INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

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

Indexed & Listed at:

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

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

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

Circulated all over the world & Google has verified that scholars of more than 4064 Cities in 176 countries/territories are visiting our journal on regular basis.

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

http://ijrcm.org.in/

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	**ROBUST FACE IDENTIFICATION USING MOVIE** *SUGANYA.C, SIVASANKARI.A & SANGEETHA LAKSHMI.G*	1
2.	**IMPACT OF ECONOMIC AND NON ECONOMIC VARIABLES ON CORPORATE GOVERNANCE COMPLIANCE AND DISCLOSURE PRACTICES OF LISTED AND UNLISTED DEFENCE PUBLIC SECTOR ENTERPRISES IN INDIA** *DR. U. PADMAVATHI*	4
3.	**IMPACT OF YOGA ON SCHOOL STUDENTS PERFORMANCE: A STUDY** *DR. C. ANURADHA, DR. J. ANURADHA & DR. S. GOPALSAMY*	12
4.	**A STUDY ON MUTUAL FUND INVESTMENT PERSPECTIVES IN INDIA** *S. CHAKRAVARTHI, DR. M SARADADEVI & N.SAIBABU*	16
5.	**ADVANCED ESSENTIALS BASED ON AGRICULTURE USING SOLAR TRACTOR WITH WIRELESS SENSOR NETWORKS** *K.DEEPASHREE, G.SANGEETHALAKSHMI & A.SIVASANKARI*	19
6.	**AN INVESTIGATION INTO THE DETERMINANTS OF SERVICE QUALITY IN COMMERCIAL BANKS** *M. RAMESH, DR. G. VAMSHI & C. SIVARAMI REDDY*	24
7.	**THE IMPACT OF ATM SERVICES IN CANARA BANK IN MYSORE CITY** *GEETHA S & DR. C S RAMANARAYANAN*	28
8.	**A CASE STUDY ON CORPORATE SOCIAL RESPONSIBILITY OF JINDAL STEEL WORK'S LTD, BELLARI (KARNATAKA)** *VENKATESHA K & DR. RAMESH.OLEKAR*	32
9.	**A STUDY OF LIQUIDITY AND PROFITABILITY ANALYSIS OF AN INDUSTRIAL UNIT IN ODISHA** *JAYASHREE JETHY, SUPRAVA SAHU & MALAY K MOHANTY*	37
10.	**TRAINING AND MANAGEMENT DEVELOPMENT FOR PROMOTABILITY IN GHANAIAN ORGANIZATIONS** *IDDIRISU ANDANI MU-AZU*	41
11.	**CROWD FUNDING AS INVESTMENT TOOL: DISCOVERING SOMETHING ADDITIONAL** *REKHA SHARMA & NEHA THAKUR*	44
12.	**CHILD SEXUAL ABUSE AND EXPLOITATION: ROLE OF JUDICIARY** *DR. MANPREET KAUR*	48
13.	**GREEN MARKETING AND MNCs: GO GREEN PROCESS IN INDIA** *SEEMA BANGAR*	50
14.	**A STUDY STRESS MANAGEMENT AMONG TRAFFIC CONSTABLES WITH SPECIAL REFERENCE TO MYSURU CITY** *DR. A.C.PRAMILA*	54
15.	**MARKETING STRATEGIES OF PHARMACEUTICAL COMPANIES IN INDIA: A COMPARATIVE STUDY OF LUPIN AND RANBAXY** *RUCHI MANTRI, ANKIT LADDHA & PRACHI RATHI*	56
16.	**GREEN MARKETING: EVOLUTION, REASONS, ADVANTAGES AND CHALLENGES** *MANJU KAMBOJ & RENU BALA*	58
17.	**IMPORTANCE OF RECORDS MANAGEMENT IN AN ORGANIZATION** *DR. JUSTINA I. EZENWAFOR*	63
18.	**FACTORS RELATED TO JOB SATISFACTION OF ACADEMIC STAFF IN SRI LANKA INSTITUTE OF ADVANCED TECHNOLOGICAL EDUCATION (SLIATE)** *S.ANTONY*	67
19.	**WORKING CAPITAL ANALYSIS WITH SPECIAL REFERENCE TO SESHASAYEE PAPER AND BOARDS LIMITED, ERODE** *M.ANAND SHANKAR RAJA & SHENBAGAM KANNAPPAN*	72
20.	**IMPACT OF ENVIRONMENTAL AWARENESS ON YOUNG FEMALE CONSUMER ATTITUDES IN SELECTION AND PURCHASE OF ECO-FRIENDLY APPARELS IN SELECTED CITIES OF UTTATAKHAND** *JUBILEE GOYAL*	77
	REQUEST FOR FEEDBACK & DISCLAIMER	81

