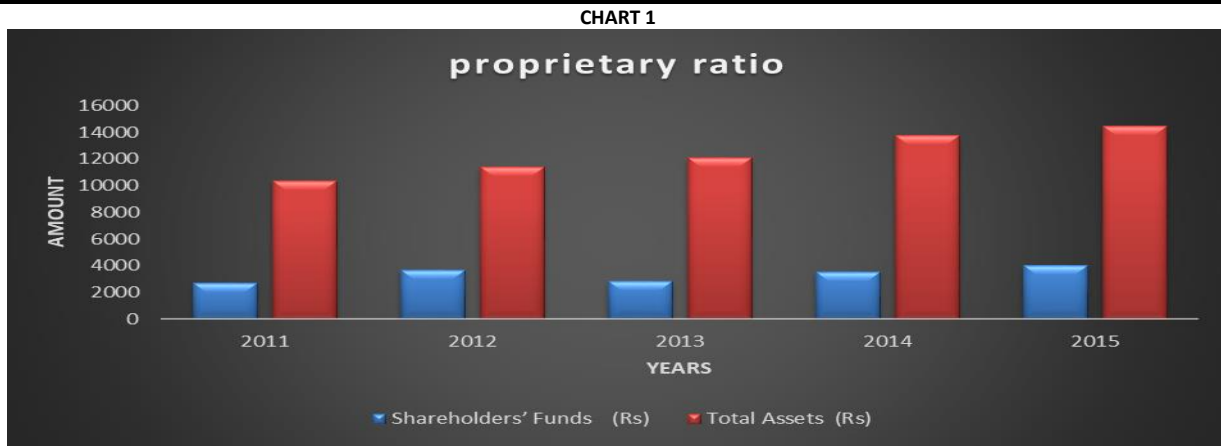
Source: Annual Report of HUL Ltd. 2011 to 2015.

MEANING OF PROPRIETARY RATIO

TABLE 3: STATEMENT OF PROPRIETARY RATIO (Rs in crores)

Year	Shareholders' Funds (Rs)	Total Assets (Rs)	Ratio
2011	2734.28	10357.28	0.26
2012	3680.41	11406.58	0.32
2013	2864.10	12091.17	0.23
2014	3536.62	13768.64	0.25
2015	4020.97	14430.13	0.27

Sources: Annual report from the Hindustan Unilever Ltd for the year 2011 – 2015.



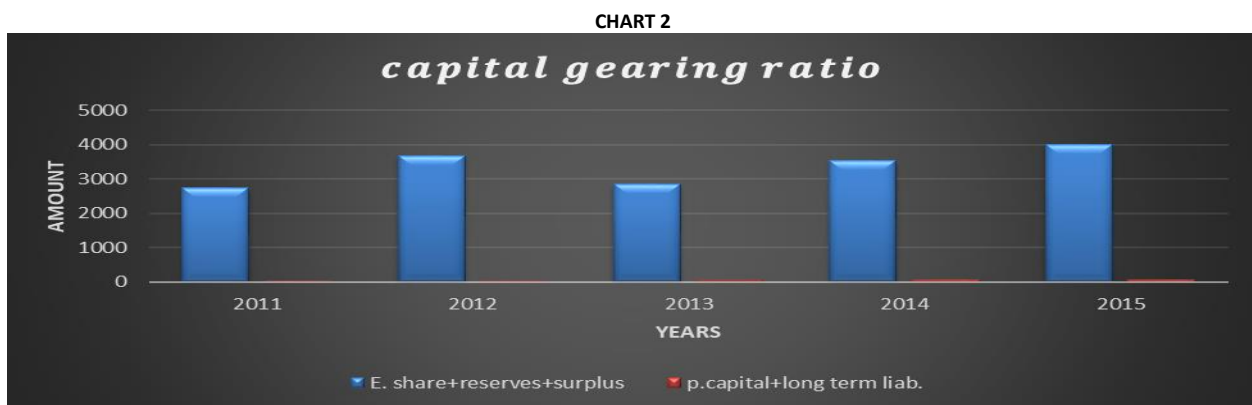
Interpretation: the above table depicts the relationship between shareholders fund to total assets from the table the relation of shareholders to total assets are increasing in first two years then decreases in 2013 from 0.32, to 0.23 and again fluctuates in 2014,2015.

CAPITAL GEARING RATIO

TABLE 4: STATEMENT OF CAPITAL GEARING RATIO (Rs in crores)

Year	E. share+reserves+surplus (Rs)	p.capital+long term liab. (Rs)	Ratio
2011	2734.28	14.58	187.53
2012	3680.41	18.30	201.11
2013	2864.10	45.6	62.80
2014	3536.62	67.86	52.11
2015	4020.97	67.84	59.27

Sources: Annual report from the Hindustan Unilever Ltd for the year 2011 –2015.



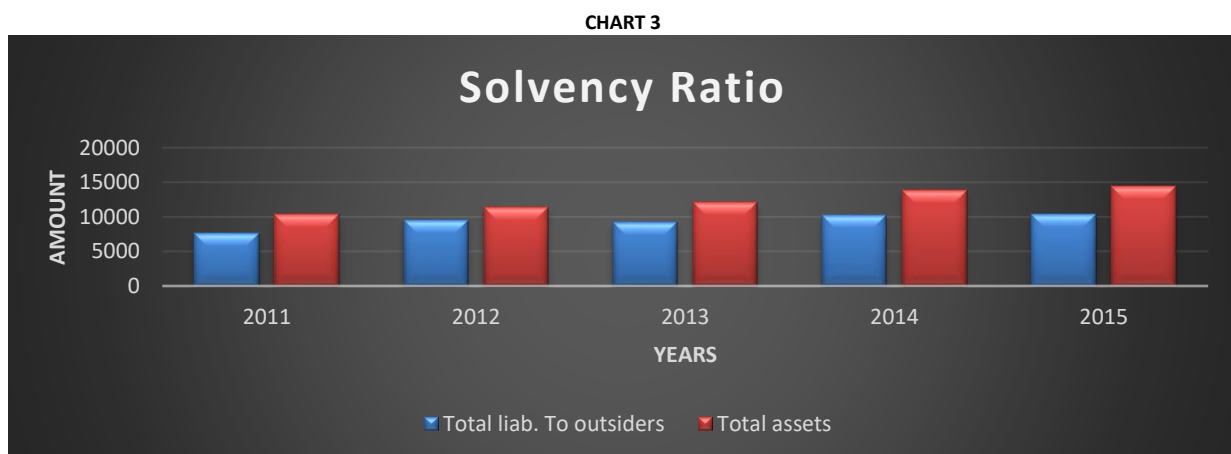
Interpretation: the above table shows the relationship between earning share capital plus reserves plus surplus to preference capital plus long term liabilities from the table it is concluded that in 2011 the ratio is 187.53 again increasing in 2012as 201.11 while it falls continuously in the respective years 2013 and 2014 and then increasing year 2015 as 59.27.

