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INTRODUCTION
REVIEW OF LITERATURE
NEED/IMPORTANCE OF THE STUDY
STATEMENT OF THE PROBLEM
OBJECTIVES
HYPOTHESIS (ES)
RESEARCH METHODOLOGY
RESULTS & DISCUSSION
FINDINGS
RECOMMENDATIONS/SUGGESTIONS
CONCLUSIONS
LIMITATIONS
SCOPE FOR FURTHER RESEARCH
REFERENCES
APPENDIX/ANNEXURE

The manuscript should preferably range from ***2000 to 5000 WORDS***.

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SYMBOLS: AN EFFECTIVE MARKETING COMMUNICATION TOOL IN BRANDING

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ABSTRACT
This research paper is conceptual and is written on the basis of secondary data. The communication strategies of the brand managers are tuned, to attract their target customers toward their advertising messages by various tools. Symbols and semiotics are one of the emerging areas in this aspect. Symbols are instrumental in depicting the theme of the message in a more creative and innovative way, that leads to brand association in the mind of the customers, which resultantly help in brand equity and loyalty. The culture has wide ramifications when advertisers apply symbols in the designing part of message. This is because of the prevalent norms, values and inferences that symbols represent. Hence, their application helps brand managers to leverage their well planned and researched consumers' psychological perspectives for their brands' positioning. Through this research some classic examples are cited in the form of logos, like that of Amazon, Eight, Pittsburgh, FedEx, that have been very strategically applied and have been able to garner the desired outcomes for these brands. These logos are a classical example of what symbols and semiotics can do in the ongoing competitive brand warfare, where brands are vying for a suitable space in consumers' minds' landscape.

KEYWORDS
brand, communication, empathy, oneness, symbols.

JEL CODE
M3- Marketing and Advertising; M37- Advertising.

INTRODUCTION
This conceptual research paper is based upon secondary research. It highlights the issues and trends prevalent in marketing communications, the most important being symbols that reflect the aspirations of target customers' mindset. Devising an effective advertising massage is a challenging task for the brand managers, as they are addressing to a mega target audience. Either they could communicate through well researched and well selected words, phrases and sentences, or through the combination of verbal and non-verbal cues that appeal to the market. This research paper delves into this non-verbal message is the form of symbols that the advertisers entail, so that the resultant message reflects the cultural aspirations of the society with which their target market could connect instantly. For this they resort to all sorts of culturally accepted symbolic inferences, so that the interpretations and denotations are intersected in consumers' mind and they are able to have a sense of oneness with the brands they are advertising and most importantly, the resultant brand position is created in the market.

REVIEW OF LITERATURE
Numebr of websites and books, as mentioned in the refrences are consulted and the contents mentioned on symbols, their interpretation, meanings, significance and related concepts were studied. In all these literary works, it was found, that there is a missing link in connecting the concepts to the practical aspect (s). Secondly, the concepts, theories and correlations are missing. The terms are defined only. Hence, there has been a need to bring these concepts and theories more relevant to the practical aspects of branding and communication strategies.

NEED AND IMPORTANCE OF STUDY
The study fulfill the need for a comprehensive and descriptive research study to collect the concepts, especially the symbolic, signs, and other signposts that advertisers resort to while crafting their marketing communication strategies. Most importantly, the challenging tasks of advertisers and brand creators are immense, owing to the competition, and changing consumers' brand loyalties. Hence, the study of symbols and their relevance in adverting messages serves the need of the industry of bringing under one roof, the aspects, practicalities of communicational related symbol inferences that connect to the target market cultural norms and values. This study is important when viewed from the perspective of brand clutter that consumers mind space is experiencing, owing to competitive offering in the market place and ever increasing disposal income equation of consumers. In this era of information technology, when all the media are very expensive, this study has a very important dimension from the point of view of brand positioning, brand recalling and creating brand equity and corresponding brand association and loyalty. As, the brand managers also appreciate the fact that it is less costly to retain the brand loyal than to create them.

STATEMENT OF PROBLEM
The ever increasing brand clutter in consumers' mind, calls for an innovative brand communication initiatives by the marketers, so that there is an instant connect between the product being branded and its consumers', through emotions and empathy.

OBJECTIVES
This secondary data based, descriptive research study is undertaken with the following objectives:
(1) To investigate the possible communicative tools that a brand manager can resort to;
(2) To analyze and select the best possible communication toll, so that there is an optimum resource utilization;
(3) To strategically come out with advertising messages that connect with target market emotional and empathic perceptions, so that there is an instant association between brand personality, brand image with the corresponding self-personality and self-image of the consumer;
(4) To study the theories, meanings and conceptual framework of symbols, and their interpretation and denotations with reference to contexts, culturally accepted norms, so that an effective advertising message can be created for brand positioning, repositioning and recalling, all leading towards creation of brand equity.

HYPOTHESIS
The application of symbols in advertising creates the required bridge between the target market and the brand communicators through the cultural connotation, accepted norms, and help create the well researched and identified brand positioning in the market. These will happen due to the instant correlation that the target market derive vis-à-vis their inherited values, cultural and societal interpretations that the symbols are associate with. This non-verbal communication is faster and more effective, as it straightway propels the emotional quotient of the target market that will subsequently lead to better brand association.

RESEARCH METHODOLOGY

This study is conducted on the basis of secondary data that would have been collected for some other related field. The research is descriptive and qualitative and explores the definitions, theories and concepts related to symbols, their inferences, the cultural connotations that symbols represent, and the resultant emotional triggers, that these symbols lead to and the target market's behaviour towards the anticipated outcome of marketers, from the point of views of brand recall, loyalty and association.

RESULTS AND DISCUSSION

Advertising is a form of mass communication. The word communication is derived from the Latin word communis, which means "common." Communication then can be thought of as the process of establishing a commonness or oneness of thought between a sender/advertiser and a receiver/consumer. There must be a commonness of thought developed between advertiser and consumer if communication is to occur. The successful advertiser is the one who can establish that commonness or oneness between their company and its consumers via an effective advertising message.

Developing that oneness of thought between an advertiser and a consumer is extremely difficult because of the nature of mass communication. There are two basic forms of communication--mass and interpersonal. Both share the same basic purpose. However, several unique characteristics of mass communication make it quite different from interpersonal or face-to-face communication. For example, mass communication is indirect because it uses some technical vehicle like a television network or newspaper to connect the source with the receivers/consumers. To complicate matters, the receivers/consumers are removed from the source in time, space, or both. Since the sender/advertiser is virtually separated from its receiver/consumer because of a technical vehicle like TV or radio, there is no possibility for immediate feedback from the receiver/consumer.

A symbol is defined in various ways as per various dictionaries. Some important and relevant definitions are:

(1) A symbol is "a mark or character used as a conventional representation of an object, function, or process, e.g. a character that represents a particular musical note that a musician or an instrument player understands. This is basically due to accepted norms and rules and processes that are passed on. It is an understanding that a particular symbol has to be interpreted as to carry that particular playing of an instrumental between a composer and instrument player. Hence a symbols is to be understood as pact between these two and other instrument players in the orchestra that help compose a beautiful symphony.

(2) Another inference that can be drawn thing that represents or stands for something else, especially a material object representing something abstract.
"**TATA**" symbolizes trust, ROLLS ROYCE symbolizes royalty.
imilarly, a shape or sign is used to represent something such as an organization, e.g. a Red Cross symbolizes Red Cross Organization.

(3) A symbol is a sign, shape, or object that is used to represent something else: A *heart shape is the symbol of* love. The *wheel in the Indian flag is a symbol of peace.*

(4) A symbols is something that is used to represent a quality or idea: Water, a symbol of life, Sky stands for openness, infinity, letter, or sign used in mathematics, music, physics, chemistry, they all have some signs, structures as being accepted as per the structured systems that are accepted per se. The *symbol for oxygen is O.*

Even an an object can be taken as a representation or a symbol of something else if it seems to represent it because it is connected with it in a lot of people's minds: The *private jet is a symbol of wealth.*

In the field of advertising and marketing communications, especially brand name, packaging, logo, design typography branding is one of the key pillars of a company's identity. There is a lot of thought, philosophy, research work that is included in these. This is directly or indirectly related to psychology, perceptions, especially the emotional; and empathic connotations with the consumers' mindsets.

To substantiate this fact following are the details of some logos that are classic examples of this aspect of brand management. Another emerging and scientific area related to use of symbology in marketing is brand semiotics that takes its roots from symbols only.

(1) THE FEDEX LOGO

The white space between the 'E' and the 'X' forms a perfect arrow, suggesting a company that is progressive and moving forward and looking ahead. It's subtle, and very effective, while the arrow moving towards right side is culturally accepted norm that it signifies development and growth.

On either side of the tree, the faces of a gorilla and lion appear in white. In many of these examples of hidden symbolism, the 'secondary' imagery is often found by looking at the 'negative space' of the logo. These two complement the connect, a bridge that is drawn between the marketer and the market through this psychographic perception oriented communication through symbols or semiotics.

THE EIGHT LOGO

In this clever design, each letter is made up of a certain part of the number '8'. The second image helps visualize this wonderful design that is so unique that brand association is at once drawn.

The arrow from 'A' to 'Z' in the Amazon logo, signifies the complete on line shopping experience, while "A' is symbolic of beginning i.e. start, whereas "Z" connotes the end , a completion of. This symbol depicts that a customer will have one stop solution to all the on line shopping concerns, and that the Group operates on 360 degree level philosophy. The second semiotic is in the form of a smiley after joining A and Z, that projects a nice, satisfied and comfortable experience with Amazon.
According to anthropologists, the cultural symbolism of advertising and advertising figures is connected to the deep-seated ideals that people invest in goods. Hence logos, trademarks, brand name or celebrities used in marketing communications and brand management connotes the cultural values, ideals and socially accepted norms, and help consumers associate these through the symbols, which are now becoming an emerging areas by marketers and is termed as brand semiotics.

USE OF SYMBOLS IN ADVERTISING: A BRIEF HISTORY

Application of cultural symbols in advertising can be traced back to the 19th century when the first celebrity endorsements began to appear. Henry Ward Beecher, the preacher in the U.S.A. was the one who represented and endorsed "Pears" soap in the 1880s. The Company had thought to correlate the divinity symbols through this endorsement. Further notable contributions in this field were from Writers such as Judith Williamson and Matthew McAllister. They inferred that through this system of celebrity endorsement, the consumers will relate, and connect with the benefits of product to the character and personality of the celebrity. The flip side of this had been that consumers would also associate the not so appreciable qualities of the celebrity to that of the product that was being endorsed. The most successful and unique symbol ever in the history is that of Coca-Cola, to an extent that the French language has developed a new word for this beverage, although this being a proper noun. It is called as Coca in French. This brand has developed powerful brand equity globally, and the Company has been successful in making its forays in different markets, especially in India by imbibing the deep cultural values and symbols, and has been very successful. In India, as per its research initiatives, the drink has been positioned as a family drink. It is shown always as a drink that will be shared with family, friends, and cricket, the three most symbolic representations of deepest rooted cultural ethos of Indian society. Due to this, all its advertisements revolve around these three themes only. This helps its target market associate and correlate and as a result the Company is able to maintain optimum brand recall, equity and differentiation.
Apart from making deeper inroads in the domestic countries, the American majors like, Walt Disney Co.'s Mickey Mouse and McDonald's Corporation, Pepsi Co Inc. have been symbolically associated with the spread of American culture , values, systems and way of life.
When a communication is written from the point of view of an advertisement, there is a sentence, and, a sentence is a complete expression of a single thought. It makes complete sense and follows certain rules of grammar". The word expression is noteworthy here. The term expression denotes that there is a thought pattern that is put forth through a sentences, and, when this thought pattern is extensively and intensely researched according to the consumers' likes and dislikes, and some visuals, design elements, typography constructs are added with the colour sense and lay out plan, an advertisement is created, that corresponds to the market expectations. Hence, all the elements of colour, design, symbols, language, and within the language, the words, clauses, punctuation marks, verbs, and phrases, all put together form a communication structure. The symbols in the form of various cultural connotations and denotations act as a bridge between the sender and receiver in a short span of time. A symbol is a combination of ides, reflections, inferences and values that makes the message flow quickly and instantly with the overall impact that triggers the emotional frame of mind
Similarly, the punctuation marks, like comma, full stop, exclamation marks etc. are symbols / check points/sign post for the readers of any written communication, and help to bring the clarity of thought of the writer, and helps the reader to extract and connect with the thought pattern of the writer and derive the maximum benefit from the message that the advertiser aims to express in his target readers' psychological perceptions and empathic connect. The use of full stop helps the copy writer to facilitate the reader towards the longest pause and separation. A comma makes the target customer go for ht e shortest pause etc. A semi- colon is an indicator given by the advertiser to the reader that he is expected to have a shorter pause than the full stop but longer than the comma. A colon indicates the longer pause than the semi-colon. Hence, these punctuation marks are a sort of symbols that make an empathic connect possible between the advertiser and his target readers/customers/consumers.

FINDINGS

The research led to some striking results. It was discovered that advertisers are in the process of resorting to usage of symbols in print media owing to the escalating cost of this media. Secondly, due to clutter in advertising space, they want to be different and stand out from the crowd. For this usage of symbols is an effective tool for brand managers. Symbols are easily identified, and due to instant connectivity with the consumers' psychological perceptions, symbols serve to create the required synonymy between the products and brand i.e. the benefits through the advertised features that the brand creators are mentioning through the advertisement. Since the underlined component is cultural, the symbols are successful in positioning, and repositioning the brands vis-à-vis the competitors' thanks to the excellent graphical, designs elements, colour schemes and tones, along with the requisite typography, font size, that all gel with the overall layout and design structure of an advertisement. The moment consumers see the symbols, the underlying cultural connotation that is deeply ingrained in their minds lead to denotation and interpretations, and helps the target market shop for the brands and leads to brand loyalty.

RECOMMENDATIONS AND SUGGESTIONS

Since there is a gap of immediate feedback, regarding the effect of communication message in the form of advertisement by the target reader or a customer, the task of advertisers and brand managers becomes all the more challenging. This has led to mushrooming of the concept of brand semiotics that takes its cues from symbols, but it is more focused towards the brand recall, brand equity and brand position. Moreover, due to increase in advertisement cost outlays, the brand communicators are required to derive optimum outcomes, which is easier said than done.

Since advertising is a one way form of communication, and advertisers and brand creators are not aware whether their advertisement has really appealed to the market as conceived, it calls for an effective combination of both art and science while creating an advertisement communication, and here the role of symbols and semiotics is noteworthy, as it enables the communication lead to instant empathetic association between the product, advertiser, consumers, and cultural inferences. The challenge for advertisers and brand managers is to create this bridge, the coherence and oneness, and this is done through proper selection of words and phrase, verbal and non-verbal clues. Sometimes, a particular word is difficult for the reader or target customer to understand. Here, the symbols evoke that contextual credibility through which the readers are able to extract the right meaning by inferring the contextual meaning. Mention may be made about Marlboro cigarettes, a classical example of advertising in the history of brands and marketing communications. Initially, the Company had the challenge of overcoming the wrong image of the product as a feminine one. With the depiction of cowboy as a symbolic interface, the brand was able to leverage the masculine appeal, as cowboy is synonymous with masculinity and adventurous spirit. Hence lending symbolic credibility to brand is helpful in the creation of right brand value, brand association and brand concept according to the corresponding self value, self association and self concept of the target consumer, provided the symbols are depicted according the cultural contexts with the right mix of other components of advertisement communicational aspects of advertising and establishing a commonness of thought with the audience.

LIMITATIONS

This research paper is not without limitations. Primary research could have been entailed, so that issues and challenges reflected through this study could have been reflected more factually. Secondly, due to limitation of time and resources, the study could have been made more empirical as well. But, the study would contribute towards the emerging area of brand semiotics that also studies the signs, symbols and their interpretations systematically and factually.

SCOPE FOR FURTHER RESEARCH

Since the marketing warfare is getting intense day by day and consumer is no more a king, but an emperor, this study of symbols as an effective instrument for playing the brand managers' tune of brand equity. Further research can be conducted in this area, and, the field of brand semiotics is another emerging area, where this study can be further investigated through primary data collection for the purpose of quantitative analysis, so that factual and experiential dimensions could also be added on to this research study. In this digital marketing era, the research study on symbols and semiotics can further make the communication strategy of brands more distinctive and appealing to create the much required mind space in target markets' mind for sustenance.