CALL FOR MANUSCRIPTS

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

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

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____________

THE EDITOR
IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF ____.**

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

DEAR SIR/MADAM

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

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

I affirm that all the authors have seen and agreed to the submitted version of the manuscript and their inclusion of names as co-authors.

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

NAME OF CORRESPONDING AUTHOR :
Designation :
Institution/College/University with full address & Pin Code :
Residential address with Pin Code :
Mobile Number (s) with country ISD code :
WhatsApp or Viber is active on your above noted Mobile Number (Yes/No) :
Landline Number (s) with country ISD code :
E-mail Address :
Alternate E-mail Address :
Nationality :

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

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

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

4. **ACKNOWLEDGMENTS**: Acknowledgements can be given to reviewers, funding institutions, etc., if any.

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

6. **JEL CODE**: Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at **www.aeaweb.org/econlit/jelCodes.php**

7. **KEYWORDS**: JEL Code must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.

8. **MANUSCRIPT**: Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. *It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited*.

9. **HEADINGS**: All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

10. **SUB-HEADINGS**: All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.

11. **MAIN TEXT**: The main text should follow the following sequence:

    INTRODUCTION
    REVIEW OF LITERATURE
    NEED/IMPORTANCE OF THE STUDY
    STATEMENT OF THE PROBLEM
    OBJECTIVES
    HYPOTHESES
    RESEARCH METHODOLOGY
    RESULTS & DISCUSSION
    FINDINGS
    RECOMMENDATIONS/SUGGESTIONS
    CONCLUSIONS
    LIMITATIONS
    SCOPE FOR FURTHER RESEARCH
    REFERENCES
    APPENDIX/ANNEXURE
    It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed ***5000 WORDS***.

12. **FIGURES & TABLES**: These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.

13. **EQUATIONS/FORMULAE**: These should be consecutively numbered in parentheses, horizontally centered with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word should be utilized. If any other equation editor is utilized, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that do not have the editor.

14. **ACRONYMS**: These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on first use in each section: Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.

15. **REFERENCES**: The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. Also check to make sure that everything that you are including in the reference section is cited in the paper. The author (s) are supposed to follow the references as per the following:

- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
- Use (**ed.**) for one editor, and (**ed.s)** for multiple editors.
- When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
- Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
- The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
- For titles in a language other than English, provide an English translation in parentheses.
- Headers, footers, endnotes and footnotes may not be used in the document, but in short succinct notes making a specific point, may be placed in number orders following the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

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

CONTRIBUTIONS TO BOOKS

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

JOURNAL AND OTHER ARTICLES

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

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

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

ONLINE RESOURCES

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

WEBSITES

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

A STUDY OF LIQUIDITY AND PROFITABILITY ANALYSIS OF AN INDUSTRIAL UNIT IN ODISHA

JAYASHREE JETHY
RESEARCH SCHOLAR
DEPARTMENT OF COMMERCE
RAVENSHAW UNIVERSITY
CUTTACK

SUPRAVA SAHU
ASST. PROFESSOR
DEPARTMENT OF COMMERCE
RAVENSHAW UNIVERSITY
CUTTACK

MALAY K MOHANTY
FORMER READER
DEPARTMENT OF COMMERCE
RAVENSHAW UNIVERSITY
CUTTACK

ABSTRACT

Liquidity and profitability plays an important role in financial statement analysis of any business organization. The finance manager has focus on both the concepts for financial decision making. This article is an attempt to analyze the liquidity and profitability position of an industrial unit in southern Odisha. And to find out the relationship between profitability and liquidity of the company. The study is conducted by taking into consideration of data of last five years ie from 2010 to 2014.

KEYWORDS

Financial Performance, Liquidity and Profitability.