SOLVENCY RATIO

TABLE 5: STATEMENT OF SOLVENCY RATIO (Rs in crores)

Year	Total liab. To outsiders (Rs)	Total assets (Rs)	Ratio
2011	7612.78	10347.15	0.73
2012	9537.87	11406.58	0.83
2013	9227.07	12091.17	0.76
2014	10231.99	13768.64	0.74
2015	10409.16	14430.13	0.72

Sources: Annual report from the Hindustan Unilever Ltd for the year 2011 – 2015.



Interpretation

The above table highlights the relationship between total liabilities to outsiders to total assets. From the table it's examined that total liabilities to outsiders to total assets are increasing vice versa in 2011, 2012, 2013 then decreases in year 2014 and 2015.

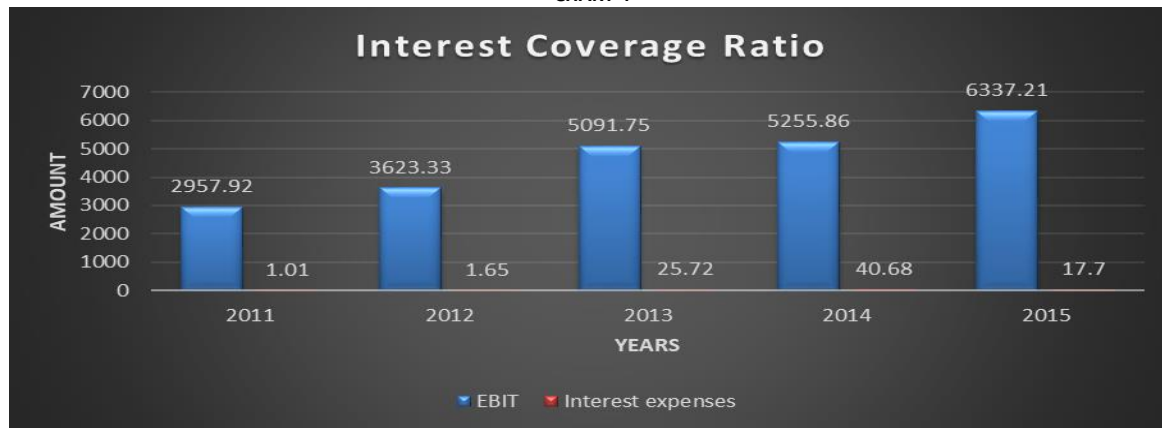
INTEREST COVERAGE RATIO

TABLE 6: STATEMENT OF INTEREST COVERAGE RATIO (Rs in crores)

Year	EBIT (Rs)	Interest expenses (Rs)	Ratio
2011	2957.92	1.01	2957.1
2012	3623.33	1.65	2195.95
2013	5091.75	25.72	197.96
2014	5255.86	40.68	129.20
2015	6337.21	17.70	358.03

Sources: Annual report from the Hindustan Unilever Ltd for the year 2011 – 2015

CHART 4



Interpretation: The above table shows the relationship between Ebit to fixed interest charges the above table highlights that there is increasing year 2011, 2015 and decrease in years 2012, 2013, and 2014.

DEBT EQUITY RATIO

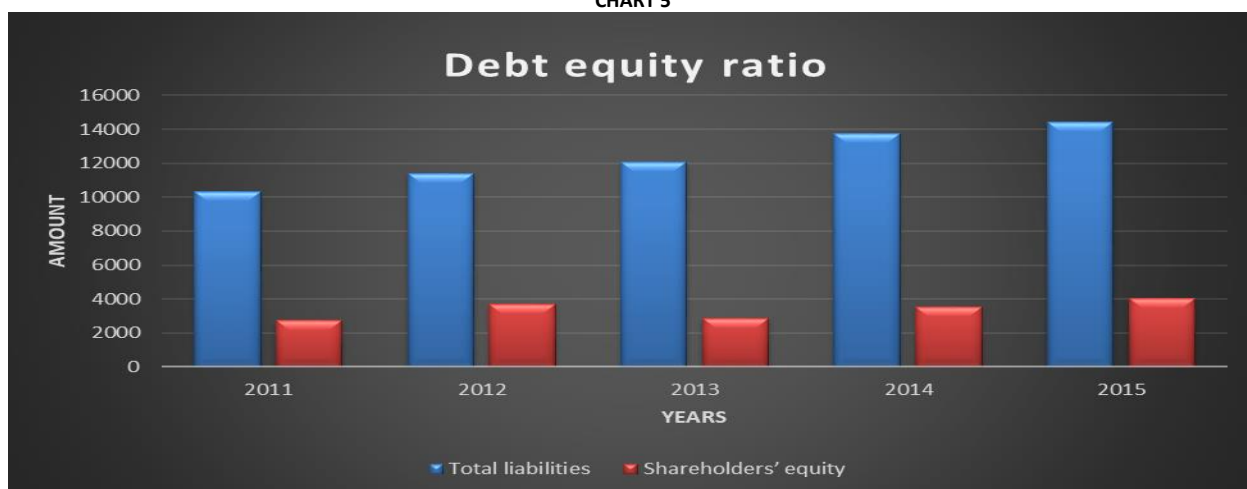
Debt equity ratio = outsiders fund/shareholders' funds.

TABLE 7: STATEMENT OF DEBT EQUITY RATIO (Rs in crores)

Year	Outsiders funds (Rs)	Shareholders 'Funds (Rs)	Ratio
2011	10347.15	2734.00	3.78
2012	11406.58	3680.41	3.09
2013	12091.17	2864.10	4.22
2014	13768.64	3536.62	3.89
2015	14430.13	4020.97	3.58

Sources: Annual report from the Hindustan Unilever Ltd for the year 2011 – 2015

CHART 5



Interpretation: The above table reveals the relationship between the total liabilities to total shareholders' equity. The share of total liabilities in relation to shareholders equity gets decreasing in 2012 then gets increased in 2013. From 3.09 to 4.22 but again shows declining from 2013 to 2015 that's from 4.22 to 3.58.