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INCORPORATING SUSTAINABILITY INTO HIGHER INDIAN EDUCATION

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ABSTRACT
There is an increasing urgency in teaching sustainable practices to the public. Earlier, Science curricula had General Science, Home Science and similar core subjects as requirements. Now, the buzz word is "Sustainable", and the topic has to be included to inculcate environmental consciousness into the younger school population. More importantly, implementation has to be done by those who preach it, in other words education should implement sustainability during its propagation. To this end, paperless class rooms, virtual schools and reusable and electronic media would have to be used to reach a greater proportion of the population. Education should be made available to all through various digital means, for example by Open Classrooms, MOOC's – (Massively open online courses), at a low cost. This would be possible by avoiding high overheads of brick and mortar campuses. Several portals like EDX, MITX, COURSERA and UDACITY are offering online courses free of cost without paper and books in physical form, thereby saving students the cost of buying text books and of using reams of notepaper which at the end of the day go into the environment as waste. The lower use of paper will save millions of trees and help in cleaning the air of CO2. Indian Educational systems rely heavily on rote memorization and rigid curricula. Online paperless education can help in sustainability and giving a start to deserving students.

KEYWORDS
open learning, development, education, migration, , skill.

JEL CODE
I250 Education and Development.

INTRODUCTION
India has over 1/6th of the world's population, but the proportion of land surface is far less. The population density of India is one of the highest on the globe. Among these people a large proportion are below the poverty line. It is well known that poverty and degradation of the environment are interlinked. Any strategy to reclaim the environment must need to put this section of the population in the picture. The poor rely to a large part on the environment. People cut down forests because of easy access and low costs. As a result of the burning of wood and coal, India has the worst pollution record in the world with 30% more methane emissions together with that from two wheelers and coal burning plants.
According to various pundits (Barbier, Grossman Kruger), there is a natural self correcting mechanism in the environment where after a certain level of prosperity, the pollution levels should come down. This concept is termed the EKC (Environmental Kuznets Curve). This is not to say that the poor do not care for the environment and only the prosperous do. On the contrary the poor care a great deal for the environment as is evinced by the practices of tribal and rural people where sacredness is attached to natural resources like forests, mountains, trees and rivers by tradition. As such it should not be difficult to get the common populace to accept sustainable practices. It is only out of dire necessity and extreme poverty that the practice of encroaching on river beds, lake beds and forests has occurred in recent times. In fact, although rural traditions emphasise the sacredness of the environment, and some well known institutions like Krishnamoorthy Foundation, the Centre for Environment and some NGO's have worked around these ideas of sustainability, the Government has not capitalized on this by incorporating ESD into the rural educational ethos. In 1991 the Supreme Court enforced teaching of environmental studies at all levels of the curriculum as compulsory, but a separate ESD curriculum is yet to be established at the school level. Similarly Health education does not have a blue print like Sarva Shiksha Abhiyaan. Malnutrition is common among 1-5 year olds, (Joshi).
India has recognized at the outset that poverty and the environment are closely related. This was stated by the then PM Indira Gandhi in 1972 at Stockholm Conference on Human Environment in 1972. It was the then Prime Minister of India, Mrs. Indira Gandhi who focused attention of the Conference on this, stating that "environment cannot be improved in conditions of poverty". Soon after this a new Ministry of Environment and Forestry was set up. But, after this encouraging start, India has not been in the forefront of global activism for environmental protection, and has merely followed or endorsed various statements from World Bodies like the UN. Implementation of various schemes requires political will and institutional frameworks. ESD is generally seen as environmental or science related by a cross-section of Government officials, NGO's and academics. The **Nagoya declaration** reaffirms several oaths on 9th Nov 2014—the DESD 2005-2014, the Rio Declaration on Higher Education and Sustainability (Rio+20), and the IAU Iquitos Statement, besides setting new goals in the spirit of Sustainable Goals. It specifically recognizes the role of Higher Education in the achievement of these goals, in recognizing the **environmental limits of the planet** through education, research and outreach activities. (http:www.c-lnkage.com/gov/hesd/declaration.html)

SOME ACHIEVEMENTS OF THE DESD (DECADE OF ESD)
- China designated 1000 schools for ESD and included ESD in National Plan for 2010-2020
- Japan has integrated ESD into national curriculum and promotes ESD through 300 Unesco associated schools.
- Every University in Sweden legally obligated to teach ESD.
- 79 out of 97 countries have national coordination offices for ESD.

CONTINUED USE OF FOSSIL FUELS
A further complicating factor is the continued use of fossil fuels in motive power sources, such as the I.C. engine. Education even today forces the youth to accept the I.C. engine as the acceptable power source and this is enforced through various syllabi from the matriculation to post graduate levels. It is only recently that renewable energy subjects have been included in syllabi and these are regarded as a curiosity scoffed at by many. Which self respecting Corporate executive would drive to work in an auto rickshaw powered by gobar gas in Bangalore or Mumbai? Or cycle to work in Chennai or Kolkata, whereas in Scandinavia even the Prime ministers and Head of State cycle to office or walk to the theatre.

INCORPORATING ESD INTO THE INDIAN CURRICULUM
The core subjects of the school curriculum, namely Science, Economics, and Civics would need to incorporate Sustainable ideas and concepts in them along with Ethics, History and social studies. Ethics would ensure that concern for common property is inculcated, and carried over into industry(where pollutants are routinely dumped into rivers and lakes which are common and often sacred property by tradition.) Traditional knowledge passed down by word of mouth is slowly getting lost, and this knowledge should be revived and made relevant to present realities.
The UN Decade on Education for Sustainable Development has recorded and recognized the important role that Education and Communication and allied processes have played in sustainable development efforts. Samvaad - Sustainable Rural Development and the International Conference on 'Education for a Sustainable Future', (CEE in December 2004 and January 2005) was held in Ahmedabad and initiated discussions in India, (Joshi 2005)

Some important areas have been addressed in work by CEE, and given below:

IMPROVING BASIC EDUCATION

The net attendance in the primary level is only 66 per cent of enrolment. Sarva Shiksha Abhiyan (Education for All) is process of integrating the educational system with the social structure of the people (social integration), but ESD must begin at the primary stage itself. The focus at present with the RTE and other schemes seems to be social integration, from primary to higher education with quotas for backward and depressed classes. Making children of the upper and middle classes mingle with underprivileged children in schools and colleges is perhaps a commendable social aim to reduce inequalities in outlook and vision but will do little to alleviate the problem of sustainability and degradation of the environment. The root cause in India is poverty, which has to be addressed first as stated in 1972.

Re-orienting Existing Programmes, Information and Communication Strategies for Water Education and Air Cleanliness ,Capacity-Building and Training

Teacher training on ESD must be given top priority, so that those who Preach can also be able to Practice and Train others.

GOVERNANCE AND POLICY

Most national policies reflect gender and equity concerns, access to education, and provision of basic services, these are often not translated into appropriate actions. Social justice and empowerment of backward classes by and large continues to be followed as a set of special programmes rather than as an integrated strategy. As stated before, the priorities of the central planners need to shift from providing a crutch to depressed classes to reform the outlook of the population to the environment. As example we can view the scene outside the railway compartment onto the side of the tracks near the stations, the trash mounting on the pavements outside swanky apartment buildings and the tendency to throw garbage into the neighbour's backyard.

In addition, the OECD has emphasized that quality of higher education depends on overall perceptions of the national education system rather than the specific academic institutions OECD 2004, (Varges Hernandez 2013).

EDUCATION FOR SUSTAINABLE DEVELOPMENT

Education for Sustainable Development (ESD) has origins in the United Nations and is linked to international environmental movements. Agenda 21 of the UN Conference on Environment and Development, the Earth Summit in 1992, Johannesburg World Summit of Sustainable Development (WSSD) in 2002 broadened the vision of sustainable development and re-affirmed the educational objectives of the Millennium Development Goals and the Education for All Dakar Framework for Action. The United Nations General Assembly in its 57th Session in December 2002, proclaimed the Decade of Education for Sustainable Development as an intergenerational responsibility It seeks to empower people to assume responsibility for creating a sustainable future emphasizing on improving the quality of human life, while protecting the earth's capacity for sustainability (in other words--regeneration). It has been acknowledged that there is no "single route" to sustainable development, and negotiating the process of achieving sustainability requires cooperation amongst many different stakeholders in sustainable development (i.e., governments, business group, educational institutions, media, youth, etc). The values held in a society helps to define how personal decisions are made and how national legislation is written. Given this, when we speak sustainable development from an educational perspective, it can be analyzed in terms of bringing different stakeholders together to strengthen the partnership with the aim of balancing their interests and priorities. Speaking of education as a way for sustainability, we need to encourage both people and stakeholders till they understand the value of education as a system. Their synergy in boosting the education system can also help sustaining the ethical values of the people concerned. It can be possible by incorporating the key elements of the sustainable development. Both education and sustainable development are complex issues. Therefore, it was crucially important to develop the Strategy through a participatory process involving governments, UNESCO, NGOs and other stakeholders.

MEANING OF ESD

There is a general lack of agreement on the meaning and significance of ESD, but there are two key assumptions to be understood, (UNESCO document 2014):

- First, the crises faced by the world: finance, economy, food, energy, climate change, social tensions- are serious challenges and not mere technical and political problems. Solving these requires change in fundamental attitudes and beliefs, and not just in developing smarter technologies and stronger regulations. A change in values and respect towards each other on the planet is needed.
- Second: The most effective way to change values is through education however this needs changing education:
- Transforming curricula at all levels
- Reforming non formal education
- Making learning systems flexible

Improving in service training of teachers who are among the most powerful change-agents in society.

Development of Info Tech, Engineering and Management talents, "problem solving" and portable skills (Buela Johnson 2013)

GLOBAL ESD STRATEGIES

(suggested by Matsura)

- Geographical linked strategies
- Asia Pacific: knowledge systems
- Latin America, Carribbean: literacy, biodiversity
- Arabic world: diversification, sustainable consumption
- Sub Saharan Africa: poverty
- Europe: Vilnius strategy

TABLE 1: ENROLMENT BY LEVELS AND MAJOR DISCIPLINES

Year	PhD	PG	General Graduate (Arts, Sc., Com.)	Technical Graduate (B-Ed, Engg, Medical)	Total (Higher Education Degree)	Diploma	Higher Education including Diploma
1980-81	2541	29134	18864	2392	24424	430126	2872579
1990-91	3246	35421	32857	4168	40892	796686	4885974
2000-01	4500	64733	72449	6886	86258	987279	9613161
2001-02	5311	64701	71394	7900	86296	1104594	9734276
2002-03	6535	78259	76331	10357	95167	1199785	10716558
2003-04	6552	80663	80261	11108	100091	1191447	11200595

TABLE 2: HIGHER EDUCATION INSTITUTIONS AND ENROLMENT BY DIFFERENT MANAGEMENT

Types of Institute By Management	Universities & Colleges		Higher Educational Institutes			
	Year/Session		Year/Session		Year/Session	
	2000-01	2000-06	2000-01	2000-06	2000-01	2000-06
Government	4342	4493	4342	4493	3443	3752
Private Aided	5507	5760	5507	5760	3134	3510
Private Unaided	3223	7720	3223	7720	1822	3219
Total	13072	17973	13072	17973	8399	10481

Source: University Grants Commission (India) and Agarwal (2006)

TABLE 3: REGION WISE GER IN HIGHER EDUCATION (2001-02)

Groups of Countries	Gross Enrolment Rate
Countries in Transition	36.5 %
Developed Countries	54.6 %
Developing Countries	11.3 %
World	23.2 %
India (Tentative)	**About 10%**

INDIAN SCHOOL CURRICULA

Accorrding to Bhoi (2013), 18066 degree and PG colleges and 1902 women's colleges were counted in 2008. 14400 were under the purview of the UGC, the rest came under AICTE, ICAR, MCI etc. In 2006-07 13.97 million students were enrolled with around 0.5 million faculty. In the case of women enrollment, Kerala had the highest at 66% and Bihar the lowest at 24.5% (overall 40%), (Source Annual Report of HRD 2008). There are a very complex set of different curricula and streams with various syllabi in English and local languages in the states and territories of India. Some go to 8th Standard and some stop at 10th some at 12th. There are schemes like PUC, Intermediate, Matric, Higher Secondary, SSLC, ISC, ICSE, CBSE, and more in the local languages (eg Madhyamik in W Bengal). Urdu medium schools and Madrassas also exist which impart traditional education. Evaluation of these using a common yardstick is extremely complex.

Sarangi (2013),suggests improvement of quality may be possible by including involvement of students in Higher Education, and development of E-Learning. In the US, Student government is strong with student councils and representatives in different administrative councils. Similar councils in India exist but are affiliates of the political parties, and are usually looked upon as adversarial threats to faculty authority.It has been suggested that a return to the Gurukul system and a shift to Digital Education may benefit Indian education (Basha(2013)). The strengths of Indian Textile education needs to be capitalized.

TABLE 4: INDICATORS OF EQUITY IN SCHOOL EDUCATION

	Items		2003	2005
01.	Percentage of Girls Enrolment to Total Enrolment (Elementary Class I –VIII)	T	46.56	46.99
		R	46.15	46.79
		U	48.28	47.84
02.	Percentage of ST/SC Enrolment to Total Enrolment (Elementary Class I – VIII)	ST	19.22	20.58
		SC	11.04	10.18
03.	Enrolment of Children with Dsability (Elementary Class I – VIII)	Girls	386579	569460
		Total	981164	1399343
		GPI	0.65	0.69

Note: GPI = Gender Parity Index.

Source: Mehta (July,2006).

TABLE 5: DROP-OUT RATE AND RELATED INFORMATION IN MAJOR STATES OF INDIA

MAIN PARAMETERS					
		Drop-out Rate; Cohort 2003-04	Percentage of working Children to Total workers: 1991	Percentage of Population Below Poverty line: 1999-2000	Literacy Rate: 2001
		2	3	4	5
01.	Andhra	22.43	5.53	15.77	61.11
02.	Bihar	9.36	3.35	42.60	47.53
03.	Gujarat	4.77	3.07	14.07	66.43
04.	Karnataka	5.61	5.16	20.04	67.04
05.	Madhya	10.13	4.79	37.43	64.11
06.	Maharashtra	6.38	3.16	25.02	80.14
07.	Orissa	10.80	3.80	27.15	63.61
08.	Rajasthan	15.02	4.57	15.28	61.03
09.	Tamil Nadu	3.17	2.34	21.12	73.74
10.	Uttar Pradesh	15.50	3.14	31.15	57.36
11.	West Bengal	11.78	3.23	27.02	69.22

Sources: Column No. 02 : Mehta (July 2006, Table D27, p.138).

Column No. 03 : Saini (1997-98, Table –3, p.151). Column No. 04 : Ji Gopal & Bhakri, Suman (2005, p.47). Column No. 05 : Jagran Year Book (2002, p. 564).

Separate Regressions on dropout rate vs the columns 3,4,5 in the Table above yields negative correlation (-.46) for literacy and positive correlation (.54) for % of working children to total workers. Correlation coefficient for column 4 (poverty line) was negligible (.06), showing that poverty had no dissuading effect on the desire to learn and thus drop out rate. (Compare with Bhagat Oraon).
However the positive correlation with drop out rate to % of working children does point to the addition of school age children to the work force, which all educational programmes try to confront and avoid.
It goes without saying that online education aimed at children and general population will go a long way in giving needed skills and know how to children which is otherwise acquired through manual apprenticeship("child labour"). Spare time spent online in gambling, anti social activities, viewing violence, pornography etc can be put to use by enrolling youngsters in online courses.