INTRODUCTION

The Financial Statements are generally prepared for the measurement of financial position of a particular company for a particular period of time. Financial statement analysis is structural and logical way to present overall financial performance of an organization. It's also helps in evaluating and analyzing the liquidity and profitability position of the business which can be used for decision making for business operation.

LIQUIDITY ANALYSIS

Liquidity ratios are used to determine a company's ability to meet its short-term debt obligations. Investors often study at liquidity ratios when performing fundamental analysis on a firm. Since a company that is consistently having trouble meeting its short-term debt is at a higher risk of bankruptcy, liquidity Ratios are a good measure of whether a company will be able to comfortably continue as a going concern. The need of efficient liquidity management corporate sector has become greater in recent years. Accordingly, liquidity ratios are useful in obtaining an indication of a firm's ability to meet its current liabilities, but it does not reveal how effectively the cash resources can be managed.

PROFITABILITY ANALYSIS

Every business is most concerned with its profitability. Profitability is the ability to make profit from all the business activities of an organization, company, firm, or an enterprise. It shows how efficiently the management can make profit by using all the resources available in the market. One of the most frequently used tools of financial ratio analysis is profitability ratios, which are used to determine the company's bottom line. Profitability ratios show a company's overall efficiency and performance. Profitability and management efficiency are usually taken to be positively associated: poor current profitability may threaten current management efficiency and vice versa; poor management efficiency may threaten profitability. It is related to the goal of shareholders‟ wealth maximization, and investment in current assets is made only if an acceptable return is obtained. While liquidity is needed for a company to continue business, a company may choose to hold more cash than needed for operational or transactional needs i.e. for precautionary or speculative reasons

OBJECTIVES OF THE STUDY

1. To assess the liquidity and profitability of the industrial Unit
2. To find out the relationship between liquidity and profitability

LITERATURE REVIEW

Bagchi and Bhasker (2012) studied the effects of components of working capital management like cash conversion cycle (CCC), age of inventory (AI), age of debtors (AD), age of creditors (AC), debt to total assets (DTA) and debt equity ratio (DER) on profitability of FMCG firms. The profitability of firms is measured in terms of return on total assets (ROTA) and return on investment (ROI). Working capital management is considered to be a vital issue in financial management decision and it affects both liquidity and profitability of the firm.

Sharma and Kumar (2011) in their study found a positive relationship between accounts receivables and profitability which is caused by the fact that Indian firms have to grant more trade credit in order to fight competition with their foreign competitors, which have superior product and service.

Dong (2010) reported that the firms‟ profitability and liquidity are affected by working capital management in his analysis. Pooled data are selected for carrying out the research for the era of 2006-2008 for assessing the companies listed in stock market of Vietnam. He focused on the variables that include profitability, conversion cycle and its related elements and the relationship that exists between them. From his research it was found that the relationships among these variables are strongly negative. This denote that decrease in the profitability occur due to increase in cash conversion cycle. It is also found that if the number of days of account receivable and inventories are diminished then the profitability will increase numbers of days of accounts receivable and inventories.

Bhunia (2010) has conducted a study on private sector steel companies of India to test the short term liquidity trend of the companies and its effect on the financial performance. A balanced and proper amount of working capital should be maintained in the business for smooth running of the same.

Eljelly (2004) identified the relation between profitability and liquidity by using correlation and regression analysis on a sample of joint stock firms in Saudi Arabia. The study found that the cash conversion cycle was of more importance as a measure of liquidity than the current ratio that affects profitability. The size variable was found to have significant effect on profitability at the industry level.

Reddy and Patkar (2004) conducted a study on working capital and liquidity management in factoring to find out the components of liquidity and profitability. They have found that the sundry debtors and amount due to creditors are the major components of current assets and current liabilities in determining the size of working capital.

SCOPE OF THE STUDY

Jk paper ltd is taken into consideration for the purpose of the study based on the availability of data. The study is based mainly on secondary data. The data relating to the study was obtained from the annual reports of the company, Magazines, Journals and were also referred for finalizing that methodology for the study. Period of study: The study covers a period of 5 years covering a period from 2010-2014. It is also decided by taking into consideration of the availability of data.

METHODOLOGY

Analysis and interpretation of financial statement is done to study the various components of liquidity and profitability of the industrial unit. To study the liquidity level two ratios namely current ratio and quick ratio is used.