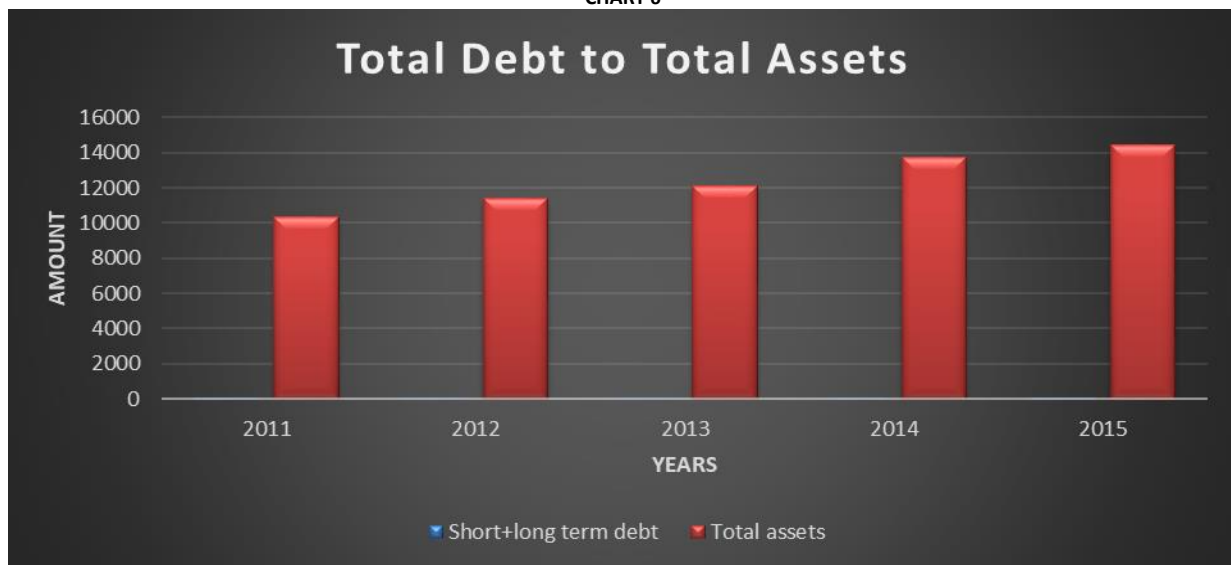
TOTAL DEBT TO TOTAL ASSETS

TABLE 8: STATEMENT OF TOTAL DEBT TO TOTAL ASSETS (Rs. in crores)

Year	Short long term debt (Rs)	Total assets (Rs)	Ratio
2011	14.58	10347.15	0.14
2012	18.30	11406.58	0.16
2013	45.6	12091.17	0.37
2014	67.86	13768.64	0.49
2015	67.84	14430.13	0.47

Sources: Annual report from the Hindustan Unilever Ltd for the year 2011 – 2015

CHART 6



Interpretation: The above table shows the relationship between the short term debts plus long term to total assets. Its shows the continuously as ratio varies from inflation to below par the level. As respective years above mentioned in the table.

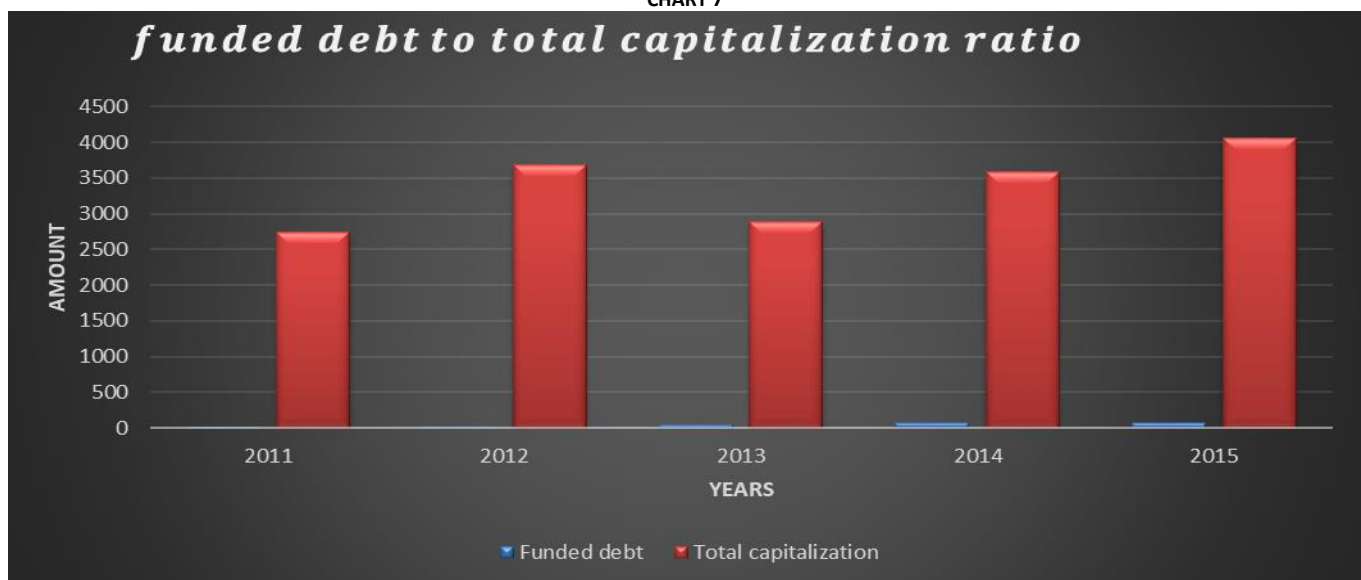
7. Funded debt to total capitalization ratio

TABLE 9: STATEMENT OF FUNDED DEBT TO TOTAL CAPITALIZATION (Rs in crores)

Year	Funded debt (Rs)	Total capitalization (Rs)	Ratio %
2011	14.58	2734.0	0.53
2012	18.30	3680.41	0.49
2013	45.6	2888.84	1.57
2014	67.86	3582.2	1.89
2015	67.84	4064.01	1.66

Source: Annual report from the Hindustan Unilever Ltd for the year 2011 – 2015

CHART 7



Interpretation: The above table indicates the relationship between the long term debts to total capitalization. Presumes the above table mentioned the variations in the ratio from vice versa increasing to decreasing while 2014 and 2015 remains satisfactory.

TOTAL INVESTMENT TO LONG TERM LIABILITIES

This ratio is calculated by dividing the total of long term funds by the long term liabilities. As a general rule the proportion of long term liabilities should not be very high. Thus ratio of total investment to long term liabilities is calculated as:

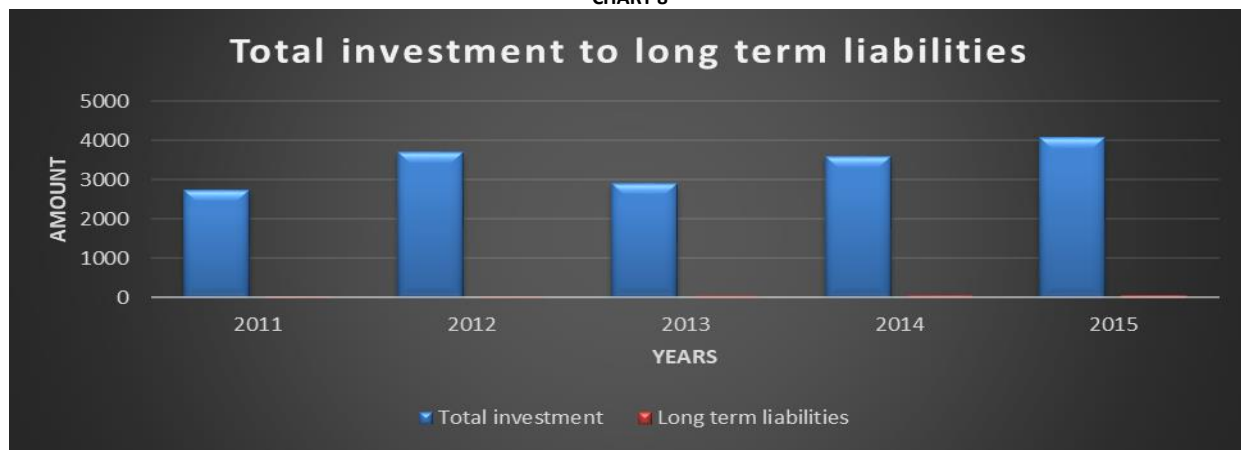
$$total\ investment\ to\ longterm\ liabilities = \frac{shareholders\ funds + long\ term\ liabilities}{long\ term\ liabilities}$$

TABLE 10: STATEMENT OF TOTAL INVESTMENT TO LONG TERM LIABILITIES (Rs in crores)

Year	Total investment (Rs)	Long term liabilities (Rs)	Ratio
2011	2748.86	14.58	188.53
2012	3698.71	18.30	202.11
2013	2909.7	45.6	63.80
2014	3604.48	67.86	53.11
2015	4088.81	67.84	60.27

Sources: Annual report from the Hindustan Unilever Ltd for the year 2011 – 2015

CHART 8



Interpretation: The above table shows the relationship between the total investments to long term liabilities. there depicts as increasing level in the 2011 and 2012 while the ratio decreases in the last remaining years as 2013 2014 2015, as follows from 188.53, 202.11 to 63.80, 53.11, 60.27 respectively

TESTING OF HYPOTHESIS

There are parametric and non-parametric tests. The choice of test selected for hypothesis testing depends on factors like the nature and objective of research, characteristics of population distribution, the sampling technique, type of data, etc. Hypothesis testing will help a researcher in establishing the validity of his results. For this purpose statistical tool of verification of coefficient of correlation and student t test is being calculated.

CORRELATION

The correlation is a statistical tool which studies the relationship between the two variables and correlation analysis involves various methods and techniques used for studying and measuring the extent of the relationship between the two variables.

TABLE 11: COEFFICIENT OF CORRELATION BETWEEN OUTSIDER’S FUNDS AND SHAREHOLDERS’ FUNDS

Year	X	Y	dx=x-x	dy=y-y	dx ²	dy ²	Dxdy
2011	10	27	-2	-6	4	36	12
2012	11	36	-1	+3	1	9	-3
2013	12	28	0	-5	0	25	0
2014	13	35	+1	+2	1	4	2
2015	14	40	+2	+7	4	49	14
	$\sum = 60$	$\sum = 166$	$\sum dx = 0$	$\sum dy = +1$	$\sum dx^2 = 10$	$\sum dy^2 = 123$	$\sum dxdy = 25$

Source: Annual report of HUL Pvt. Ltd.

Where

Mean of X = $\frac{60}{5} = 12$.

Mean of Y = $\frac{166}{5} = 33$

Where x is total liabilities, y is shareholders equity.

Therefore,

$\sum dx = 0, \sum dx^2 = 10, \sum dy = 1, \sum dy^2 = 123, \sum dxdy = 25$.

Where $r = \frac{\sum dxdy}{\sqrt{\sum dx^2 + \sum dy^2}}$

$r = \frac{25}{\sqrt{10 + 123}}$

$r = \frac{25}{\sqrt{1330}}$

$r = \frac{35.07}{25}$

$r = 0.71$

Formula for t test:-

$t = \frac{r}{\sqrt{1-r^2}} * \sqrt{n-2}$

$t = \frac{0.71}{\sqrt{1-(0.71)^2}} * \sqrt{10-2}$

$t = \frac{0.71}{\sqrt{1-0.50}} * \sqrt{8}$

$t = \frac{0.71}{\sqrt{0.50}} * 2.82$

$t = \frac{0.71}{0.70} * 2.82$

$t = 2.86$

$t_{0.05} < t_{1.86}$

Analysis of t test: - Calculated value of t is 2.86 and critical value or table value is 1.84 @ 5% level of significance.

Since coefficient of correlation is more than table value therefore the null hypothesis is rejected which means:

There is significant difference between outsiders fund and shareholders’ funds.

Interpretation: - From the conclusion of t test it has been found that the table value of ‘t’ is less than the calculated value first we calculated the value of r and then calculated t with the help of r that the value that we calculated is 2.86, Hence the Calculated value of t is more than table value, so the null hypothesis we set above is rejected. Therefore there is significant difference in outsider’s funds and shareholders’ funds of Hindustan Unilever ltd

FINDINGS

1. The outsider's liabilities of the company are continuously increasing its liabilities which are not good for the company instead they should maintain a good balance of liabilities.
2. Working capital is constantly fluctuating from 2011 to 2015.
3. As regards to the shareholders' funds they are increasing from year to year in relation to total assets which are good for the company.
4. As regards capital gearing the company is relying more on debt as compared to the equity.
5. As concerning to total liabilities to outsiders there is fluctuation in total liabilities to outsiders as in relation to total assets. A continuous increase has been found from last five years.
6. The operating profit of the company is increasing at good rate but the interest paid to outsiders is also raising enormously. This reduces the profits after interest.
7. As regards to debt equity the company is using good mix of debt and equity which is good sign for the viability of company.
8. Regarding to short term and long term debt with relation to total assets the long term and short term debt is also increasing continuously at high rate which reduces working capital of the company.
9. About solvency ratio a company is maintaining a good balance of assets that can be claimed by outsiders.
10. Concerning fixed assets in relation to shareholders funds. It has been found that the ratio between fixed assets and shareholders' funds in 2011 and 2013 gets increased while as in last two years it gets decreased.