FIGURE 1: GROWTH OF ONLINE COURSES THRU THE YEARS

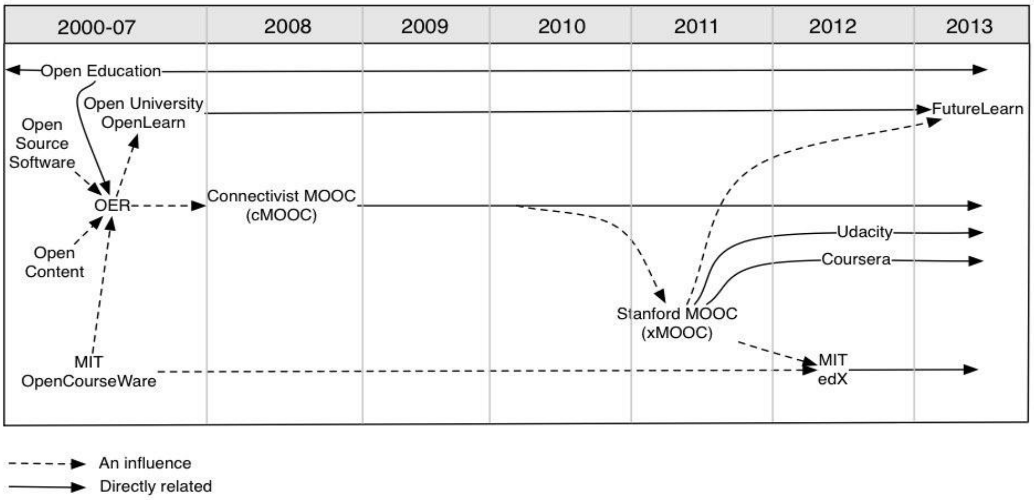


FIGURE 2: FEATURES OF MOOCS

Initiatives	For profit	Free to access	Certification fee	Institutional credits
eDX	x	✓	✓	x
Coursera	✓	✓	✓	x ✓
Udacity	✓	✓	✓	x ✓
Udemy	✓	x ✓	✓	x ✓
P2PU	x	✓	x	x

Key
x Not a feature
✓ Feature present
x ✓ Features partially present

Source: Yuan and Powell

Some experts feel that MOOC's at present are mainly Branding and marketing tools for the Universities, as the courses are not of the rigid pedagogy associated with formal courses, and the learning experience is not high quality. One must ask however, which University today is High Quality, as Education has become a Business, with US colleges churning out graduates , and especially in India students complete degrees which many recruiters do not even recognize as being of value for their company work.
MOOC's have the strength of being centres for non-traditional forms of teaching, with learners participating and learning from group discussions and helping each other through networking, and peer assessment.

OPEN SOURCE' EDUCATION IN INDIA OVER RECENT YEARS

(Note : the word open source refers to accessibility to general public, not necessarily internet related courses as open source MOOC's are nowadays.)

- IGNOU: It was the earliest mass education institution catering to all parts of India via distance/correspondence education
- On line TV Doordarshan programmes: TV programmes beamed over national channel Doordarshan at certain hours where students could view clas room lectures. These were often in conjunction with IGNOU courses.
- Satellite TV programmes: made use of by private players in the field of distance education and some private universities.
- INTERNET Based: One of the pioneers UDACITY started when a course given at Stanford in 2011 was opened to the public through the internet, by Sebastian Thrun and his colleagues. The response was overwhelming and leapfrogged the growth of on line MOOC's. . Coursera was an off growth of Stanford's online courses and today has over 10 million subscribers.

FIGURE 3: MARKET DISRUPTION TENDENCY OF MOOC's

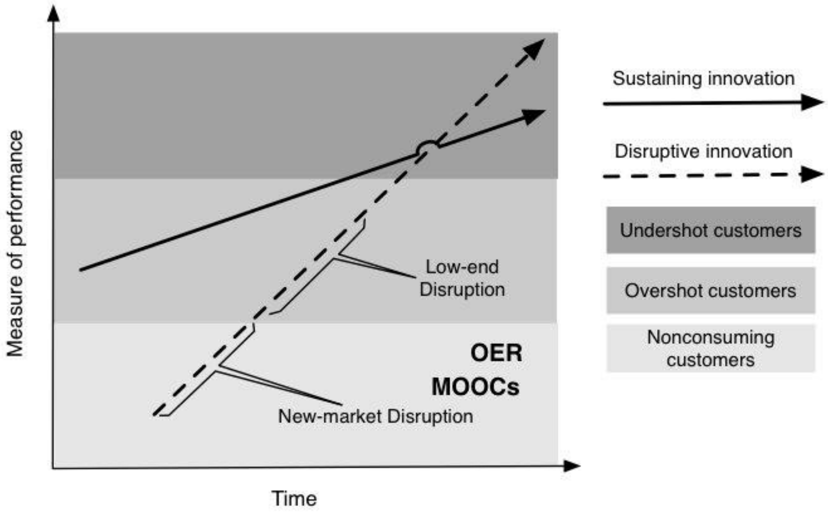
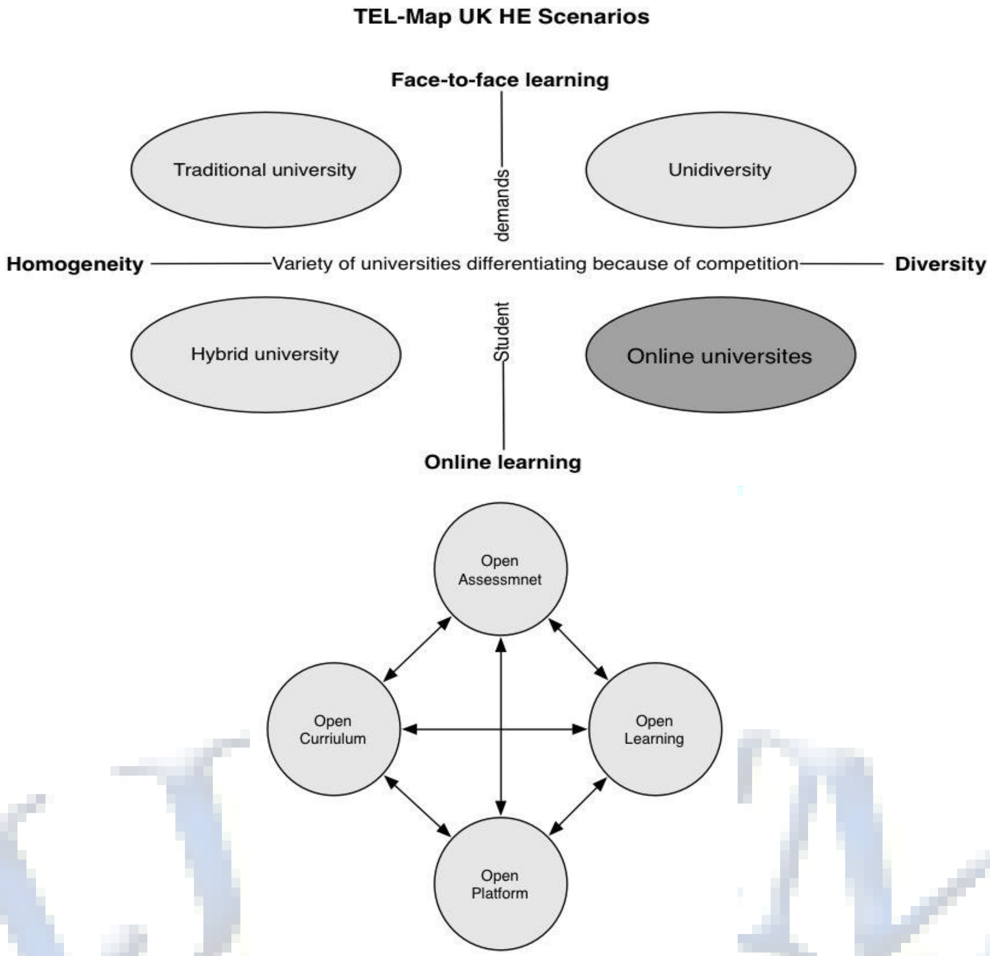


FIGURE 4: MAPS OF STRATEGIES



INCORPORATING MOOC's INTO INDIAN CURRICULA

Several players at the high end are already on the Indian Scene. Manipal University, KSOU, NPTEL and others mainly in Management are offering distance education with a net component. None are free, except the highly technical NPTEL's, and some courses by IIT on EDX. The Doordarshan has educational programmes on TV which come on at certain times, and are linked to IGNOU programmes, whereas VTU and other Universities have satellite based tutorials which are beamed to campuses. These are not open source, and one has to be registered as a student to get access through campus viewing centers. Use of Internet and availability of high bandwidth Internet is essential for comfortable access and viewing online content is necessary for such use.

Considering the wide use of smart phones and tablets even among rural populace, it does not seem out of place to suggest that on line programmes could be made available through the media of the mobile tablet. Mobile networks have managed to appropriate large portions of spectrum and get bandwidth for video calls which translate into better internet access. Education content providers can make use of this feature.

CONCLUSIONS

The Need of the Hour is Education for Sustainable Development. Unless the people understand it, there will be no change in the effects of global warming caused by human interference. Since every bit goes to make a difference, the role of individuals must not be ignored in preference to the large corporations and industrial combines. The next generation of leaders is still in school, and would be making world impacting decisions in the next decade. A global consensus and effort is thus required.

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INTERLINKAGE BETWEEN FUND OF MUTUAL FUNDS RETURNS AND GDP IN THE INDIAN ECONOMY

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ABSTRACT

The Mutual Fund Industry has been growing rapidly in India with enlarged pooled funds that allowed the sector to participate actively in portfolio investments. It reflects possible growth prospect which gained much attention from the investors. The present study intends to examine the existence of a causal relation between the fund of mutual fund returns and GDP of the Indian economy. The investigation is done by using Johansen co-integration test for finding long-run relationship between the Fund of Mutual Fund returns and the GDP, and the Granger causality test based on the Vector Error Correction Model (VECM) for short-run relationship between these two variables to demonstrate the casual relationship. The data are collected from AMFI websites and respective AMC websites, from April 2007 to March 2014. The results displayed sufficient evidence to support long-run relationship between FOFs returns and the GDP. We found that all the five schemes of Fund of Mutual fund return and the GDP are interlinked and it was bidirectional for four out of five funds studied, only in case of Birla SL FOF was unidirectional from asset allocator to GDP. The findings suggest that the FOFs cause effective financial intermediation to generate long term saving to finance investment and that eventually could strengthen the country.

KEYWORDS

fund of mutual funds , schemes returns, GDP, stationaity, co-integration, VECM, causality.

INTRODUCTION

Fund of funds are particular investment vehicles to invest in more than two mutual funds. Ordinarily, it holds many funds in it. Globally, several FOFs pick breed of funds from across different fund houses and put them into one. These are called multi-managers fund of funds. Mutual fund industry is experiencing rapid growth in the form of fund of funds. These funds distinguish themselves by investing in shares of other mutual funds rather than buying individual securities. Fund of Funds are classified into four as Fund of mutual funds, Fund of hedge funds, Fund of exchange traded fund and Real estate fund. Investment in FOFs can be beneficial for retail and institutional investors due to the distinct features of this financial product. With FOFs, the retail investors can easily get exposure to sectors, asset classes, markets, and products which is otherwise not permissible easily. FOFs pool money from large diverse investor, and invest in assets that demand high minimum investments or that offer discounts to costs or loads, management fees. Retail investors do not have access to sophisticated data systems or information system and even if such access are at disposal, retail investors may find it difficult to appropriate investment decisions. The large and growing Fund of mutual funds have attracted majority of capital in FOFs. Intensive diversification benefits are another beneficial aspects of all FOFs. Fund of mutual funds deliver precious service to the investors by screening the mutual fund market, performing due diligence process, in selecting the most correct investment decisions.

Fund of Funds provide an efficient solution to the challenge of investing in mutual funds. Indeed, they have become the most common means of access for investors who are looking for diversified exposure to mutual funds, but who do not have the resources to research, monitor, and manage multiple mutual funds. The FOFs manager has two functions: One is to seek out investors, educate them on the investment benefits, accumulate the assets from investors, and report on and explain investment activities and performance: The second is to follow the mutual fund industry, determine strategy weightings, conduct due diligence, and select individual fund that are expected to outperform. A portfolio manager uses his or her experience and skill to select the best underlying funds based on past performance and other factors, and if the portfolio manager happens to be smart and talented, this can increase the return potential and decrease the risk potential of FOF.

For years researchers have attempted to analyse the relationship between the stock market and GDP. The stock prices reflect the profitability potential and profitability is assumed to be linked with economic activities. The individual investors do not always anticipate correctly the stock returns. Sometimes it moves in some unanticipated direction of the economy. Thus linking FOFs return and the economy represented by GDP makes sense for the investors so that they can anticipate their returns based on the GDP movements.

Two things that support the behaviors of the stock market predictability: One is when the stock market rises the investors are willing to purchase more, so the economy expands. On the other side with the stock market decline, the investors spend less, so the economic growth automatically decreases. On these behavior suggest that the stock market predict economy, although it can be argued that the causations are different if economy grows investments expands stock market goes up, with decline of economy stock market falls. But how FOFs relates in the GDP is a matter to be investigated. In this study we aim to investigate relationship between fund of mutual funds returns and GDP.

This paper is organized as follows: Section 2 provides an overview of the methodology that has been used. In section 3 a description of the data and their analysis is presented. Section 4 reports the results of the empirical analysis. Section 5 concludes the granger causality relationship between funds of mutual fund returns of growth oriented schemes and GDP of the economy.

OBJECTIVE

To find the causality relation between Fund of Mutual fund returns and GDP of the Indian economy.

REVIEW OF LITERATURE

Kok sook ching et, al., (2010), linked Life Insurance Sectors of Malaysia and GDP to demonstrate the possible causal relation. The results suggest that there was a long-run relationship between the life insurance sector and GDP and concluded that the Life Insurance sector an effective financial intermediation to strengthen the country growth. **Sezgin Acikalin et, al., (2008),** investigated the relationships between returns in Istanbul Stock Exchange (ISE) and Microeconomic variables of Turkish economy. They explored co-integration test and VECM on a quarterly data set and found a long term stable relationship between ISE and GDP, Exchange rate, Interest rate and Current account balance. They found unidirectional relationship and suggested that Macroeconomic variables had an effect on ISE Index.

Pasquale Foresti (2007), focused on the relationship between stock market prices and growth. A Granger-causality analysis was carried out and to assess the predictability power of one indicator for the other. They found that stock market prices can be used in order to predict growth, but the opposite is not true.
Hiimeyra Burucu and Filiz Yildiz contuk (2011), demonstrated the relationship and directions between investment fund flow and earnings of market stock in Turkey. They investigated possibility of a causality mechanism. The finding showed that there exist relationship between investment fund flow and earnings of stock market and proved there was not causality relationship.
George K. Zestos and Xiangnan Tao (2002), found the causal relations between the growth rates of exports, imports and the GDP of Canada. The test proved that Canada is more open an economy than the United States and is more trade dependent. **Naser l. Abumustafa (2007)** evaluated stock prices as a leading indicator of economic activity. They found that the higher the causality between stock market capital and GDP in any economy lower is the risk. **Yasuo Nishiyama (2007),** derived the term structure of CD rates and federal funds rates. They found long term market rates granger cause policy-controlled rates. They found unidirectional Causality.
Heung-Joo Cha et. al., (2010) investigates the dynamics and possibilities of a causality between stock returns and investment flow in the Japanese financial market. The study covered the period from 1990 to 2007. Nikkai 225 stock average was used for stock market performance, 10 years Govt. bond and 3 months cash indicies were also used for the study. They suggested that the investment net flow and the stock return explained the positive causality performance in the Japanese financial market.
Nasar I. Abumustafa (2007), evaluated the stock prices as a leading indicator of economic activity. They collected data from 1986 to 2002 for six countries as Egypt, Jordan, Kuwait, Morocco, Saudi and Tunisia. They concluded that Granger Causality test indicates the causality between GDP and market capitalization in all Arab countries.
T.R.J. Goodworth et. al., (2007) examined the factor-based, non-parametric risk measurement framework for hedge funds and fund of funds. With the helps of quantitative portfolio construction and they attempted to ensure maximum portfolio diversification, with active style analysis, implied risk profiles and time dependent factor exposures. **Karthik patel (2007)** examined the risk underperforming the bench mark as a function of the number of manager in the portfolio through fund of funds. **Strene Pomerantz (2006),** investigated the persuit of alpha in a fund of hedge funds and performance could be analysed through the process of sector allocation, geographic diversification and individual security selection. This analysis provided multi-dimentional view to the performance of fund of hedge funds. **M.A. Miceli and G. Susinno (2004),** explained about ultrametricity in fund of fund diversification. They used 49 hedge funds observed NAV time series from 1999 to 2003. They observed broad boot strapped distribution and obtained strategy through minimum spanning tree and that done by clustering process classification.
Andrew ang et. Al., (2008) analysed the expected after fee return of average was lower than hedge funds even though fund of fund managers are skilled investors. They found that many type investors the hurdle rate was close to the returns earned by the typical hedge funds. T. **Colon et. Al., (2007)** stated that random matrix theory in fund of funds portfolio optimization and they concluded that correlation matrix was a good choice for portfolio optimization. **Zakri Y. Bello (2009)** analysed on the predictability of mutual funds returns and this was investigated empirically, if mutual fund returns are predictable using common indicator of business and monetary condition. **Vincent Globe (2010)** reconciled theoretically the negative unconditional performance in sample model of the relationship between a fund manager and his investors. They found the survival of several funds with poor unconditional performance and suggested the existence of recession-related misspecification in popular performance measures. Reviewing previous studies covering different aspects of fund of funds have shown variety of technical and quantitative measure and in our study we find the causality relation between fund of mutual funds returns and GDP in the Indian economy.