Profitability level is determined by using two measures namely return on assets and return on capital employed is used

To study the relationship between liquidity and profitability, correlation between current ratio and Return on Assets and quick ratio and Return on Assets are calculated

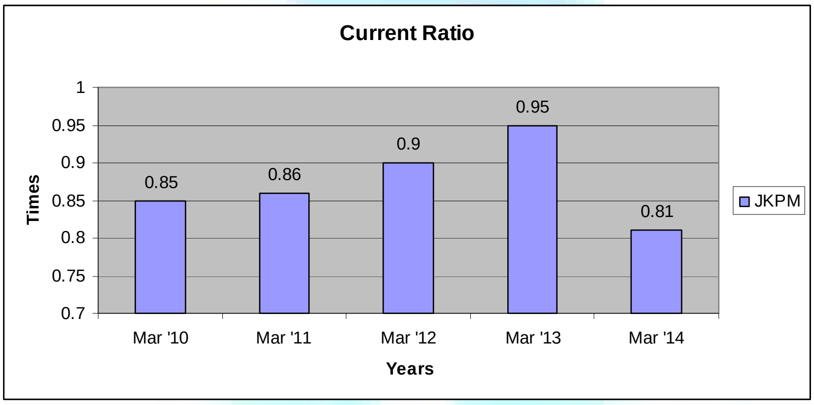
FINDINGS AND ANALYSIS

LIQUIDITY PERFORMANCE ANALYSIS

CURRENT RATIO

Current ratio is an important ratio to test the liquidity and also the short term solvency position of the firm. The ratio of 2:1 is considered as standard of current ratio.

Year/Company	Mar '10	Mar '11	Mar '12	Mar '13	Mar '14
JKPM	0.85	0.86	0.90	0.95	0.81



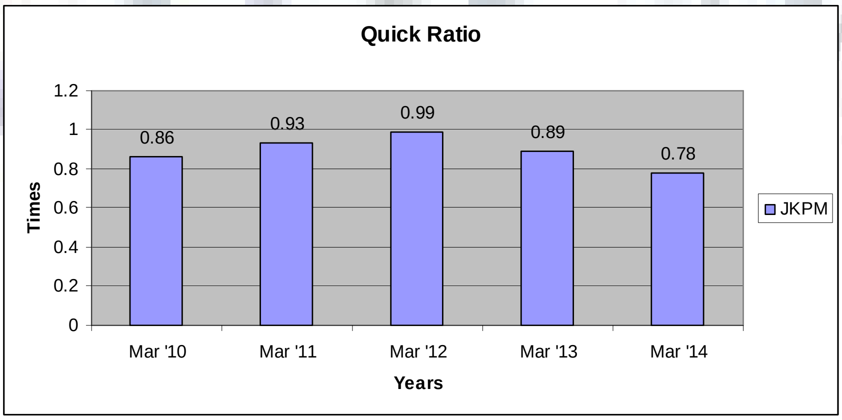
INTERPRETATION

From the above table and graph it is clear that the company is not having a good short term liquidity position as current ratio is below the standard norms in last five years. JKPM have 0.85 times current ratio in the year 2010. It became 0.95 times in the year 2013 but in the last year of the study i.e. in the 2014 the current ratio of JKPM is decreased to 0.81 times. This means current assets are not sufficient enough to meet its current liabilities. The current ratio declines because the increase in net current liabilities more than current assets. The liquidity position of the company reflected through current ratio is not satisfactory.

QUICK RATIO

It is a more refined test of liquidity and solvency. This ratio takes into consideration the liquid assets only which are directly convertible into cash. It excludes the current assets like inventories and prepaid expenses. The quick ratio is computed by dividing liquid assets by current liabilities. A quick ratio of 1:1 is considered as ideal.