SUGGESTIONS

- The company is using more outsiders' funds. The company should maintain appropriate mix of owner's funds and outsiders funds.
- The company should use optimum level of working capital to gain the maximum profit.
- The company is using more debt than equity. The company should retain the proper mix of debt and equity in financing the firm's assets.
- Shareholders' funds are superior in relation to total assets and the company using the shareholders' funds in good rate and should try to increase it.
- The company should lessen outsider's liabilities so that there should be good balance of assets and liabilities. So that the company can maintain good liquidity.
- The company is maintaining a good level of operating profit but its interest is continuously escalating which reduces the profit. The company should reduce its loans and advances to achieve maximum profits.
- The company has maintained good mix of debt and equity. Which is Satisfactory for its growth and the company should seek to keep it up in future.
- The solvency of the company is good but is increasing in 2013 which the company should maintain as low as possible. So that the company can manage more suitable long term solvency position in the future.
- The fixed assets of the company are also mounting without taking long-term debts which is good for the company and should uphold it in future

CONCLUSION

Hindustan Unilever limited is a public limited company and was changing from last five years. The company has increased the outsider's liabilities from year to year, but overall company is using good mix of debt and equity while as the company is trusting more on debit. The company should try to make control on debit. Operating profit of the company is also increasing from year to year but the company should try to minimize the loans as well as the loans and outsiders funds to reduce the interest so that the net profit can be maximized. Company is maintaining a good balance of solvency which is good for the company. The company should try to reduce its current liabilities as the current liabilities are very much increasing as compared to current assets. This is best for the feasibility as well as for the Profitability of the company. Overall the company is donning very glowing

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MAIN THEORETICAL APPROACHES TO AGRARIAN CHANGE AND DEVELOPMENT

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ABSTRACT

Agriculture have a great impact on the development of the economy. This article gives an idea of different economists view on how agriculture produces surplus wealth and its contribution to the development process of the economy.

KEYWORDS

agriculture, development

JEL CODE

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INTRODUCTION

In Japan agriculture was responsible for financing development. There was an increase in the consumption levels of the farm population and this increase was less than the rise in the productivity of agriculture. As a result, the increment was used for financing capital formation. Tax revenues collected from the agricultural sector funded development projects: model factories were built, shipbuilding industry, railroads, investment in education and research (Johnston & Mellor, 1961). Thus, from this example, we clearly see that agriculture can and do play an important role in economic development. Similar results can be seen from the analysis of Douglas Gollin, Stephen Parente & Richard Rogerson (2002) that built a model and with their mathematical analysis concluded that improvement in agricultural productivity is extremely important for economic growth. They also tested their result by examining the data of a total of 62 developing countries (as defined by Food and Agricultural Organization of United Nations) for the period of 1960 to 1990 and found out that improvements in agricultural productivity allow the resources to be allocated for other activities. And, these activities can hasten industrialization. Therefore, we see a clear link between agriculture development and economic development and how it triggers economic growth. Are there other ways in which agriculture development and productivity can contribute to economic development? Apart from agriculture contributing to capital accumulation for expansion of other sectors of the economy there are four other ways in which it can contribute to economic growth. First, expanded demand for agricultural products characterizes economic development. Failure to expand food supplies can lead to volatile food prices thus creating pressure on wages which in turn can have an adverse effect on profits, investment and economic growth. Second, agricultural exports are a source of foreign exchange and can contribute to rising national incomes especially in the early stages of development. Third, it is an important source of labour for other sectors of the economy. Fourth, the countryside is an important market for the industrial sector hence increase in rural purchasing power is essential for industrial expansion (Johnston & Mellor, 1961).

So far we have been able to draw a link between agriculture and economic development and seen how crucial this sector is for any economy. However, there has been a change over time in the role of agriculture in structural transformation. From 1940s to 1960s economic development by classical theorists was viewed as a process where reallocation of factors of production takes place from a traditional, low productive agriculture sector to a more productive capitalist sector. This strategy can be more appropriately called 'industrialization led development' where agriculture was seen as an antecedent to industrialization. From mid- 1960s there was a revision in the development thinking and there was an argument for viewing agriculture as a major driver of growth especially in the early stages of development. Until late 1990s, a market dominant view towards developing agriculture with the Washington consensus was in place which changed slightly with the emergence of post Washington consensus. In the late 90s with the focus on equity and employment, links between poverty reduction and agriculture were highlighted (Byerlee, Janvry & Sadoulet, 2010). Along with these mainstream approaches, there existed a marxian political economy view of the agrarian change and development.

OBJECTIVES OF THE STUDY

This paper attempts to discuss both mainstream and Marxian political economy approaches. The first section will focus on the mainstream perspective which is divided into five sub-sections mainly, Classical theorists, early neoclassical school, Washington Consensus and Post Washington Consensus. The second section of the paper discusses the Marxist theoretical approaches theorized by Bernstein, Byres and Carlos Oya. The third and final section will try to shed light on why it is important to rethink agriculture's role in development and what challenges a renewed interest in agriculture poses.

METHODOLOGY

The research methodology adopted is qualitative in nature. The different views of economists has taken into account and their observation on agrarian change and development was observed. The historical perspective of the different schools of thought is taken into consideration.

ANALYSIS**MAINSTREAM THEORETICAL APPROACHES TO AGRARIAN CHANGE AND DEVELOPMENT****CLASSICAL THEORISTS**

The classical approach was dominant until the mid and late 1960s. There was strong emphasis on development planning, state intervention before markets could flourish. Rosenstein-Rodan (1943) in *Problems of industrialization of eastern and south-eastern Europe* makes a strong case for planned industrialization with state intervention. While talking about what should be done to industrialize the international depressed areas of eastern and south-eastern Europe, there is an underlying assumption that there is excess population in the rural areas and it would be beneficial to transport this labour towards industrialization. The development of the entire region, according to him, should be planned like a one big industry or firm comprising of several complementarity industries. Moreover, there should be active state intervention. This is because state can provide training to labour which is not a very profitable investment for private firms motivated by profits (trained work force might come in contact with another firm and leave the former!). Private investors and firms also have insufficient knowledge to change the entire economic structure of the region. In addition to this, reliance on private investors would mean the process of industrialization would be slower and the rate of investment smaller. Therefore, produce a final equilibrium that would be below optimum which a planning board with active state involvement can achieve. There is also a general agreement in this approach that industrialization would benefit the population of the region and would lead to equal distribution of incomes and raise the incomes of depressed areas.

A similar view by another classical theorist W. Arthur Lewis views economic development as a growth process where factors of production are transported from an agricultural sector to a modern sector. Lewis talks about the existence of a dual economy with a traditional (agriculture) and a modern sector (industrial). It is further assumed in his analysis that traditional sector is labour intensive whereas the modern sector is capital intensive. A fundamental assumption is that there

is a surplus of labour in the traditional sector which is absorbed by the modern sector. This transfer of labour is determined by the demand of the non-agricultural sector and is limited by rate of capital accumulation. Thus, capital accumulation becomes the driver of growth and development while agricultural sector provides labour at subsistence wages (Ray, 2009; Johnston and Mellor, 1961).