RELATIONSHIP BETWEEN FUND OF MUTUAL FUNDS RETURNS AND GDP

SCOPE AND DATA SET

In this study, the effect of fund of mutual funds returns on the GDP is econometrically investigated. As for the estimation of the effects concerned, the samples collected from the AMFI web sites and respective AMC web sites from April 2007 to March 2014 and returns were calculated from the respective schemes NAV prices. For this study equity growth oriented five schemes are taken into consideration. GDP data collected from RBI statistical report. The data used from April 2007 to March 2014 monthly returns frequency has been used for the time series.

HYPOTHESIS

In order to answer the stock returns cause the GDP, the hypothesis test is used as shown below:
H_0 : The Fund of Mutual Funds return does not Granger Cause the GDP.
H_1: The Fund of Mutual Funds return does Granger Cause the GDP.

METHODS

In the current study, the interaction of Fund of Mutual Fund returns and GDP for India has been investigated. Firstly, by means of the variables, the data were exposed to test of stagnation. For this purpose, Fund of Funds returns and GDP whether they were stagnated and if at what level they were stagnated were tested by means of the unit root test developed by Phillips-Perron. Then co-integration test investigating whether long term relation existed among the variables included in the models was conducted. In order to test the long term relationship Johansen-Juselius co-integration test was used. After finding the co-integration relationship next we used the VECM to explore the possibility of short term relationship between fund of funds returns and GDP.
Finally, the causal relation between Fund of Fund returns and GDP and the direction of the relation whether unidirectional or bidirectional were analysed by means of granger causality test. Akaike Information Criterion (AIC) or Schwartz information criterion (SIC) minimum, is determined as the most appropriate model. Granger Causality technique measures the information given by one variable in explaining the latest value of another variable. In addition, it also says that variable Y is Granger caused by variable X if variable X assists in predicting the value of variable Y. If this is the case, it means that the lagged values of variables X are statistically significant in explaining variable Y. The null hypothesis (H_o) that we test the X variable does not Granger cause variable Y and variable Y does not granger caused variable X. In summary, one variable (X_t) is said to granger causes another variable (Y_t) if the lagged values X can predict Y and vice-versa.

ANALYSIS RESULTS

In the time series analysis, the data should be stagnated. To estimate the effect of Fund of Funds returns on GDP in India, Augmented Dickey fuller unit root test was applied. Table 1 shows unit root test results.

TABLE 1: AUGMENTED DICKEY-FULLER UNIT ROOT TEST

FoFs Schemes	ADF test statistic	t-Statistic		Prob. value
GDP	-3.520619	1% level 5%level 10% level	-3.514426 -2.898145 -2.586351	0.0098
FTI life stage FOFS-20(G)	-8.844417	1% level 5%level 10% level	-3.514426 -2.898145 -2.586351	0.0000
FTI life stage FOFS-30(G)	-8.005481	1% level 5%level 10% level	-3.515536 -2.898623 -2.586605	0.0000
FTI Dynamic PE ratio FOF (G)	-9.228287	1% level 5%level 10% level	-3.514426 -2.898145 -2.586351	0.0000
ING 5 star MM FOF (G)	-8.688878	1% level 5%level 10% level	-3.520307 -2.900670 -2.587691	0.0000
Birla SL asset all. Agg. (G)	-9.258656	1% level 5%level 10% level	-3.514426 -2.898145 -2.586351	0.0000

Note: variable's stagnation at the level of 1%, 5%, 10% significance.

In the table 1, the Fund of Funds returns stagnated at the level of 1% significance, the variables of GDP became stagnated with the first difference at the level of 1% significance. After determination of Unit root and co-integration at fist order, Johensen co-integration test was applied to investicate whether co-integration exists among two variables for all the four schemes. Co-integration analysis is important, since the error term coming from the linear combination of two variables is stationary. Results show that the Null hypothesis claiming that there is no co-integration between the variables is rejected. Therefore, the Fund of Funds returns and GDP are co-integrated and there is a long term relationship between the variables.

TABLE 2: JOHANSEN-JUSELIUS CO-INTEGRATION TEST RESULTS

FOF Schemes	Variable	Trace statistics	Eigen value	Max-Eigen Statistic	Critical value	Prob. value
FTI life stage FOFS-20(G)	None *	20.18138	0.215945	19.70536	14.26460	0.0091
	At most 1	0.476018	0.005860	0.476018	3.841466	0.4902
FTI life stage FOFS-30(G)	None *	25.20501	0.261801	24.58689	14.26460	0.0009
	At most 1	0.618116	0.007602	0.618116	3.841466	0.4317
FTI Dynamic PE ratio FOF (G)	None *	24.15816	0.253704	23.70325	14.26460	0.0012
	At most 1	0.454915	0.005600	0.454915	3.841466	0.5000
ING 5 star MM FOF (G)	None *	30.79064	0.325187	30.28560	14.26460	0.0001
	At most 1	0.505045	0.006538	0.505045	3.841466	0.4773
Birla SL asset all. Agg. (G)	None *	28.10535	0.290087	27.75160	14.26460	0.0002
	At most 1	0.353753	0.004358	0.353753	3.841466	0.5520

The lag length is (4) for all the five schemes, it is decided by using AIC. It is seen from Table that, both maximum Eigen value and Trace tests have resulted in the same decisions. It observed that there is one co-integration relationship between two variables. This means that there is a long-run relationship between fund of mutual fund returns and the GDP. The study uses co-integration analysis for long-run relationship and VECM is used for short-term co-efficient estimation.

TABLE 3: RESULTS FROM VECM ESTIMATES

Short run Co-efficient	FTI Life Stage FOFS-20(G)	FTI Life Stage FOFS-30(G)	FTI Dynamic PE Ratio FOF (G)	ING 5 star MM FOF (G)	Birla SL Asset All. Agg. (G)
C(2)	-0.054486				-0.085353
C(3)	-0.317246	-0.244551	-0.225701		-0.060570
C(5)	-3.116383	-2.090505	-2.267859	-14.73689	-4.351032
C(6)				-0.000188	
Adjustment co-efficient					
Co-int-Eq. (1)	-0.583778	-0.788362	-0.700531	-0.980291	-0.758046
R-Squared	0.489011	0.505883	0.457758	0.539675	0.482186
Adj. R-squared	0.453026	0.471086	0.419572	0.505322	0.445720
F- Statistics	13.58926	14.53812	11.98755	15.70987	13.22297
Jarque-Bera value	5.431508	7.609288	11.79955	777.3713	2.246056
Normality P. value	0.006155	0.022267	0.002740	0.0000	0.325293
Chi-square	0.6591	0.6531	0.8073	0.1008	0.7783

Note: Statistically significant (at α = 0.05%)

Auto-correlation and heteroskedasticity tests of the estimated results are presented in the table , it provide healthy signs to make analysis and interpretation on VECM estimates. Especially, this VECM analysed the short run relation between fund of mutual funds return and the GDP. In table 3 co-efficient value of all the five schemes are negative. It certainly indicates the short run relationship of fund of mutual funds return and the GDP. The Chi-square value for all the five schemes is more the 0.05%, so there is no heteroskedasticity problem in the residuals. Normality test also shows desirability of normality of residuals.

The short-run co-efficients reveal that the Changes in Fund of Mutual funds return may be explained by the past changes of GDP. We next look at how the past moves of fund of mutual funds returns create impact on current changes in GDP variables. It showed that past moves of fund of mutual funds returns lead changes in the moves of GDP. If VECM estimates sign some meaningful relationship between the variables, then causality relation should be checked to backup the results from estimation.

One of the techniques to find the relation of causality is granger causality between two variables is given below:

$$Xt =\propto 0 + \sum_{i=1}^{m} \propto i\,.Xt - i + \sum_{j=1}^{m} bj\,.Yt - j + \mu t,$$

$$Yt = b0 + \sum_{j=1}^{m} b\,j.Yt - j + \sum_{i=1}^{m} \propto i\;Xt - i + \vartheta t$$

If bj is statistically significant, then we can say that Y is the granger cause of X, and if αi is meaningful then it is accepted that X is the granger cause of Y.

TABLE 4: STATISTICALLY SIGNIFICANT RESULTS OF GRANGER CAUSALITY TEST

Variables	Directions of Causality	Observations	F Statistics	P Value
FTI life stage FOFS-20(G) to GDP	No Causality	80	1.60315	0.1830
GDP to FTI life stage FOFS-20(G)			1.26870	0.2904
FTI life stage FOFS-30(G) to GDP	No Causality	80	1.85507	0.1279
GDP to FTI life stage FOFS-30(G)			1.84537	0.1297
FTI Dynamic PE ratio FOF (G) to GDP	No Causality	80	1.76913	0.1446
GDP to FTI Dynamic PE ratio FOF (G)			0.93236	0.4503
ING 5 star MM FOF (G) to GDP	No Causality	80	2.39962	0.0588
GDP to ING 5 star MM FOF (G)			0.58430	0.6751
Birla SL asset all. Agg. (G) to GDP	Unidirectional	80	2.86249	0.0294
GDP to Birla SL asset all. Agg. (G)			0.77085	0.5478

Examining the results of granger causality tests in table 4, it was needed to observed the causality, one from fund of mutual fund returns to GDP variables, and the other from GDP to fund of mutual funds returns. We implement the Granger causality test to answer whether changes in GDP cause changes in fund of funds returns or changes in fund of funds returns cause changes in GDP applying fist differenced log data. AIC is used to select an optimal lag length for each variable. Estimated lag length for each variable is applied to Granger Causality test. It is reflected from table 4 that the fund of mutual funds returns does not Granger cause on GDP. Based on the probability values reported in the table 4, we accept the null hypothesis that is Fund of Mutual Fund returns does not granger cause on the GDP. Therefore, the result shows that Granger causality runs on two way or otherwise said is bi-directional except the scheme of Birla SL asset allocator aggressive (G) on the GDP.

CONCLUSION

Fund of Mutual funds provide an efficient solution to the challenge of individual investor investing in mutual funds. Fund of Funds benefited to the investors seeking the high return potential of mutual funds along with a little diversification to help manage risk and lower investment minimums. They have become the most common means of access for investors who are looking for diversified exposure of the mutual funds, but who do not have the sufficient resources to research, monitor, and manage multiple mutual funds. Fund of Funds that invest in a portfolio of different mutual funds to provide broad exposure to the mutual fund industry and diversify the risk associated with a single investment fund. Fund of Funds generally have much lower required investment. This minimum required investment can be attributed to the economies of scale. This study examines the relationship between Fund of Mutual funds returns and the GDP of the Indian economy. The Sample collected from AMFI websites and respective schemes AMC websites from April 2009 to March 2014.

Time series analysis is used to investigate the relations between Fund of mutual fund returns and the GDP. Firstly, Phillips-berron conducted unit root test for all the five schemes of Fund of mutual funds returns and the GDP and then Johnansen-Juselius conducted co-integration tests on both the variable to diagnose the long-run relation among the two time series variables. Co-integration test was reported the presence of long-run relationship between returns and GDP evidenced in all the five schemes of Fund of mutual funds. Subsquently we conducted the VECM which indicated the presence of short-term relationship. Finally, Granger Causality tests on the study of causality couldn't confirm any specific causality relations between all the five fund of funds returns and the GDP except Birla SL asset allocator FOF (G) and the GDP.

On the whole conclusion, acquired from the report shows that there isn't any causality between Fund of Mutual Fund returns and the GDP although they examine the presence of long term and short term relation between the Fund of Fund returns and GDP in Indian economy. This analysis report made important implications for the decision maker for taking decisions of investment. For example, the finding that GDP have varying impacts and significant on returns in a market , it may prove itself useful for portfolio diversification as well as achieving better risk-return tradeoffs. The report proved that the investors may improve their portfolio in the Mutual fund Industry by focusing on the varying significance of the Indian economy risk factors.

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GROWTH OF INDIAN COMMODITY DERIVATIVE MARKET OVER THE YEARS AND ITS CURRENT SCENARIO

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ABSTRACT

Commodity market plays an important role in countries like india where a major part of GDP comes from agriculture production. Its contribution is 13.9 percent, that includes Agriculture & Allied Sectors as per the estimates released by Central Statistics Office. Agricultural exports constitute one fifth of the total exports of the country India is ranked to be in the second position in terms of agriculture outputs. The total food grain production has increased approximately to 264.77 million tonnes in 2013-14 (Department of Economics and Statistics) compared to 51 (MT) productions in 1950-51. In terms of spices the Indian market is estimated to be of worth forty thousand crore yearly. It is backed by the increase in the export to US$ 3 billion by 2016-17, with improved quality, packaging, marketing techniques, and a strong distribution network. This also makes country to be the largest exporter in terms of spices. In spite of such improved growth in farm production, still most of the producers are not making comensurate profit, because of lack of producer friendly reforms in commodity derivative markets, low level of awarness in farmers, improper platforms that are not reachable easily by the common producer and inefficient marketing infrastructure. Improvemt in all these mentioned factors, improved reforms and easy accessibility of commodity exchanges would not only benefit the producers but also the sectors that depend on it. In other words India has all the potential to become a major center for trading of commodities and providing benefits to all market participants mainly farmers, unfortunately because of inadequate policy reforms in the agricultural sector, we are way behind in achieving the goal. In order to set up a well developed commodity derivative market in India, obstacles related to fixing the fair prices, maintaining buffer stocks and avoiding farmers vulnerablity towards the price crashes in future, etc needs to be addressed. The present study analyses Growth of Indian Commodity Derivate Market over the years and its issues and concerns.

KEYWORDS
GDP, multi commodity exchange, National Commodity & Derivatives Exchange Limited, National Multi-Commodity Exchange.

1. INTRODUCTION
The origin of derivatives can be traced back to the need of farmers to protect themselves against fluctuations in the price of their crop. From the time it was sown to the time it was ready for harvest, farmers would face price uncertainity. Though the use of simple derivative product, it was possible for the farmer to partially or fully transfer price risks by locking in asset prices. These were simple contracts developed to meet the needs of farmers and were basically a means of reducing risks.

A commodity market is a market where various commodities and derivatives products are traded. Most commodity market across the world, trade in Bullion, Metals, Crude, Agricultural products and other raw materials (like wheat, barley, sugar, maize, cotton, cocoa, coffee, milk products, pork bellies, oil, metals, etc.) and contracts based on them.

A commodity exchange is a place where various commodities and derivatives are bought and sold. Commodities exchange usually trade on commodity future. Different types of contracts based on the sophisticated products can include spot prices, forwards, futures and options on futures. Commodities exchanges usually trade futures contracts on commodities, such as trading contracts to receive a particular commodity in physical form. Speculators and investors also buy and sell the futures contracts at commodity exchanges to make a profit and provide liquidity to the system. The present paper intends to study the growth of Indian Commodity Derivate Market over the years and its issues related to the further development.

Futures trading performs important economic functions viz.,

- Price stabilization-in times of violent price fluctuation-this mechnism dampens the peaks and lifts up valleys i,e. The amplitude of price variation is reduced.
- Leads to integrad price structure throught out the country.
- Facilitates lengthy and complex, production and manufacturing activities.
- Helps balance in supply and demand position throughout the year.
- Encourages competition and acts as a price barometer to farmers and other trade functionaries.

The market functions because of the differing risk profiles of the market participants. The fluctuation in commodity prices represents both, a risk and a potential for profit. The hedgers transfer this risk by foregoing the associated profit potential. The speculators assume this risk in the hope of realizing profits by predicting price movements. The arbitrageurs make the process of price discovery more efficient.