Year/Company	Mar '10	Mar '11	Mar '12	Mar '13	Mar '14
JKPM	0.86	0.93	0.99	0.89	0.78



INTERPRETATION

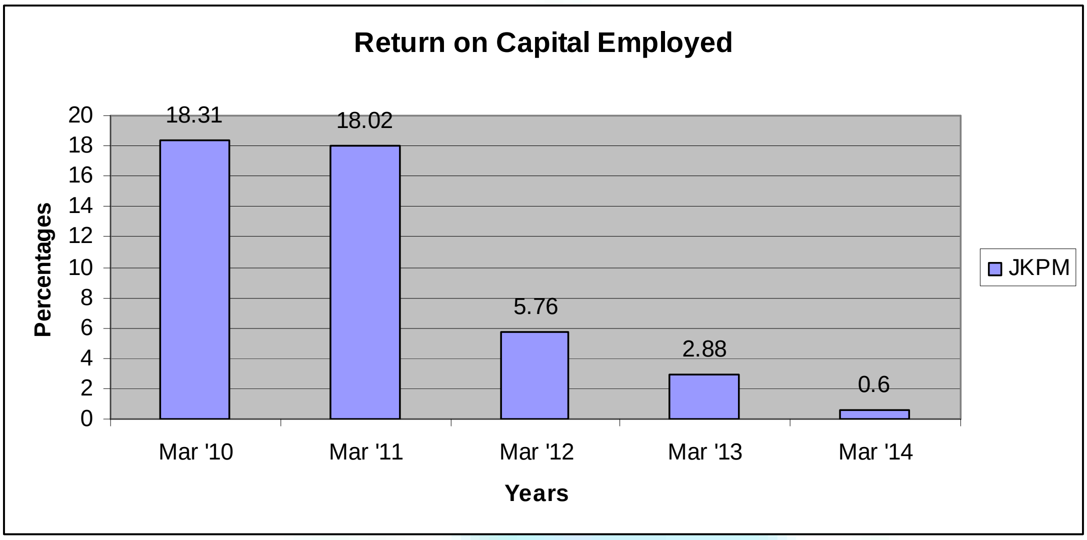
It is clear from the above table and graph it is clear that the quick ratio of the company is below the standard norms through out last five years under study. JKPM have 0.86 times quick ratio in the year 2010. It increases to 0.99 times 2012. But in 2013 & 2014 the quick ratio of JKPM decreases to 0.89 & 0.78 times respectively. This reveals that increase in current liabilities is more than increase in quick assets in last two years.

PROFITABILITY PERFORMANCE ANALYSIS

RETURN ON CAPITAL EMPLOYED

Return on capital employed or ROCE is a profitability ratio which measures how efficiently a company can generate profits from its capital employed. A higher ROCE indicates more efficient use of capital. ROCE should be higher than the company's capital cost; otherwise it indicates that the company is not employing its capital effectively and is not generating shareholder value.

Year/Company	Mar '10	Mar '11	Mar '12	Mar '13	Mar '14
JKPM	18.31	18.02	5.76	2.88	0.60



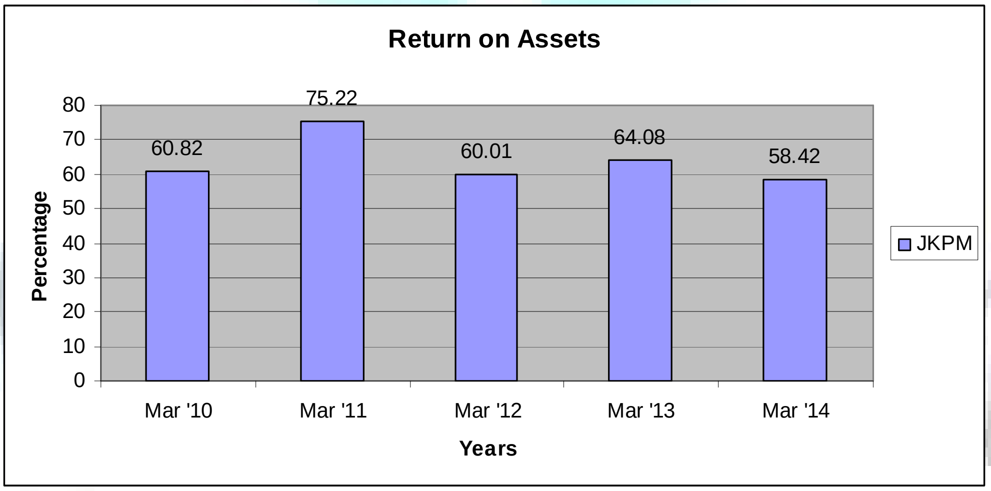
INTERPRETATION

From the above table and graph it is clear that JKPM have 18.31% of return on capital employed in the year 2010. It slightly decreases to 18.02% and then then it started continuously decreasing and it comes to 0.6% of ROCE in 2014 This indicates that the company is not having a good profitability position since last five years under study. it indicates increase in sales is less than increase in expenses which led to decrease in operating profit. The profitability position of the company reflected through ROCE is not satisfactory.