EARLY NEOCLASSICAL PERSPECTIVE (MID 1960s)

In contrast to the macroeconomic perspective of Rosenstein-Rodan and Lewis, Theodore Schultz followed a microeconomic orientation focusing on peasant behavior and raising agricultural productivity. He did not focus on the question of how agriculture should finance industrialization. It was argued that technological investment in agriculture is essential and price incentives should be provided to farmers in order to encourage them to adopt technology. He further added and critiqued Lewis' assumption of surplus labour in agriculture sector. According to him there was no surplus labour and no need for state to mobilize labour into industrial sector. This is because he considered peasants as rational actors (Varshney, 1993). In 1960s, Raj Krishna, an Indian economist tested through econometric analysis if peasants in poor countries respond to changes in price movements. He used inter war period data and showed that peasants are rational actors in poor countries just like the advanced world (Byres, 2003). Thus in the 1960s there was a revision in the development thinking and this revision was based on the core contributions of Schultz (1964) and Hayami and Ruttan (1971) where a case was made for rapid adoption of science based technology to transform the agricultural sector into a modern sector thus delegating it as a driver of growth especially in the early stages of development. Furthermore, strong linkages between growth of agriculture and industry were recognized by economists (Mellor as cited in Janvry & Sadoulet, 2010).

WASHINGTON CONSENSUS ON AGRICULTURE

The early neoclassical view based on peasants as rational actors and profit maximizers was taken to another level altogether with the coming in of Washington consensus. Williamson coined the term 'Washington Consensus' and proposed it as 10 axiomatic policy suggestions concerned with economic growth in developing countries. The broad policy recommendations included: controlling inflation to facilitate macroeconomic stability, reducing fiscal burden of the government, trade and capital liberalization, privatization and deregulation (Galore, 2000). International institutions like the IMF and World Bank were the torch bearers of this approach. Gaining momentum in the late 1960s this view reached its peak in the 1980s and remained a dominant view until the late 1990s (Byres, 2003). This approach has its roots in neoclassical work with theoretical underpinnings as: existence of perfect markets, perfect competition, perfect information and no transaction costs. Farmers are considered as rational profit maximizers (treated as 'competitive firms') as well as rational consumers. They can respond rationally to price incentives. This approach adopted anti-panning, anti-state view with a pro market stance. Thus, getting prices right became the most important agenda in 'development' and it was considered that individuals could come together on their own to remove the inefficiencies in resource allocation and are prevented from acting in this way by government intervention. Therefore, the belief was the economic forces can naturally lead to economic efficiency in an economy (Oya, 2005; Byres, 2003).

Thus, there was a paradigm shift in development thinking. This was not just as simple as a shift from state-led development to market dominant development policies. In calling it a paradigm shift as Galore (2000) highlights that it is crucial to take into account the change in the disciplinary matrix and world view. In other words, these changes were "the partial globalization of development policy analysis and a "shift from historicism to ahistorical performance assessment" (p.790). The former used international normative evaluations for reference with a combination of nationalist form of explanation that explained what was happening within countries to national policies and factors. Latter, describes a change in theorizing development in 1950s to 1970s based on historical analysis of long term sequences of social and economic change to a performance based assessment. Countries are categorized as good or bad performers based on their performances in different categories such as agriculture, industry, trade, poverty reduction, human development, etc.

POST WASHINGTON CONSENSUS

Extreme market fundamentalism was replaced by the emergence of 'market friendly' approach to development by the late 1990s. This pointed to a marked revision from the Washington Consensus (Galore, 2000). There was an acknowledgement of the fact that state was not dichotomous to markets, moreover, they are complementary to each other. It was recognized that market failures do occur and state can play an important role in correcting market imperfections and failures. However, there was a continuation of the market efficiency. Peasants were considered as rational actors but Stiglitz in his work on post Washington consensus noted the existence of information asymmetry and transaction costs. Furthermore, he highlighted the absence of certain markets in the less developed countries. Therefore, he tried to put a case for a positive role of state in development. He rejected the 'efficient markets hypothesis' and stressed that markets by themselves cannot generate development (Byres, 2003). Byres (2003) explains the difference between the Washington consensus and post Washington consensus through the difference in treatment of land leasing and interlocking markets within these two approaches. Firstly, the proponents of Washington Consensus consider leasing out land as inefficient because of the disincentives associated with sharing. They are of the view that surplus generated from land is taken away and as a result few resources are left to reinvest and improve productivity. On the other hand, Stiglitz argues that land leasing and sharecropping provides an effective institutional framework for risk sharing especially when other forms of mitigating risks such as insurance are unavailable. Secondly, interlocking of markets where loans were taken from landlords, money lenders and traders on different terms such that landlord may dictate what crops are to be sown using that loan or who should they be sold to or the tenant may work at a particular wage. Such interconnections were considered inefficient by the Washington consensus. On the other hand, Post Washington consensus argued that such market imperfections can minimize costs and lead to mutual advantage thereby dispensing various kinds of risks (risk of seeking employment, risk of agricultural production etc.).

Byres (2003) goes on to challenge this dominant orthodoxy and highlight the gaps in such a view. It is assumed that peasantry is homogeneous and antagonistic class relations and social segmentation of this class is ignored. Underlying the so called rational behavior to price changes is the class situation of the peasants affecting how they behave. For example, large, rich, or capitalist farmers at one end of the spectrum react due to their involvement in the market motivated to earn profit. At the other end of the spectrum, small producers or poor peasants are forced to act because they are trapped in interlocked markets. The former looking for 'true commercial surplus and the latter involves 'distress surplus'. Such differential class responses have been ignored. PWC supporters in reference to interlinked markets talk about mutual advantage and sharing of risks. But, are not these relationships of exploitation rather than mutual advantage? There is a particular class relationship between the landlord (dominant class) who is a lender and the peasant (subordinate class) who is a borrower. This relationship enables a particular form of exploitation; a way of extracting maximum surplus. Another problem with PWC is the failure to recognize the asymmetry of economic power among different classes which is quite implicit in the first two criticisms made before. While low transaction costs make sharecropping attractive for landowners, the tenants have hardly any say. This is because the bargaining process is skewed towards the more powerful one and 'negotiation costs' as talked about by neoclassical proponents are nothing but a fiction. PWC also fails to look into the causes of backwardness. Why does this happen? The interlinked contracts and various modes of exploitation are crucial. It is because they encourage certain kinds of investments which are speculative and unproductive in nature and from which the dominant classes benefit increasingly. Thus, productive investment is at disadvantage thereby has an adverse impact upon the rate of surplus itself. Had there been more opportunities for productive investment, surplus generation would have been greater. Most importantly, the PWC have a very ambiguous view of the state. Stiglitz, himself, while talking about the role of state is lacking a more nuanced and positive view of the state in development. He distant himself from making any arguments in favour of a developmentalist state. The wider and crucial role that state can play beyond education health and roads is ignored. The dynamic role that state can play in transforming agriculture and developing rural areas by using land reforms, changing agricultural policies thereby expanding availability of formal credit, research and extension, etc. is not discussed.