As an example of a hedger, you might be a large corn farmer wanting to sell your product at the highest possible price. However, unpredictable weather may create risk, as well as excess supply that could drive prices down. You could take a short position in corn futures, and if prices fall, you could then buy back the futures at a lower price than you previously had sold them. This would help you offset the loss from your cash crop and help minimize your risk. Of course, if prices rose, you'd loose money on the futures transaction, but the idea is to use futures as a hedge.

2. OBJECTIVES
The objectives of this paper are,

1. To study the growth of Indian commodity derivative markets over the years.
2. To analyze the current scenario and issues related to the Indian commodity derivative market.

3. METHODOLOGY
The present study is based on secondary data collected from the websites of different Commodity Exchanges, Forward Markets Commission, Mumbai, related journals, Government of India reports, and related websites.The study period coveres in the study is 2009-10 to 2014-15. Simple percentages and are used as statistical tool in the present study.

4. INDIAN COMMODITY DERIVATIVE MARKET AND CURRENT SCENARIO

Post independence, the Indian constitution listed the subject of —Stock Exchanges and Future Markets under the union list. As a result, the regulation and development of the commodities futures markets were defined solely as the responsibility of the central government. A bill on forward contracts was referred to an expert committee headed by Prof. A.D. Shroff and select committees of two successive parliaments and finally, in December 1952, the Forward Contracts (Regulation) Act was enacted. This prohibited commodity options and cash settlement on all commodity forwards, and thus in 1953, Forward Market Commission (FMC) was established under he Ministry of Consumer Affairs and Public Distribution.

The Forward Contracts (Regulation) Rules were notified by the central government in 1954. The futures trade in spices was first organised by the India Pepper and Spices Trade Association (IPSTA) in Cochin in 1957. However, in order to monitor the price movements of several agricultural and essential commodities, futures trade was completely banned by the government in 1966. Subsequent to the ban of futures trade, many traders resorted to unofficial and informal trade in futures. However, in India's liberalization epoch in June 1980 Khusro committee recommended the government to reintroduce futures on trading in major commodities, including cotton, jute, kapas, and suggested that steps may be taken for introducing futures trading in commodities like potato, onion etc at appropriate time. The governament accordingly initiated futures trading in potato during the latter half of 1980 in few markets in panjab and uttar pradesh.

Following the introduction of economic reforms in 1991, and the consequent gradual trade and industry liberalization in domestinc and external secters, the Government of India appointed an expert committee on forward markets under the chairmanship of Prof. K.N. Kabra in June 1993. The committee submitted its report in September 1994, the comitee report recommended to re-introduce futures trading that were banned 1966 and expanding its coverage to agricultural commodities, like,

- Basumati Rice
- Ground nut, rape seed/mustard seed, cotton seed, sesame seed, sun flower seed, saf flower seed, copra and soya been, and oils and oil cakes of all of them.
- Castor oil and its oil cake
- Rice bran oil
- Linseed
- Raw jute and jute goods
- Onions
- Silver

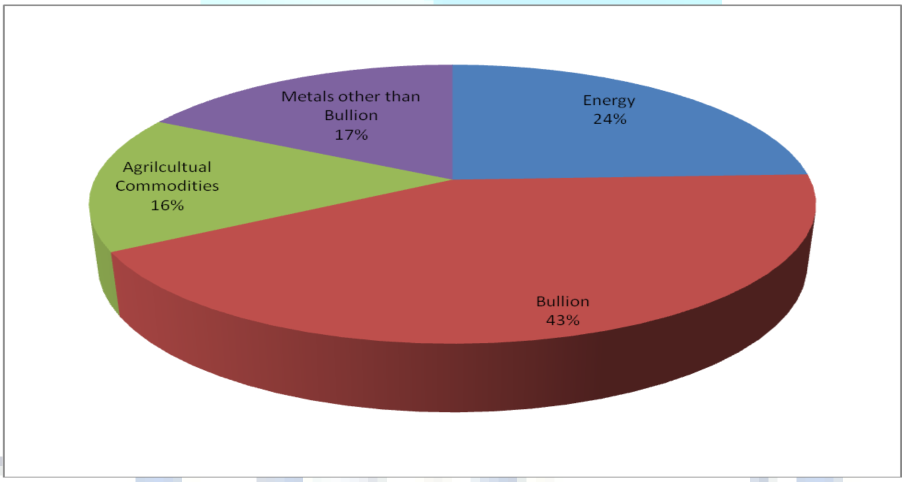
The committee also recomended that some of the existing commodity exchanges perticularly the once in pepper and castor seed may be upgraded to the level of international futures markets.

The liberalized policy being followed by the governament of India and the gradual with drwal of the procurement and distribution channel necessitated setting in place a market mechanism to perform the economic funtions of prize discovery and risk management.

The national agriculture policy announced in July 2000 and the announcement by the finance minister in budget speech for 2002-2003 were indicative of the governament resolve to put in place a mechanism of futures trade/market. As a follow up the governament issued notifications on 1.4.2003 permitting futures trading in the commodities, with the issue of these notifications futures trading is not prohibited in any commodity. Options trading in commodity are, how ever presently prohibited.

Currently, there are 6 national level commodity exchanges and 20 regional commodity exchanges in India. The national level exchanges are MCX, NCDEX, NMCE, ICEX, ACE & UCX. These 26 commodity exchanges carry out futures trading. Currently 43 of the 113 commodities that are notified for futures trading are actively traded in 4 national exchanges and 6 commodity-specific exchanges.

FIGURE – 1: PERCENTAGE SHARE OF MAJOR GROUPS OF COMMODITIES TRADED DURING 2013-14



Source: Forward Markets Commission Annual Report 2013-14.

TABLE 1: VOLUME OF TRADING AND VALUE OF TRADE DURING 2013-14 IN MAJOR COMMODITIES

Sr. No	Commodity	Volume (In lakh tonne)	Value (In Rs crore)
A	**Bullion**		
	Gold	0.09	2513697
	Silver	3.94	1795240
	Total for A	4.03	4308938
B	**Metals other than Bullion**		
	Aluminum	129.07	137609.8
	Copper	129.07	785562.2
	Lead	326.49	406971.6
	Nickel	22.05	190796.3
	Steel	1.72	483.71
	Zinc	206.8	231896.2
	Iron	106.42	8040.08
	Total for B	978.37	1761360
C	**Agricultural commodities**		
	Chana/Gram	525.73	164754.9
	Wheat	10.47	1637.22
	Maize	47.3	6168.26
	Maize	417.69	290044.8
	Soy Oil	4.6	41798.11
	Mentha Oil	45.73	24719.8
	Guarseed	8.09	12237.77
	Guar Gum	66.9	4239.66
	Potato	12.53	7537.48
	Chillis	22.48	28917.5
	Jeera	1.47	11310.62
	Cordmom	0.42	1600.7
	Pepper	6.43	10514.94
	Rubber	2442.21	996920.2
	Total for C	3612.03	1602402
D	**Energy**	4238.33	2472095
Grand Total (A+B+C+D)		**8832.76**	**10144795**

Source: Forward Markets Commission Annual Report 2013-14.

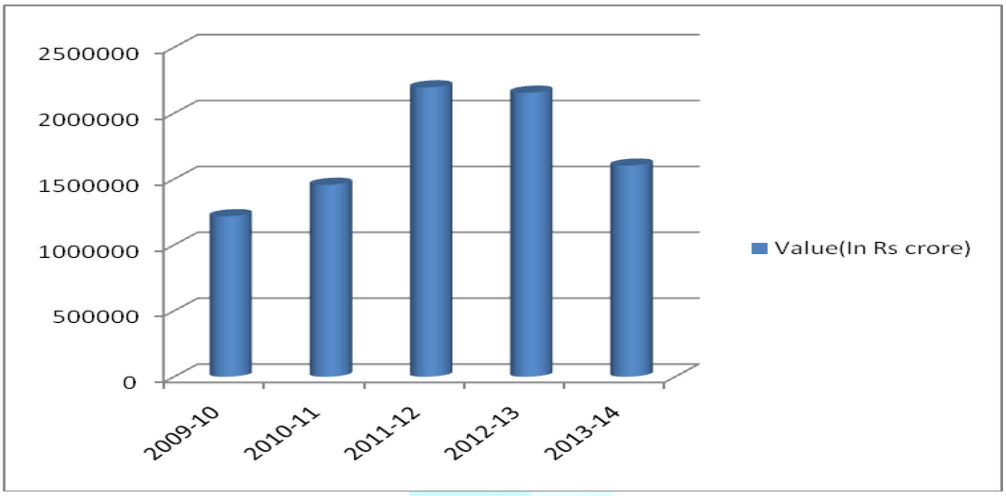
Share of agricultural commodities in the total turnover was seen to be 16.02 percent in 2013-14 and till 2014-15 (up to December 2014)is 18.37 per cent, with food items. The remaining 83.98 turnover was contributed by bullion, metals, and energy contracts for the year 2013-14 and 81.63 per cent for the year 2014-15(up to December 2014). A committee set up by the Ministry of Finance, which submitted its report in April 2014 has observed that hedging efficiency of the commodity futures markets is low. In order to ensure that forward markets in commodities are well regulated and the Indian commodity futures market is compliant with international regulatory requirements, the regulatory framework for the commodity futures market needs to be strengthened at the earliest.

TABLE 2: AGRICULTURAL COMMODITY-WISE VALUE OF TRADE IN THE COMMODITY MARKET DURING 2009-10 TO 2013-14

Agricultural Commodities	2009-10	2010-11	2011-12	2012-13	2013-14
	Value (In Rs crore)				
Chana/Gram	127950.47	126158.29	306411.78	165039.10	164754.94
Wheat	4015.01	3316.88	2661.42	5406.46	1637.22
Maize	790.56	1730.06	2294.48	10938.34	6168.26
Soy Oil	235605.92	345286.26	538383.46	708315.97	290044.79
Mentha Oil	13173.04	60527.10	101410.51	102399.93	41798.11
Guarseed	283431.09	254690.88	338216.19	-	24719.80
Guar Gum	29593.86	49942.57	100515.47	-	12237.77
Potato	4575.74	-	14156.71	5843.42	4239.66
Chillis	1998.17	8493.79	11611.26	11752.80	7537.48
Jeera	33720.04	60864.48	55982.69	65955.88	28917.50
Cordmom	2503.69	10882.04	16373.87	24139.38	11310.62
Pepper	27705.73	84786.09	79518.79	34742.45	1600.70
Rubber	7123.20	23846.92	16697.51	9939.76	10514.94
Other agri	445762.51	411436i.10	611915.37	1011226.92	996920.17
Total	**1217949.03**	**1456389.62**	**2196149.50**	**2155700.42**	**1602401.96**

Source: Compiled from: 1. Forward Markets Commission(FMC) – Annual Report 2009-10, 2010-11, 2011-12, 2012-13, 2013-14.

FIGURE 2: TOTAL VALUE OF TRADE IN AGRICULTURAL COMMODITIES



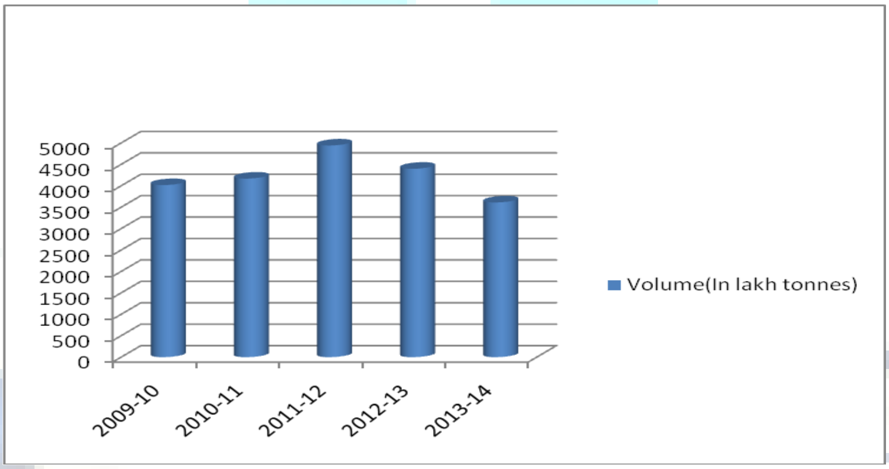
We can observe that the total value of traded agricultural commodity has increased substantially from Rs 1217949.03 crore in 2009-10 to Rs 2196149.50 crore in 2011-12 and decreased to Rs 1602401.96 crore in 2013-14.

TABLE 3: COMMODITY-WISE VOLUME OF TRADE IN THE AGRICULTURAL COMMODITY MARKET DURING 2009-10 TO 2013-14

Agricultural Commodities	2009-10	2010-11	2011-12	2012-13	2013-14
	Volume (In lakh tonne)				
Chana/Gram	530.42	523.59	947.98	389.36	525.73
Wheat	31.77	26.78	22.43	37.50	10.47
Maize	8.41	16.36	19.01	78.21	47.30
Soy Oil	500.62	617.15	802.85	970.81	417.69
Mentha Oil	2.31	6.21	7.11	7.57	4.60
Guarseed	1226.69	1056.04	733.10		45.73
Guar Gum	59.46	83.15	69.02		8.09
Potato	61.63	269.22	229.11	59.54	66.90
Chillis	3.68	11.31	14.07	19.92	12.53
Jeera	26.50	42.53	37.38	45.45	22.48
Cordmom	26.50	0.77	1.91	2.23	1.47
Pepper	19.61	42.25	24.64	8.80	0.42
Rubber	5.81	11.78	7.86	5.62	6.43
Other agri	1514.02	1461.21	2025.61	2773.10	2442.21
Total	**4017.43**	**4168.35**	**4942.09**	**4398.11**	**3612.03**

Source: Compiled from: 1. FMC – Annual Report 2009-10, 2010-11,2011-12,2012-13,2013-14

FIGURE 3: TOTAL VOLUME OF TRADE IN AGRICULTURAL COMMODITIES



Similar to value traded, we can observe that the total volume traded in agricultural commodity has increased from 4017.43 lakh tonnes in 2009-10 to 4942.09 lakh tonnes in 2011-12 and decreased to 3612.03 lakh tonnes in 2013-14.

ISSUES RELATED TO INDIAN COMMODITY DERIVATIVE MARKET

Even though the commodity derivatives market has made good progress in the last few years, the number of commodities allowed for derivative trading have increased, the volume and the value of business has zoomed, but the objectives of setting up commodity derivative exchanges have not been achieved fully and the growth rates witnessed may not be sustainable unless some of the issues are sorted out as soon as possible. Some of the constraints are:

PHYSICAL SETTLEMENT

As physical delivery of underlying commodity at a designated warehouse is required in case of physical settlement. The buyer and seller need to go to the designated warehouses to complete the process of transaction, and then actul goods are carried or transported. Few issues confronting are cost involved in transportation of the commodities along with the restrictions on interstate movements, limits on storage facilities available in different states, octroi and duties impact on the transportation. The process of taking physical delivery in commodities is a complex process and quite different to physical delivery in financial assets.

WAREHOUSING

In case of commodity derivatives however, thre is possibility of physical settlement. Which means that if the seller chooses to hand over the commodity instead of the difference of the cash, the buyer takes physical delivery of the underlying asset, then this requires exchange to make an arrangement with warehouse to handle the selltlements. The efficacy of commodities settlements depends on the warehousing system available. Most international commodity exchanges use certified warehouses (CWH) for the purpose of handling physical settlements. These CWH are required to provide storage facilities for participants in commodities markets and to sertify the quantity and quality of the underlying commodity. The advantage of this system is that warehouse receipt becomes good collateral *(*borrower's pledge of specific property to a lender, to secure repayment of a loan), not for settlement of exchange trades but also for other purposes too. But in India compared to other developed markets warehousing is not so efficient. In India for agricultural produce storage, warehouse facilties are mostly controlled by state and central government and few by private enterprises.

QUALITY OF UNDERLYING ASSETS

A derivatives contract is written on a given underlying asset. Variance in quality is not an issue in case of financial derivatives as the physical attribute is missing. When the underlying asset is a commodity, the quality of the underlying asset is of prime importance. There may be quite some variation in the quality of what is available in the market place. When the asset is specied, it is therefore important that the exchange stipulates the grade or grades of the commodity that are acceptable. Commodity derivatives demand good standards and quality assurance/ certication procedures. A good grading system allows commodities to be traded by specification. Currently, there are various agencies that are responsible for specifying grades for commodities. For example, the Bureau of Indian Standards (BIS) under Ministry of Consumer Affairs specifies standards for processed agricultural commodities whereas AGMARK under the department of Rural Development under Ministry of Agriculture is responsible for promulgating standards for basic agricultural commodities. Apart from these, there are other agencies like EIA, which specify standards for export oriented commodities.