RETURN ON ASSETS

It is a profitability ratio which measures how efficiently the company is using their total asset base to generate earnings. Higher values of return on assets show that business is more profitable.

Year/Company	Mar '10	Mar '11	Mar '12	Mar '13	Mar '14
JKPM	60.82	75.22	60.01	64.08	58.42



INTERPRETATION

From the above table and graph it is clear that JKPM have 60.82% of return on assets in the year 2010. It increases to 75.22% in 2011 then again there is a fall in 2012 it becomes 60.01%.ROA is fluctuating over the year in 2013 it again increases to 64.08% but in the last year of the study in 2014 again it decreases to 58.42%. This indicates that the company is not having a good profitability position since last five years under study. ROA constantly fluctuate because of decrease in operating profit.

RELATIONSHIP BETWEEN LIQUIDITY AND PROFITABILITY

The relationship between liquidity and profitability is determined by calculating the correlation between Current ratio and Return on Assets and Quick ratio and Return on Assets. Then t test is applied to test the significance of correlation at 5 % level of significance and 3 degree of freedom with the null hypothesis that there is no significant relation between the variables.

CORRELATIONS BETWEEN CURRENT RATIO AND RETURN ON ASSETS

		CA	ROA	
CA	Pearson Correlation	1.000	.124*	
	Sig. (2-tailed)	.	.842	
	N	5	5	
ROA	Pearson Correlation	.124*	1.000	
	Sig. (2-tailed)	.842	.	
	N	5	5	

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

This indicates that there is linear relationship between current ratio and return on assets. Hence, we can say that current ratio and return on assets are correlated.

Correlation (r = 0.124)

The correlation between two variables is positive. So, it is indicates that there is linear relationship between current assets and return on assets.

CORRELATIONS BETWEEN QUICK RATIO AND RETURN ON ASSETS

		QR	ROA	
QR	Pearson Correlation	1.000	.358*	
	Sig. (2-tailed)	.	.554	
	N	5	5	
ROA	Pearson Correlation	.358*	1.000	
	Sig. (2-tailed)	.554	.	
	N	5	5	

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

This indicates that there is linear relationship between quick ratio and return on assets. Hence, we can say that current ratio and return on assets are correlated.

Correlation (r = 0.358)

The correlation between two variables is positive. So, it is indicates that there is linear relationship between quick assets and return on assets.

CONCLUSION

The company is not having a very good liquidity position. This can endanger a solvency position of the company. The company needs to take measure steps to improve its liquidity position. The overall relationship between current ratio and return on assets and quick ratio and return on assets is found to be significant at 5 % level of significance. It shows that the liquidity is positively affecting the profitability of the company.

REFERENCES

1. Bagchi, B., Chakrabarti, J. & Roy, P. B. (2012). Influence of Working Capital Management on Profitability: A Study on Indian FMCG Companies. International Journal of Business and Management, 7, 1-10
2. Bhunia, A. (2012). “A Study of Liquidity Trends on Private Sector Steel Companies in India”, Asian Journal of Management Research, 1(1):618:628 http//: www.ipublishing.co.in/ajmrvol1no1/EIJMRS1056.pdf; Access on April 23, 2012.
3. Dong H. P. (2010), “The Relationship between Working Capital Management and Profitability”. International Research Journal of Finance and Economic. Issue-49.
4. Eljelly, A.M. (2004).Liquidity –Profitability Tradeoff: An Empirical Investigation in an Emerging Market, International Journal Commerce and Management. 14(2), 48-61.
5. Sharma, A.K. & Kumar, S. (2011). Effect of Working Capital Management on Firm Profitability: Empirical Evidence from India. Global Business Review, 12(1), 159 – 173.
6. Y.V. Reddy and S.B. Pathar, “ Working Capital and Liquidity Management in factory A Comparative study of SBI and CanBank factors’’. The Management Accountant May 2004, page No373-380 Vol. 39 No.5

REQUEST FOR FEEDBACK

Dear Readers

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

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

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

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

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

ABOUT THE JOURNAL

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

Our Other Journals