NEO CLASSICAL NEO-POPULISM: DISCUSSING THEORETICAL APPROACHES BY LIPTON AND GRIFFIN

Michael Lipton in 'Why poor people stay poor: Urban bias in World Development' discusses that the most important conflict in poor countries of the world is the conflict between rural and urban classes. He puts forth two propositions: First, the third world witnesses a development process which is systematically biased against agriculture. Second, the countryside is economically backward due to political powerlessness. He further adds that urban bias rather than equity or efficiency is reflected in the allocation of resources. This biasness is manifested in many policy areas such as investment, taxation and prices. The most important being food prices as they are very critical and help in industrial development. Urban classes are in favor of cheap food prices whereas rural classes are against cheap food. According to Lipton, it is this political power that is a key force in shaping industrialization where agriculture is squeezed and surplus extracted in order to benefit industrial sector (Varshney, 1993)

What is important to understand, Varshney (1993) points out, is that 'transfer of surplus from agriculture' and 'squeezing agricultural sector' are two different things and have two different implications altogether. Former may help agriculture and development whereas latter may hurt both. He further goes on to question and criticize the urban bias theory of Lipton. Lipton did not look into the dynamics of power. Can the power equations change over time? Is power structure static or dynamic? These are important questions that were not answered. Moreover, power structure within urban bias theory is assumed but not at all demonstrated by Lipton in his work. Robert Bates through his work on Africa tried to fill in some of these gaps. He used theories of collective action and said that prices that put countryside at disadvantage help in extracting surplus and in the state of Africa, state benefits are distributed selectively thus creating a divide among the people in countryside. As a result, a collective action in the rural side becomes difficult as each peasant only has a small share in the large agricultural sector. Therefore, communication is difficult. On the other hand, it is easy to organize a small industrial sector where the share of each producer is large in the market (Varshney, 1993).

Other criticisms of urban bias theory includes: First, it neglects political institutions. What are the implications of the way politics is organized on rural interests? Different forms of government multi-party or single party can have varying effects on rural interests. These can be society- centered like in our discussion above where policy biases were a result of power or interest groups. They can also be state centered in the sense that state agencies can either support rural interests or constraint them. Second, what about the role of technology in making agricultural sector powerful? Urban bias theory ignores how agro industries can also engage in lobbying which can benefit agriculture by lowering costs and moderating food prices. Third, it also ignores the non-class identities such as ethnic or religious identities which might become the basis for mobilization and to move forward politically. Lastly, the boundaries between rural and urban might be hard to detect (Varshney, 1993).

Griffin's statement of the neo-classical neo-populist arguments focuses on key structural characteristics in agricultural sector such as distribution of land, other productive resources and political power in the intra-sectoral model. He argues that inequality in the distribution of these resources leads to market imperfections in allocation of resources. In his basic model he assumes 2 types of producers: peasants and landlords. He makes a case for redistributive land reforms: transfer of property rights from landlords to small peasants and landless labourers. This could lead to a widespread reduction in poverty and income inequality and could also replace inefficient agriculture with a more efficient system. How can the redistribution of land become effective? Such a measure would require the elimination of 'landlord bias' and urban bias. Landlord bias favoured large landowners while penalizing small peasant cultivators. On the other hand, urban bias is an allocative bias against the agricultural sector which reduces incentives and thereby the output (Byres, 2004).

Criticism for neo-classical neo-populism: according to Byres (2004) neo classical neo populism presents a response to capital accumulation and offers a utopian alternative. Why is so? This is because it talks about both equity and efficiency at the same time. It excludes questions of class and caste struggles which are deeply rooted in capitalism itself. Moreover, it is seeking solution for absorption of labour in a capitalist sector which is driven by machines. Again, there is the same mistake in Griffin's formulation of treating peasants as a homogeneous class as discussed above in the criticism of urban bias theory. Moreover, there is no mention of the capitalists in the countryside. It has also been pointed out that such a measure of redistributive reforms would require state to intervene but how the state will act is not discussed.

It is important to reflect on the why are the above discussed theoretical approaches called neo classical and neo populist in conceptualization? This is because they talk about efficient allocation and also just like the neo classical theorists views rural class structure as a homogenous group. Even within the countryside there can be further segmentation which is not taken into account. It is called neo populist because there is an emphasis on small farming and call for an egalitarian rural structure.

The next section discusses the alternative view: theoretical approaches by Marxian political economy and will focus on Carlos Oya and Bernstein's conceptualization of agrarian change.

MARXIST POLITICAL ECONOMY

Carlos Oya (2005) talks about the neoliberal thought in agriculture. The main policy targets of which in the 1980s and 1990s were: removal of subsidies on agricultural inputs, elimination of currency overvaluation in order to incentivize export agriculture, elimination of parastatal marketing agencies so as to encourage private traders, deregulation and liberalization, reduce fiscal debts, bad debts and replacing subsidized agricultural credit with alternative financial institutions. What was the role of state in this framework? State was supposed to enable the market and provide an environment favorable for private investment. What was the agrarian neoliberalism in practice? Liberalization and deregulation of markets combined with withdrawal of the state proved to be mutually inconsistent and had contradictory effects on different classes of farmers. There are methodological limits in analyzing the impact of neoliberal reforms on agriculture. However, the experience of developing countries show that neoliberal policy have proved to be a benefit for some people while there have been some losers on the other end. The winners more than usual have been capitalist and rich farmers who are economically and politically capable of adjusting to changing market conditions while losers have been poor farmers who are mostly dependent on rural subsistence wages. Export agriculture has been uncertain and unable to compete with cheaper imports from advanced countries of the world. There has been price volatility, lack of access to infrastructure such as storage and transport especially with the withdrawal of the state and unequal flow of private investment. Living costs have been increasing at a rate higher than the wages, cultivation costs have increased. There have been negative consequences for equity as people from marginalized communities, widows, elderly, moreover, women headed households have limited access to assets and social capital.

The next major theoretical approach within the Marxist political economy framework is the agrarian question approach. What is the classic agrarian question? What is the agrarian question of capital? Is it relevant today? These are some of the questions that we look to answer while talking about the agrarian question. The agrarian question in classic Marxist theory has been interpreted as the transition in agriculture from feudalism to capitalism. It also discussed how agrarian capitalism is contributing to industrialization. Bernstein (2009, 2011) argues that this agrarian question is actually the question of capital but has never been interpreted that way. Furthermore, he argues that this agrarian question of capital is not relevant in the contemporary times because either it has lost its relevance or has been solved. He also attempts to reinterpret the agrarian question of capital as agrarian question of labour.