INDEPENDENT REGULATING BODY

Like Securities and Exchange Board of India (SEBI), that regulates the securities markets, there is a need of independent body to control commodity markets, as of now commodity exchanges are controlled by Forward Markets Commission (FMC) which is under the Department of Consumer Affairs (Ministry of Consumer Affairs, Food and Public Distribution) and depends on it for funds. It is very much necessary to provide full powers to FMC in order to develop commodity markets.

LACK OF ECONOMY OF SCALE

Though Currently 43 of the 113 commodities that are notified for futures trading, only few commodities are traded on only specified exchanges and also in practice derivatives are popular for only a few commodities. All this splits volumes and makes some exchanges unviable. This problem can possibly be addressed by consolidating some exchanges. Also, the question of convergence of securities and commodities derivatives markets has been debated for a long time now. The Government of India has announced its intention to integrate the two markets. It is felt that convergence of these derivative markets would bring in economies of scale and scope without having to duplicate the efforts, thereby giving a boost to the growth of commodity derivatives market. It would also help in resolving some of the issues concerning regulation of the derivative markets. However, this would necessitate complete coordination among various regulating authorities such as Reserve Bank of India, Forward Markets commission, the Securities and Exchange Board of India, and the Department of Company affairs etc.

TAX AND LEGAL BOTTLENECKS

There are at present restrictions on the movement of certain goods from one state to another. These need to be removed so that a truly national market could develop for commodities and derivatives. Also, regulatory changes are required to bring about uniformity in octroi and sales taxes etc. VAT has been introduced in the country in 2005, but has not yet been uniformly implemented by all states

5. CONCLUSIONS

As we can see from the analysis of above data, reasonably good growth is registered both in value and volume in Indian commodity derivative market, and with minor exceptions. In spite of this most of the producers are still not making profit. So lot of work in terms of policy liberalization, proper legal system, necessary infrastructure, wide range of training programs are required to make sure that producers catch up with the developed commodity derivative markets.

There are almost 113 commodities notified for trading in commodity market as per the Act 1952, mainly about 25 commodities are traded in the leading commodity exchanges. There should be an opportunity to provide trading of all commodities in all exchanges. According to many studies and surveys conducted by leading exchanges at different places on the awareness campaigns about commodity derivative exchanges show that the involvement of farmers is very less. So there is a need to encourage the involvement of farmers in such programs in collaboration with societies, academic and research institutions and at the same time interference of political and middlemen should be greatly reduced to give the confidence to the farmers to trade their produce in such markets.

As suggested by committee set up by the Ministry of Finance, which submitted its report in April 2014 there is a need of strengthening of regulatory framework for the commodity futures market at the earliest to meet the hedging efficiency of the commodity futures markets to have a well regulated Indian commodity futures market that is in compliant with international regulatory requirements. The Government of India decision to merge FMC with SEBI needs to be appreciated.

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A STUDY ON JOB SATISFACTION OF PUBLIC, PRIVATE AND FOREIGN BANK EMPLOYEES IN CHANDIGARH AND PUNJAB

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ABSTRACT

For the success and sustained growth of banks, it is very important to manage human resources effectively and to find whether its employees are satisfied or not. Public Sector, Private Sector and Foreign Banks differ with respect to their background and work culture. Therefore, an attempt has been made to explore the differences between these banks with regard to Job Satisfaction of employees. The sample includes 250 employees of Public, Private and Foreign Banks in Chandigarh and Punjab. The total Job Satisfaction has been found to be the highest in Public Sector Banks, followed by Private Sector Banks and Foreign Banks. The dimension Operating Procedure Satisfaction provides the highest level of satisfaction in Public Sector Banks, Work itself Satisfaction has the highest mean value in Private Sector Banks, while Pay Satisfaction is the highest in Foreign Banks. Communication Satisfaction ranks the last in Public Sector Banks, Private Sector Banks as well as Foreign Banks.

KEYWORDS

job satisfaction, public sector banks, private sector banks, foreign banks.

INTRODUCTION

Banking sector plays a pivotal role in the economic development of a country. Banks are service-oriented organizations. The quality of banking service to its customers greatly depends on the efforts of the employees. Job satisfaction of the bank employees results from the specific liking and disliking experienced in the job. The perusal of exiting literature on Job Satisfaction has revealed that although there has been a lot of research on the Job Satisfaction of employees of different industries, but there are only a few studies in Banking Sector, especially in this region.

Job satisfaction is the combination of two words 'Job' and 'Satisfaction'. Job is an occupational activity performed by an individual in return for a reward. Satisfaction refers to the way one feels about events, people and things. According to Oxford Dictionary, Job is a small definite piece of work done in a way of one's special occupation. Job satisfaction like physical and mental satisfaction is inherent in human characters. It is closely related with the maintenance of the right spirit in one's work. In this way, there is a significant positive correlation between the extent of job satisfaction and the interest of an employee in his work. When the job satisfaction is higher in one's mind, then the chances of one's putting heart and soul with one's single minded devotion is greater and fairer and then the person draws undivided attention to give perfection to the task.

Job is not only a means of earning a living but it serves various other functions for an individual. An individual's sense of well being, of doing something worthwhile or having some purpose in life, seems to be associated with his job. A person works because it gives him the sense of creativity, fulfillment, productivity and performing an expected and useful social role. Thus, he is likely to develop a positive attitude to his job and reveal greater satisfaction with it. Even though it is realized that job grants certain power, status, dignity and feeling of achievement to the individual yet all people do not feel so strongly about their jobs. In other words for some people there may be positive feelings regarding their jobs or job experiences whereas for some these feelings may be negative too.

It is an established fact that job satisfaction leads to qualitative and quantitative improvement in performance. Satisfaction in job induces motivation and interest in work, when work becomes interesting, the worker gets pleasure for work. More especially, the personal pleasure that the worker gets from a job of his choice gives him tremendous psychological satisfaction. It is probably the major aim of every worker to get maximum satisfaction from his job. In true sense, job satisfaction does not mean a perceptual smirk on the face of the employees. It does not mean turning work into hobby, undertaken just for the pleasure of it. However satisfied the employees, they cannot be expected to find absolute and unalloyed pleasure in it. Job satisfaction essentially means economy of effort, getting rid of avoidable tension, utilizing the energies of employees for better performance.

According to Andrew J. Du. Brins, Job Satisfaction is the amount of pleasure or contentment associated with a job. If you like your job intensely, you will experience high job satisfaction. If you dislike your job intensely, you will experience job dissatisfaction. Job satisfaction is an individual's emotional reaction to the job itself. It is his attitude towards his job. Elements that contribute to job satisfaction include- aptitude for the job, style of supervision, congenial working environment, financial rewards, opportunities for advancement in career, cooperative work group and employee morale. However, job satisfaction is not just about job conditions, personality also plays a role. People who are less positive about themselves are less likely to like their jobs. Research has shown that people who have positive core self-evaluation, who believe in their inner worth and basic competence are more satisfied with their jobs than those with negative core self-evaluations.

LITERATURE REVIEW

Porter and Lawler (1968) studied the influences on job satisfaction in two groups of internal and external satisfactory factors. According to them, internal satisfactory factors are related to the work itself (such as feeling of independence, feeling of achievement, feeling of victory, self-esteem, feeling of control and other similar feelings obtained from work), whereas external satisfactory factors are not directly related to work itself (such as good relationships with colleagues, high salary, good welfare and utilities). Locke (1976) defined job satisfaction as a pleasurable positive emotional state resulting from the appraisal of one's job or job experiences. It results from the perception that one's job fulfills or allows the fulfillment of one's important job values providing to the degree that these values are congruent with one's needs. Spector (1997) is of the view that job satisfaction is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like or dislike their jobs. That's why job satisfaction and job dissatisfaction can appear in any given work situation. Hossain (2000) conducted a study to investigate the satisfaction of commercial bank employees in Bangladesh and its consequences on related issues. The results revealed that the public sector bank employees were in a better position in terms of their job satisfaction than the private sector bank employees and the executives were more satisfied than the non-executives. Job satisfaction had significant positive correlation with performance but significant negative correlation with job stress and propensity to quit the job. Job satisfaction had the highest positive contribution to performance. Bank employees perceived their job as highly stressful irrespective of their rank and status in the organization. Moreover, banking employees in Bangladesh were highly dissatisfied with their salary, lack of fair promotional opportunity, low job status and absence of recognition for good work. Kamal and Sengupta (2008) through their research study attempted to ascertain the degree of overall job satisfaction prevailing among the Bank officers' and to elicit the officers' views on the different factors contributing to their job satisfaction, in the light of current realities. They concluded that with the change of satisfaction determinants, level of job satisfaction also varies. They also observed that as a person ages, his job satisfaction shows an increasing trend. With age, spiritualism of the person increases, but his alternatives for change decreases. Younger employees have more energy, more expectations and more options, and hence have lesser satisfaction with the job. Overall, the job satisfaction of bank officer though is not very high but still satisfactory. But there is still considerable room for improvement. Shrivastava and Purang (2009) examined the job satisfaction level of public sector and private sector banks in India. Results indicated that the means of the public and private banks were significantly different from each other. It was found that private sector bank employees perceive greater satisfaction with pay, social, and growth aspects of job as compared to public sector bank employees. On the other hand, public sector bank employees have expressed greater satisfaction with job security as compared to private sector bank employees. Khalid and Irshad (2010) examined the job satisfaction level of bank employees in Punjab Province. The results revealed that employees of private banks were more satisfied with pay, recognition, and working hours as compared to public sector bank employees. Whereas, the employees of public sector were satisfied with job security as compared to private sector bank employees. The findings of the study indicate that the sectoral differences in terms of salary, promotion, job security, recognition and benefits play a significant role in influencing one's perception of job satisfaction. Katyal et al. (2011) conducted a study to find out job stress of employees working in nationalized and non-nationalized banks in Chandigarh. The findings revealed highly significant difference in job stress of employees working in nationalized and non-nationalized banks, with employees of non-nationalized banks having higher job stress as compared to their counterparts working in nationalized banks. Highly significant difference also existed between the mean scores of nationalized and non-nationalized bank employees with regard to neuroticism. The employees working in non-nationalized banks were found to be more neurotic than those working in nationalized banks. They concluded that employees working in Government banks were found to far better than those working in private sector.

OBJECTIVES

1. To study the total Job Satisfaction of the employees in select Public Sector Banks, Private Sector Banks and Foreign Banks.
2. To study and compare perception of employees in select Public Sector, Private Sector and Foreign Banks regarding various dimensions of Job Satisfaction.

HYPOTHESIS

H_0 : There is no significant difference in the Job Satisfaction of the employees in select Public Sector, Private Sector and Foreign Banks.

RESEARCH METHODOLOGY

RESEARCH DESIGN

The present study attempts to evaluate the Job Satisfaction of employees in Public Sector, Private Sector and Foreign Banks in Chandigarh and Punjab. The study is descriptive in nature.

POPULATION

Population for the study comprises of employees working in Public, Private and Foreign Banks in Chandigarh and Punjab.

SAMPLE

A sample of six banks, two from Public Sector (State Bank of India and Punjab National Bank); two from Private Sector (HDFC Bank and ICICI Bank); and two from Foreign Banks (HSBC Bank and Citi Bank) has been selected. The banks included in this study are based on their Net Profit (as % total assets), i.e. the highest profitable banks to present a comprehensive and comparative analysis of Quality of Work Life. The sample includes 250 employees of Public, Private and Foreign Banks in Chandigarh and Punjab. Out of which 100 employees are from Public Sector Banks, 100 from Private Sector Banks and 50 from Foreign Banks. The respondents were selected on stratified random sampling basis.

SOURCES OF DATA

Both primary and secondary data has been collected to present a comprehensive analysis of banking sector scenario regarding Job Satisfaction of employees. Primary data has been collected through filling of questionnaires from employees at managerial, supervisory and clerical level. Journals, books, magazines, reports of the selected banks, different websites and newspapers have been scanned to know the contemporary Job Satisfaction scenario and the research undertaken in the field so far.

MEASURING INSTRUMENT USED

For the purpose of measuring Job Satisfaction of employees in Public Sector, Private Sector and Foreign Banks the scale developed by Spector (1985) has been used. It consists of 36- items, which describe nine dimensions of Job Satisfaction. These include Pay Satisfaction, Promotion Satisfaction, Supervision Satisfaction, Benefits Satisfaction, Reward Satisfaction, Operating Procedure Satisfaction, Co-workers Satisfaction, Work itself Satisfaction, and Communication Satisfaction. The items have been recorded on a six-point scale ranging from: (1) Disagree very much; (2) Disagree moderately; (3) Disagree slightly; (4) Agree slightly; (5) Agree moderately; and (6) Agree very much. As standardized questionnaire developed by Spector has been used for the purpose of collecting data relating to Job Satisfaction, validity and reliability testing has already been performed.

FINDINGS OF THE STUDY

To study the total Job Satisfaction of the employees in select Public, Private and Foreign Banks a comparison of the mean scores and standard deviation has been done. To test the significance of the difference among the sample means an Analysis of Variance (ANOVA) is done. Through F-test the significance of the difference of Job Satisfaction of employees in select Public Sector, Private Sector and Foreign Banks has been tested.

Job Satisfaction depends on dimensions like Pay Satisfaction, Promotion Satisfaction, Supervision Satisfaction, Benefits Satisfaction, Reward Satisfaction, Operating Procedure Satisfaction, Co-workers Satisfaction, Work itself Satisfaction, and Communication Satisfaction. Therefore, an attempt has also been made to study dimension-wise Job Satisfaction of the employees in select Public Sector, Private Sector and Foreign Banks.

Table No. 1 presents the mean values and standard deviation for the nine dimensions of Job Satisfaction and the total Job Satisfaction of the employees in select Public Sector, Private Sector and Foreign Banks.

TABLE NO. 1: MEAN VALUES AND STANDARD DEVIATION OF THE TOTAL JOB SATISFACTION AND ITS DIMENSIONS

Dimensions of Job Satisfaction	Public Sector Banks		Private Sector Banks		Foreign Banks	
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation
Pay Satisfaction (PS)	15.88	2.006	15.15	2.443	15.24	2.227
Promotion Satisfaction (PRS)	14.69	2.809	13.68	3.005	14.70	2.332
Supervision Satisfaction (SS)	14.70	2.691	13.33	2.920	14.70	2.550
Benefits Satisfaction (BS)	13.14	3.771	12.12	3.264	13.74	4.198
Reward Satisfaction (RS)	14.36	2.812	13.82	2.611	13.18	2.310
Operating Procedure Satisfaction (OPS)	16.34	3.328	14.66	3.400	14.04	2.610
Co-workers Satisfaction (CWS)	15.11	2.326	15.10	3.258	14.22	3.099
Work itself Satisfaction (WS)	15.51	3.600	16.05	2.500	13.66	3.778
Communication Satisfaction (CS)	10.87	3.684	11.94	4.168	10.26	2.870
Total Job Satisfaction (JS)	130.600	15.362	125.850	17.025	123.740	13.757

Table No. 2 shows the Analysis of Variance (ANOVA) of the total Job Satisfaction (JS) in select Public Sector, Private Sector and Foreign Banks.

TABLE NO. 2: ANALYSIS OF VARIANCE (ANOVA) OF THE TOTAL JOB SATISFACTION (JS)

Sources of Variation	Sum of Squares	Degree of Freedom	Mean Square	F-Value	Significance
Between Groups	1932.734	2	966.367	3.892	0.022*
Within Groups	61332.370	247	248.309		
Total	63265.104	249			

*Significant at $p < 0.05$
* * Significant at $p < 0.01$

The F-value is 3.892 and the p-value is 0.022, which is significant at 95% level of significance. It is inferred that there is significant difference in the total Job Satisfaction of the employees in select Public Sector, Private Sector and Foreign Banks. Hence Null Hypothesis, that there is no significant difference in the total Job Satisfaction of the employees in select Public Sector, Private Sector and Foreign Banks is rejected.

The total Job Satisfaction has been found to be the highest in Public Sector Banks with $\overline{X}$ = 130.600 and SD = 15.362; followed by Private Sector Banks with $\overline{X}$ = 125.850 and SD = 17.025 and Foreign Banks with $\overline{X}$ = 123.740 and SD =13.757.

For the dimension Pay Satisfaction, the mean score has been found to be the highest in Public Sector Banks ($\overline{X}$ = 15.88 and SD = 2.006); followed by Foreign Banks ($\overline{X}$ =15.24 and SD =2.227); and Private Sector Banks ($\overline{X}$ =15.15 and SD =2.443).

For the dimension Promotion Satisfaction, the mean score has been found to be the highest in Foreign Banks ($\overline{X}$ = 14.70 and SD = 2.332); followed by Public Sector Banks ($\overline{X}$ =14.69 and SD = 2.809); and Private Sector Banks ($\overline{X}$ = 13.68 and SD = 3.005).

Supervision Satisfaction is highest in Public Sector Banks with mean score ($\overline{X}$ = 14.70 and SD = 2.691); and Foreign Banks with the mean score (($\overline{X}$ =14.70 and SD =2.550) followed by Private Sector Banks with the mean score Banks ($\overline{X}$ = 13.33 and SD = 2.920).

For the dimension Benefits Satisfaction, the mean score has been found to be the highest in Foreign Banks ($\overline{X}$ = 13.74 and SD = 4.198); followed by Public Sector Banks ($\overline{X}$ =13.14 and SD = 3.771); and Private Sector Banks ($\overline{X}$ = 12.12 and SD = 3.264).

Reward Satisfaction has been found to be the highest in Public Sector Banks with mean score ($\overline{X}$ = 14.36 and SD = 2.812); followed by Private Sector Banks with mean score ($\overline{X}$ =13.82 and SD = 2.661); and Foreign Banks with mean score ($\overline{X}$ =13.18 and SD = 2.310).

Operating Procedure Satisfaction has been found to be the highest in Public Sector Banks with mean score ($\overline{X}$ = 16.34 and SD = 3.328); followed by Private Sector Banks with mean score ($\overline{X}$ =14.66 and SD = 3.400); and Foreign Banks with mean score ($\overline{X}$ =14.04 and SD = 2.610).

Co-workers Satisfaction is the highest in Public Sector Banks with mean score ($\overline{X}$ = 15.11 and SD = 2.326); followed by Private Sector Banks with mean score ($\overline{X}$ =15.10 and SD = 3.258); and Foreign Banks with mean score ($\overline{X}$ =14.22 and SD = 3.099).

Work itself Satisfaction has been found to be the highest in Private Sector Banks with mean score ($\overline{X}$ = 16.05 and SD = 2.500); followed by Public Sector Banks with mean score ($\overline{X}$ =15.51 and SD = 3.600); and Foreign Banks with mean score ($\overline{X}$ =13.66 and SD = 3.778).

Communication Satisfaction has been found to be the highest in Private Sector Banks with mean score ($\overline{X}$ = 11.94 and SD = 4.168); followed by Public Sector Banks with mean score ($\overline{X}$ =10.87 and SD = 3.684); and Foreign Banks with mean score ($\overline{X}$ =10.26 and SD = 2.870).

CONCLUSION

The overall results reveal that there is significant difference in total Job Satisfaction of the employees in select Public Sector, Private Sector and Foreign Banks. The total Job Satisfaction has been found to be the highest in Public Sector Banks followed by Private Sector Banks and Foreign Banks. While observing the dimension-wise mean values of the Job Satisfaction as experienced by the employees in select Public Sector, Private Sector and Foreign Banks, it has been found that in Public Sector Banks the dimension Operating Procedure Satisfaction (OPS, $\overline{X}$=16.34; SD=3.328) provides the highest level of satisfaction and Communication Satisfaction (CS, $\overline{X}$ = 10.87; SD = 3.684) the least. In Private Sector Banks the mean score has been found to be highest for the dimension Work itself Satisfaction (WS, $\overline{X}$ = 16.05; SD = 2.500) and lowest for the dimension Communication Satisfaction (CS,$\overline{X}$ =11.94; SD = 4.168). In case of Foreign Banks the dimension Pay Satisfaction (PS, $\overline{X}$ =15.24; SD = 2.227) provides the highest level of satisfaction and the dimension Communication Satisfaction (CS, $\overline{X}$ =10.26; SD = 2.870) the least.

The results are similar to the studies by Hossain (2000), Katyal et al. (2011) and Barik (2011) on Job Satisfaction which stated that Public Sector Bank employees were in better position than Private Sector Bank employees in terms of their Job Satisfaction. Gupta (2014) found that a significant difference exists between QWL of Nationalized and Private Sector Bank employees. Nationalized Bank employees are enjoying more Quality of work life than Private Sector Bank employees.

STUDY LIMITATIONS

The present study suffered from some limitations like limited area of investigation, which might not be true representative of the whole population of the country. So, before generalization, there is a need to conduct an in depth study covering larger sample size and broader area of investigation. In spite of all these limitations, the findings may be helpful in improving Job Satisfaction of employees in Public, Private and Foreign Banks.

IMPLICATIONS AND RECOMMENDATIONS

The findings of the study have implications for the Public, Private and Foreign Banks.

Job Satisfaction of the employees should be evaluated periodically. For Reducing the excessive workload and job stress, it is suggested that the present jobs be redesigned. Promotion should be strictly on the basis of merit and performance and reward system should be more objective. Employees should be given more autonomy by delegating more authority and responsibility at the branch level. This will help in improving the Job Satisfaction of the employees.

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SYNTHETIC REVIEW: A REVIEW OF LITERATURE

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ABSTRACT

The objective of this paper is to deliver a synthetic review of the literature on stock index returns and volatility Patterns. Review of literature is base for identification of any research problem. Review of Literature is step by step elaboration of studies already done on any issue. Previous studies on any research topic guide authors to opt right issues for research. It gives direction to the author what type of study he/she should follow. He / She may able to identify the research gap where he has a chance to make further study. The literature review helps scholars to find and select appropriate research tools. In the thesis, literature review is needed to get clear picture of evidences in summarized form and invites scholars to go further for verification and amendments. Researcher draws conclusion on thorough study of literature. Polit and Hungler (2001) defined the term "Literature Review" as it is a process ofsearching for relevant literature and the critical reporting of the literature. Merton Miller (1991) has written in his book Financial Innovation And Market Volatility …. "By volatility public seems to mean days when large market movements, particularly down moves, occur. These precipitous market wide price drops cannot always be traced to a specific news event. Nor should this lack of smoking gun be seen as in any way anomalous in market for assets like common stock whose value depends on subjective judgement about cash flow and resale prices in highly uncertain future. The public takes a more deterministic view of stock prices; if the market crashes, there must be a specific reason." The issue of volatility is increasingly gaining importance in the current era among the financial practitioners, market participants, regulators and researchers.

KEYWORDS

synthetic review, stock index.

INTRODUCTION

Volatility is the basic measure of stock market risk. It can be used to measure the market risk of a single instrument or the entire portfolio of instruments. While volatility can be expressed in different ways, statistically, volatility of a random variable is its standard deviation. In day-to-day practice, volatility is calculated for all sorts of random financial variables such as stock returns, interest rates, the market value of a portfolio, etc. Stock return volatility measures the random variability of the stock returns. Simply put, stock return volatility is the variation of the stock returns in time. More specifically, stock volatility it is the standard deviation of daily stock returns around the mean value and the stock market volatility is the return volatility of the aggregate market portfolio. In the year 1987, stock market all over the world had fallen sharply; some fell to an extent of 40 percent. It is thought that when price swings reach extreme levels, the consequences may be extreme. Some consequences are, firstly it reduces the liquidity of the whole market, secondly investors need to keep cash equivalent investments in place of securities, thirdly it reduces investor confidence in stocks.

Till early eighties, it was assumed that the volatility of an asset is constant and estimation procedures were based on this assumption, even though some of the pioneering studies on property of stock market returns did not support this assumption.

LITERATURE REVIEW OF RELATED STUDIES

Edwards Frankin R (1988)[1] in their study on "Policies to curb stock market volatility" focused on providing an institutional and regulatory framework that facilitated the growth of efficient and liquid international capital markets, considering the global market. He emphasised on volatility which was counterproductive. He studied on volatility in U.S., Japan and U.K. and measured standard deviation of close to close daily percentage changes. He concluded with remark that stock market volatility is not a constructive approach to the future, the goal should be to provide an institutional and regulatory framework that facilitates the development of efficient and liquid capital market, curbing stock market volatility in New York with improvised regulations is both myopic and dangerous.

Baillie Richard T & DeGennaro Ramon P[2] **(1990)** in their paper on "Stock returns and volatility" they estimated a variety of models from daily and monthly portfolio return data, and concluded that there is week relationship between mean returns and standard deviation. They revealed investors should consider some other risk measures to be more important that the variance of portfolio returns.

Investors would not waste time researching if they believed that markets were efficient but, in fact, they presume that market are not efficient. **Kupiec Paul**[3] **(1991)** researched on Stock market volatility in OECD countries, their recent trends, consequences for the real economy and proposals for reform. The paper considered the macroeconomic consequences of excessive volatility and discussed some of the financial market reforms that have been proposed in the United States to attenuate stock price variability; including proposals that attempt to limit volatility by imposing temporary trading halts, limiting the legal leverage available to investors in financial assets, altering exchange trading practices to accommodate volume and raising the transactions costs of financial trading. Stock return volatility appears to have increased in many OECD countries over the past thirty years.

Cambell R. Harvey and Robert E. Whaley[4] **(1992)** in their study on "Market volatility prediction, efficiency of volatility prediction and efficiency of S&P 100 index option market" they expressed in their investigation that variation in the market volatility is influenced by expected asset returns. They rejected that volatility changes are unpredictable on a daily basis, based on daily out of sample volatility projections. Though it was difficult to isolate the source of the variation, volatility change predictions, economic profits, net of transaction cost would tend support the informational inefficiency explanation. The paper supports the notion that S & P 100 index option market is allocationally efficient.

Aggarwal Reena, Inclan Carla and Leal Ricardo[5] **(1995)** conducted investigation on "Volatility in emerging stock market". They studied the effect of global and local events like social, political or economic factors causing major shifts in emerging market's volatility. They included ten largest emerging markets in their scope: Asia, Latin America, Hong Kong, Singapore, Germany, Japan, U.K., and U.S., and even included Morgan Stanley World Index, the Far East Index, the Latin American Index and the Emerging Market Index. The study examined the return in the local currency and dollar-adjusted returns for period of 1985 to 1995 as during this period there was a significant jump in the volatility of several emerging markets.

Schwert G. William[6] **(1997)** in a study on "Stock market volatility - Ten years after the crash" where he compared volatility of returns of U.S. stock indexes at monthly, daily and intraday intervals and also showed volatility of stock index returns implied by traded option contract. He also compared volatility of U.S. stock market returns with the volatility of stock market returns in the United Kingdom, Germany, Japan, Australia and Canada. The study concluded that volatility has been very low in the decade since 1987 crash.

Susmel Raul[7] **(1999)** in a study on "Switching volatility in international equity market" applied a switching ARCH model to weekly returns from international stock markets. It used an exponential SWARCH, or E-SWARCH, which provided a state-dependent description of the behaviour of the conditional variance. It was concluded that domestic volatility states tend to be independent of foreign volatility states, with some exceptions like Japan, U.K., U.S., and Canada.

Poterba James M. and Summers Lawrence H.[8] **(2001)** in their study, "The persistence of volatility and stock market fluctuations" investigated changing risk premium hypothesis with changing stock markets. For the period of 1928-84 the researcher analysed the time-series properties of stock market volatility using daily return data on Standard and Poor's Composite Stock Index. They concluded that stock volatility decays rapidly and so affects the return for short intervals only.

Karolyi G. Andrew[9] **(2001)** in his study on "Why Stock Return Volatility Really Matters" highlights the complexity of Investor relation (IR) which is wider than just overseeing the disclosure of financial statement or other corporate information to investors or analysts by means of press releases, conference calls or annual general meetings. The paper concluded that it is as important for the stockholders to obtain a fair price for their shares as it is that dividends, earnings and assets be conserved or increased and it is the responsibility of management, which relates to the obligation to prevent the stabilizing of either absurdly high or unduly low prices for their securities.

Bandivadekar Snehal & Ghosh Saurabh[10] **(2003)** conducted a research on "Derivatives and Volatility on Indian stock markets". They studied the impact of introduction of index futures on spot market volatility on both S&P CNX Nifty and BSE Sensex using ARCH/GARCH technique. After the introduction of index futures there was an increased impact of the recent news and even the uncertainty which originated from old news, thus the volatility in the spot market even declined. Understanding the fact that decrease in volatility was also impacted by market wide factors and not only derivative products, the researchers studied the declined volatility of BSE-100, BSE-200 and BSE-500 indices as there was no index futures introduced. They found that the volatility in both BSE Sensex and S&P CNX Nifty had declined in the period after introduction of index future.

Ravichandran K.[11] **(2003)** investigated the "Stock volatility and Technical performance of Tamil Nadu Newsprint and Paper Limited" he studied the trend of volatility of the stock for the last 3years and witnessed increase and decrease in the prices based on the industry fluctuations. He conducted various financial statement analysis like Technical analysis, Fundamental analysis, Dows theory, Ratio analysis and Efficient market hypothesis. As in the 2003 the company increased its capital and for last three years was distributing 27.5% of the Net Profit as dividend, thus there was a positive moment in the stock prices. Thus for the speculators and investors it was the time to buy the stock.

Srivastava Sandeep, Yadav Surendra S. and Jain P.K.[12] **(2004)** In their study on "Comparative analysis of volatility forecasting models in Indian stock market: An empirical study" developed a framework for volatility forecasting that comprises model, length of sample period, forecast horizon, return interval and weighting scheme among others, which concluded that Indian market is typical in certain respects and its volatility is higher than western counterparts. Firstly, it was found that the convention of employing equal sample period and forecast horizon is suitable practice. Secondly, implied volatility seems to be more suitable for generating very short-term volatility forecasts, like a day or a week. Thirdly, conditional volatility forecasts like EWMA and GARCH (1,1) appeared to have captured the volatility efficiently in medium term horizon, say for one- or two-year period.

Batra Amit[13] **(2004)** conducted research on "Stock return volatility pattern in India" which included the time varying pattern in India using monthly stock return and asymmetric GARCH methodology over the period 1979-2003. This analysis revealed that liberalization of the stock market or the FII entry in particular does not have any direct implications for the stock return volatility. The results of this analysis also showed that the stock market cycles have dampened in the recent past. Volatility had declined in the post liberalization phase for both the bull and bear phase of the stock market cycle.

Kaur Harvinder[14] **(2004)** in her study on "Time varying volatility in Indian stock market" concluded that volatility in the Indian stock market exhibits characteristics similar to those found earlier in many of the major developed and emerging stock markets. The paper empirically investigated the pattern of volatility in the Indian stock market during 1993-2003 in terms of its time varying nature, presence of certain characteristics such as volatility clustering, 'day-of-the week effect' and 'calendar month effect,' and whether there was existence of any 'spillover effect' between the domestic and the US stock markets. It contributed to the body of knowledge by providing a holistic treatment to the subject of stock market volatility in India and provided evidence on its main characteristic features with the help of econometric techniques and employing GARCH models. Investors aim at making more profitable and less risky investments. Therefore, they need to study and analyze stock market volatility, among many other factors, before making investment decisions. The empirical findings could thus be useful to investors as it provides evidence of time varying nature of stock market volatility in India.

Pandey Ajay[15] **(2005)** in his study titled "Volatility models and their performances in Indian capital markets" found that modelling and forecasting volatility of capital markets has been an important area of inquiry and research, in financial economics, with the recognition of time-varying volatility, volatility clustering, and asymmetric response of volatility to market movements. This stream of research has been aided by various conditional volatility (ARCH/GARCH type) models proposed to handle these empirical regularities. Nonetheless, researchers have found that forecasting volatility is difficult. He modelled the volatility of S&P CNX Nifty using different class of estimators and models. The results indicated that while conditional volatility models perform well in estimating volatility for the past in terms of bias, extreme value estimators based on observed trading range perform well on efficiency criteria.