The transition of agrarian capitalism in England has been theorized by Marx. A rich account of transition from feudalism to capitalism in agriculture and of the class dynamics was provided by Marx. According to Bernstein (2009, 2011) it is the transition from 'predatory landed property' and peasantry to 'capitalist landed property' and agrarian capital. For him, the classic agrarian question was the about the formation of capitalist mode of production. Now, this mode of productions included capitalist social relations along with development of productive forces in farming. Feudal landlords were transformed into capitalist class whereas peasant labour transformed to wage labour; overall there was a transition from agricultural to industrial economy as a result of investment of agricultural surplus in industry (Mehrotra, 2012). This transformation was a result of interaction between capital class and its opponents in different countries and historical contexts but Bernstein points out one common feature: use of land reforms to dispossess the agrarian classes of pre-capitalist period. These land reforms took place throughout 1910 to 1970s but between 1940 and 1970 these reforms shaped state-led developmentalism in many decolonized countries of Asia (Bernstein, 2006, 2009). As pointed out that by 1970s, the pre-capitalist landed property as significant social and political force had dissolved which was a marker of the end of agrarian question of capital on a world scale (Bernstein, 2011). The attention now turned to the rural classes of labour.

Under capitalism, agriculture can fund industrial accumulation and is 'taxed' in various ways. The condition of labour is affected or control of state over production increases or promotion of capital accumulation promotes the interests of the richer strata. In the twenty-first century, globalization has an impact on the agrarian question. Generalized commodity production, expansion and diversification of non-rural sources of capital, employment diversification by rural labour, and the decomposition of the 'pure' agrarian labour affected the way in which farming enterprises were organized. It is important to note that here farming is not synonymous to agriculture because the set of relations here are much more complicated than simple relations in the feudal societies between agrarian classes. As a result of globalization, "fragmentation" of "classes of labour" occurs. "Classes of labour", according to Bernstein (2009, 2011), talk about the group of people who are dependent on the sale of their labour power in order to ensure their survival (Panitch & Leys as cited in Bernstein, 2011). On the other hand, "fragmentation" emphasizes on how classes of labour in a capitalist society engage in various wage employment, informal labour and often combine them with small farming. Thus, they are subjected to different exploitation which is in turn intensified along the lines of caste, class and gender. Therefore, what all of this tells is - "the crisis of labour as crisis of reproduction" (Bernstein, 2011, p.455) is unique to the model of capitalism and is further accentuated by globalization. Thus, there is a need to

consider the agrarian question of labour that originated from the scarcity and insecurity of employment and its failure to provide the most basic wage to reproduce in the contemporary capitalism (Arrighi and Moore as cited in Bernstein, 2006).

In neoliberal globalization, capital concentration in advanced economies, insecure employment and fragmentation leads petty commodity producers to combine elements of capital and labour thereby diversifying their income and employment sources. Thus, they are subjected to different exploitation and there is also a possibility of their disaggregation into classes of labour and capital. According to Bernstein the class differentiation among the petty commodity producers is as follows: at the top of the hierarchy are rich farmers and petty capitalists who are able to reproduce themselves. This is an accumulating class and also pursues diverse economic activities. In the middle are medium farmers or petty producers who are able to produce on a simple basis. Basically, means that they are not accumulating like the petty capitalists. They combine both family and wage labour, thus, lease in and lease out land whenever possible on sharecropping arrangements, may hire wage labour and also can work on other people's lands. This diversification gives them the power to exploit but at the same time can be exploited because the partition between middle or poor farmers is blurry. Lastly, at the bottom are the classes of labour which are unable to reproduce themselves. It is very difficult for them to secure a living on a daily basis. They are highly mobile across locations as they are looking for work and engaged in various types of non-agricultural labour, self-employment activities along with small farming. They also show high mobility across social division of labour (Mehrotra, 2012).

Thus, we see how Bernstein re-interpreted the classical agrarian question as the question of capital and how he rejected the agrarian question of capital in favour of agrarian question of labour in contemporary times. This is because globalization has transcended local and regional borders and made the linkages between national agriculture and national industry weak. The impact of globalization is intensified as the financialization of capital and its sources are diversified and take place across nations. However, Byres criticizes the generalization of rejecting the classical agrarian question of capital. He point out that a successful transition to capitalist agriculture is limited to some regions only such as Punjab, Haryana and West UP in India. He argues that pre-capitalist rural classes do exist in other regions (Mehrotra, 2012).

CONCLUSION

Throughout the paper it has been highlighted why agriculture as a sector is important and how different approaches have looked at development as a process and the role they have given to agriculture in this process. In this final section, we again go back to answering some very basic questions. Why is it important to rethink the role of agriculture in development? What are the challenges posed by the renewed interest in agriculture?

Structural transformation still understands agriculture as handmaiden of industrialization. However, the broad recognition that started in 1970s with the increased focus on equity and employment went on to establish links between agriculture and poverty reduction by the 1990s. It has been increasingly recognized by governments, donors, international organizations such as World Bank, IMF that the realization of global agenda is nearly impossible without an explicit focus on 'agriculture for development' rather than 'agriculture in industrialization'. Today the circumstances in which agriculture operate has changed drastically. Globalization (rapid growth for agricultural exports, opening up of potential markets for importing food for developing nations etc.), new technologies new biotechnologies, emerging markets for production of biofuels etc. offer a scope for faster growth. Institutional innovations in organizations, governance and civil society along with decentralization of state in certain areas but a smaller state presence in services like finance, insurance, greater role for private sector all offer reasons for why a dynamic view on policymaking related to agriculture is required. Agriculture plays multiple roles; however, its role in five central pillars of development agenda is crucial which are as follows: agriculture triggering economic growth, poverty reduction, addressing widening disparities, its continuing role in food security and finally the link between agriculture, natural resources and environment which makes harnessing agriculture as a steward of the environment.

Renewed interest in agriculture and the commitment to 'agriculture for development' presents two challenges. First, it is important to manage the political economy of agriculture. Political economy of agriculture has been changing and this change has been in the favor of agriculture owing to the volatile prices, growing recognition of agriculture's multiple roles and emergence of increased decentralization and other new approaches based on participation and public-private partnerships. This management is important for overcoming policy biases, underinvestment and mis-investment. Second, it is extremely important for strengthening governance for policy implementation especially in developing countries. It is crucial for governments to coordinate between sectors, to involve private sector and civil society in development initiatives. Community participation becomes important as it facilitates usage of local knowledge, social capital and creativity. Engagement of the civil society is equally important as NGOs and other stakeholder organizations can contribute in making governance more efficient. International commitments and support also becomes critical and can prove very helpful in achieving the development agenda. Institutional reforms can facilitate greater coordination among international agencies and enhance the capacity of agriculture as a sector (Byerlee, Janvry, Sadoulet, 2010). What needs to be done is set the priorities for different nations according to their own existing economic, social and political structures. Thus, we see even in the twenty-first century agriculture occupies an extremely important place in the development agenda.

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