Karmakar Madhusudan[16] **(2005)** in his investigation on "Modelling conditional volatility of the Indian stock markets" gave the importance of forecasting volatility in many asset-pricing and portfolio management problems. . The scope of the paper was to study the macro level of two major indices, namely S&P CNX Nifty and BSE Sensex. Furthermore, to study heteroscedastic in the Indian stock market at micro level, current share prices of 50 individual companies of S&P CNX Nifty was used. As there was a big shift due to liberalisation in 1991, conditional volatility of market return series from January 1991 to June 2003 depicts drastic change in the volatility over this period and share price cluster near liberalisation. It implied that GARCH model provides good forecasts of volatility which can then be used for a variety of purposes including portfolio allocation, performance measurement, option valuation, etc. Generally, volatility seems to be of a persistent nature. It was found after applying GARCH model that significant leverage effects were seen only in eight companies out of 50.

Avranov Doron, Chordia Tarun and Goyal Amit[17] **(2006)** in their study titled "The impact of trades on daily volatility" proposed a trading-based explanation for the asymmetric effect in daily volatility of individual stock returns. They concluded that volatility increases (decreases) following stock prices declines (increases). Further, it was demonstrated that there is no impact of leverage effect on the asymmetric volatility, additionally it was also demonstrated that asymmetric volatility for stocks with no leverage. They research observed that the existence of asymmetric volatility in high frequency data needs new explanation potentially based on trading activity.

Ahoniemi Katja[18] **(2006)** conducted a study on "Modeling and forecasting implied volatility- An econometric analysis of the VIX index". The objective of the study was to model and forecast implied volatility, with the ultimate aim of producing relevant information for option traders. Both good and bad returns of the S&P 500 index and foreign stock market returns, generated by the first differences of the MSCI EAFE index, are significant explanatory variables for the first differences of the VIX. The study concluded that there is certain degree of predictability in the direction of change of VIX index which the option traders can exploit for certain period of time. The Pesaran-Timmermann test makes sure that the best model has good forecast accuracy.

Koulakiotis Athanasios, Papasyriopoulos Nicholas and Molyneux Phil[19] **(2006)** in their research on "More evidence on the relationship between stock price returns and volatility: A note" examined the relationship between stock price returns and volatility for industrialized countries (Australia, Canada, France, Japan, US, UK, Germany and Italy). The research is done with the help of econometric models the GARCH-M and the E-GARCHM. Both GARCH-M and the E-GARCHM models were taken into account to study both to witness the symmetric and asymmetric impact of stock price volatility on the expected returns. As a result it was seen that GARCH-M model has modelling limitations and does not give conclusive results in comparison to the EGARCH-M model which gives more reliable results about the relationship between stock price returns and volatility. Moreover, the study of relationship between stock price returns and volatility was not significant.

N'dri, Leon Konan[20] **(2007)** in study titled "Stock market returns and volatility in the BRVM" studied the relationship between expected stock market returns and volatility in the regional stock market of the West African Economic and Monetary Union called the BRVM from 4 January 1999 to 29 July 2005. An EGARCH-in-Mean model assuming normally distributed and Student's t distribution for error terms was applied on weekly returns. This paper concluded that firstly investor is not rewarded for the risk taken in BRVM, secondly that risk and return trade-off changes in a predictable way over the business cycle and persistence may be used to predict future economic variables.

Pandian & Jeyanthi[21] **(2008)** in their study on "Stock volatility in Indian stock exchange" provided a detail analysis on stock returns and volatility of the Indian stock market, as it is an important issue for Indian investors, regulators, brokers, policy makers, dealers and researchers with the increase in the FIIs investment. The main focus of the paper was on two indices BSE Sensex and NSE Nifty from 1998 to 2008. The conclusion of the study was that the outlook for India is good. It was even stated that the bull phases volatility were lower than the bear phases, this was because during the bull phases returns were earned whereas losses were incurred during the bear phases.

Kumar Brajesh & Singh Priyanka[22] **(2008)** in their research on "Volatility modelling, seasonality and risk return market" this is an empirical study of volatility, risk premium and seasonality in risk-return relation of the Indian stock and commodity markets. In the paper Volatility clustering and asymmetric nature were examined for Indian stock and commodity markets. The work was carried on S&P CNX Nifty index for 18 years starting from January 1990 to December 2007. Gold prices from 22nd July 2005 to 20th February 2008 and Soybean from October 2004 – December 2007 were also considered. It was concluded that stock and commodity markets returns showed persistence, clustering and asymmetric properties.

Kumar Rakesh & Dhankar Raj S.[23] **(2009)** in their investigation on "Asymmetric Volatility and Cross Correlations in Stock Returns under Risk and Uncertainty Here the main aims to study the South Asian market as after liberalization. Markets studied by the researcher are Bombay stock exchange listed index BSE 100 for India, Colombo stock exchange listed Milanka Price Index for Sri Lanka, Karachi stock exchange listed KSE 100 for Pakistan, Dhaka stock exchange listed DSE-General Index for Bangladesh, and S & P Global 1200 to represent the global market. Cross-correlation in stock returns of South Asian stock markets, regional integration, and interdependence on global stock market was investigated. The study even analysed the significant aspects of investment policies when investment decisions are taken under risk and uncertainty. The tools applied to analyse cross-correlation was Ljung-Box and for studying conditional and asymmetric volatilities ARCH and GARCH econometric models were applied and Ljung-Box as a diagnostic testing of fitted models, and lastly correlation to examine the interdependency of these markets in terms of stock returns and expected volatility. The optimistic significant relationship between stock returns and unexpected volatility, though, concludes that investors realize extra risk premium for taking advantage of unexpected variations in stock returns.

Mishra P. K.[24] **(2009)** conducted study on "Capital market volatility - An Econometric Analysis". The purpose of the paper was to examine the volatility of Indian capital market amidst scepticism of recession. The paper drew heavily on ARCH class models from the literature of time series econometrics to study fat tails, volatility clustering, leverage effects and persistence of stock market volatility in India. The results provided evidence of time varying volatility; it's asymmetric and leverage effects.

Joshi Prashant[25] **(2010)** in his study on "Modelling volatility in emerging stock markets of India and China" took closing prices from 1st January 2005 to 12th May 2009 and detected non-linearity with the help of BDSL test. It was revealed that the volatility is more persistent in the Chinese stock market than the Indian stock market.

Venkatesh C. K. and Tyagi Madhu[26] **(2010)** in their research on "The use of fundamental and technical analysis by stock exchanges dealers: Indian evidence" concluded that the dilemma faced by the market participants in the secondary market so as to predict the movement of stock prices is well-managed using two approaches, Fundamental and Technical analysis. Due to high volatility in the stock markets, it is considered as a very rigorous job to predict the future movement of the stock prices. The paper tried to answer to the question as to which of the two tools should be used, fundamental or technical analysis.

Raunig Bukhard and Scharler Johan[27] **(2010)** in their investigation on "Stock market volatility and the business cycle" concluded that increased volatility would result in higher uncertainty about future economic conditions. The increase in uncertainty would lead to low consumption and investment spending and low demand as well. Empirical evidence suggested that this indirect channel through which Stock market developments feed back into the real economy is quantitatively important.

Mallikarjunappa T & Afsal E M[28] **(2010)** in their study "Price Discovery Process Volatility Spill-over in Spot & Futures Market: Evidences of Individual Stocks" concluded that Volatility spill-over from spot market to futures market is present in such a way that a decrease in spot volatility leads to a decrease in futures volatility. They also found that volatility shocks are asymmetric and persistent in both the markets.

Shobhana V. K. & Karpagavalli R.[29] **(2011)** in their study on "Volatility of Stock Return of the Select Banking Companies Listed at Bombay Stock Exchange" focused on two categories of stock returns shares (A Group) and non-specified (B Group) shares of the banking companies listed at BSE. Further simple average, standard deviation and beta were used for the analysis of data. It was examined the volatility of stock return of each of the select banks and that of the groups with the market return and the riskiness of the securities.

RESEARCH GAPS

There have been a lot of studies on stock and stock index returns & volatility across the world, especially in US and other developed countries, studying the various aspects of volatility and the factors affecting it, but only few such studies have been undertaken in India.

Moreover, a comparative study of stock returns & volatility in India and other countries has not been undertaken. As already mentioned the stock returns and volatility are very important from the perspectives of investors and the volatility in the stock markets has increased manifold in the past two decades, the study is very important and will help the investors have an insight into the stock prices and stock market behaviour.

The past studies have also been undertaken for different time periods but there have been no studies to study the stock returns & volatility for the period since 1997, i.e. the period when India had a radical policy change towards liberalization. The Indian economy has seen a significant transition and growth in the post-liberalisation era and FDI flows in the country have been phenomenal. The exchange rate has sharply depreciated. There is a significant impact of all these factors on the stock returns and volatility which needs to be studied.

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A REVIEW OF THE FINANCES OF KERALA 1990-2015

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ABSTRACT

This Paper attempts a review of the finances of Kerala Government with special emphasis on public expenditure. The foregoing analysis shows that there are serious flaws in the State's finances, reflected as budgetary imbalances mainly triggered by the ever increasing public expenditure. While the state's revenue receipts increases at a decent pace, revenue expenditure exceeds receipts leaving little resources for capital expenditure on the one hand and giving rise to growing deficits and debts on the other. Though the Government has dismissed suggestions that it was passing through a financial crisis, it seems as if the state is heading towards the inevitable, pushed further up by the falling rupee and the economic standoff at the centre. Thus the major components of expenditure that impact the finances of the state along with other contributories become the focal point of this paper.

KEYWORDS
finance, public expenditure, revenue receipts, financial crisis, deficits, debts.

INTRODUCTION
The financial position of Kerala has been worsening since the 1980s. Deficits and debts have started rising phenomenally since then. The growing deficit and debt burden hangs like the Damocles' sword over the state finances now. The analysis reveals that Kerala's fiscal stress originates from the revenue side of the account of which, revenue expenditure is the prime contributory factor. Hence this paper, mainly, attempts to analyse the major components of revenue expenditure contributing to the budgetary and fiscal strain so seriously felt in Kerala thereby help the Govt of Kerala improve the quality and direction of public expenditure essential to tide over the crisis on the road to aggregate fiscal discipline.

OBJECTIVES
1. To analyse the general fiscal situation of Kerala
2. To analyse the trend and growth of Public Expenditure of Government of Kerala.
3. To analyse the factors influencing Public Expenditure of Kerala.

PERIOD OF THE STUDY
This Paper attempts a review of the finances of Kerala Government during the last twenty five years from 1990 to 2015. The period coincided with the economic reforms of the 1990s, awards of five Finance C ommissions and four Five Year Plans and the first half of the12thPlan.

SOURCE OF DATA AND METHODOLOGY
The study is based on secondary data compiled primarily from the annual studies of State Finances conducted by the Reserve Bank of India (RBI) and yearly reports of the Finance Accounts of Government of Kerala, audited by the Comptroller and Auditor General of India. The other sources include, Economic Review published by the Government of Kerala and Budget Documents of Government of Kerala.
Percentages, averages, ratios, charts, diagrams, Annual Growth Rates, Average Annual Growth Rates, Compound Annual Growth Rates, Polynomial trend graphs and correlation analysis were used to analyse and interpret the data

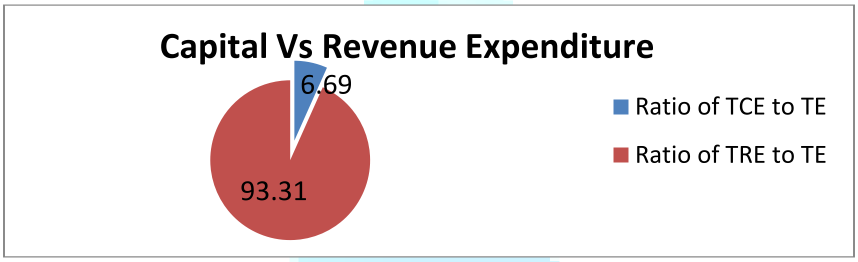
THE ANALYSIS OF FISCAL POSITION
The fiscal position is anlysed in terms of different fiscal indicators which are nothing but fiscal variables expressed as a percentage to Gross State Domestic Product (GSDP). Table1.1 shows that Gross Fiscal Deficits (GFD) to GSDP ratio was higher for Kerala than for AS (All States) during all the years. One positive aspect of the long term trends is that the GFD/GSDP ratio of Kerala after peaking during the third quinquennium has started declining, with slight ups and downs during the Subsequent periods. Obviously, there has been some effect for the Fiscal Responsibility Act of 2003 and the increasing application of the "carrot and stick" policies of the Union Finance Commission and the Central Government.
This trend also prevails exactly true in the case of Revenue Deficits (RD) as it rises above AS figures in all the years under study. However the Government of Kerala can be really proud of having kept RD under check and brought it down reasonably low, as mandated by the award of various Finance Commissions, though.
Coming to Total Capital Expenditure (TCE) to GSDP ratio a reverse trend is seen with the same impact as above signifying the fact that capital expenditure in the state is far below par compared to other state averages. This exposes the state's inability set apart funds for productive capital expenditure, hampering the process of infrastructural development. Adding fuel to fire, the ratio never recovered since its fall in the second quinquennium, while the AS was able to maintain the rising stride, intact. Though the percentage of capital expenditure to GSDP is very low, it is very encouraging to see in absolute terms the Government of Kerala had invested till March 2011 a sum of Rs 3087.52crore in various categories of public sector undertakings, even out of borrowed funds at interest of 7.3 to 8.4 with a rate of return of only 1.3 and too with adverse remarks of the CAG.
As against this, the Total Revenue Expenditure (TRE), the predominant component of the public expenditure of Kerala is continuously on the rise. The Revenue expenditure of Kerala stands out, bearing a very high proportion to GSDP in comparison to other Indian states. Though the TRE /GSDP ratio falls within internationally accepted limits, according to Indian standards, the ratio is thought of as bit high as it entails the much feared revenue expenditure mismatch leading to budgetary and fiscal imbalances to seriously disturb the financial stability of the state. In comparison with AS average, it stands taller as well; in all the periods under study, the state's ratio out grows All State's average by clear margin. In the last decade of the twentieth century, this awesome proportion was more visible .The ever growing revenue expenditure is a severe threat to sustainable development, which calls for drastic measures from the Government in the form of containment, compression and management of expenditure.
Though there was a drift in the growth of Total Revenue Receipts (TRR) at certain point of time the TRR/GSDP ratio of Kerala remains more or less stable and keeps pace with All State's average throughout, with slight ups and downs. The ratio not only depends on the state's revenue alone but also the volume of Central government funds coming through different agencies under different schemes. Unlike the other fiscal indicators, the TRR/GSDP ratio was quite high, particularly, during the 1990s and moved more or less in par with AS for the rest of the period ,though it shows a zig- zag trajectory towards the end. This is the aftermath of certain stringent measures taken by the Government in this direction since the Eightees.How ever the growing gap between revenue and expenditure is a matter of concern which calls for concerted efforts to enhance revenue mobilization process through demand for more central transfers and widening the Tax base.

TABLE 1.1: MAJOR FISCAL INDICATORS

	GFD/GSDP		RD/GSDP		TCE/GSDP		TRE/GSDP		TRR/GSDP		Debt/GSDP	
year	Kerala	All States	Kerala	All States	Kerala	All States	Kerala	All States	Kerala	All States	Kerala	All States
1990-94	3.8	3.0	1.7	0.8	1.5	1.7	17.8	14.0	15.9	13.3	34.8	28.4
1995-99	4.7	3.8	2.7	1.8	1.3	1.5	16.0	13.7	13.3	11.9	33.2	27.4
2000-04	4.9	4.5	3.8	2.3	0.7	1.8	15.7	14.7	11.9	12.4	34.3	28.4
2005-09	3.1	2.5	2.0	-0.1	0.7	2.5	14.1	13.0	11.9	13.2	31.9	26.4
2010-11	3.1	2.2	3.5	-0.2	0.7	3.0	12.5	12.1	11.2	12.2	29.2	22.1
2011-12	3.2	2.3	1.7	-0.1	0.7	3.4	13.8	12.8	12.1	12.9	28.4	21.1
2012-13	3.1	2.1	1.6	-0.4	0.7	3.4	13.2	12.7	12.3	13.1	28.8	20.1
2013-14	3.0	2.2	1.7	-0.4	0.7	3.4	13.3	12.9	12.1	13.2	28.0	20.0
2014-15*	3.1	2.2	1.8	-0.4	0.7	3.4	13.1	12.1	12.2	13.2	26.7	20.0

Sources:
1. RBI, State Finances, Various Issues *revised estimates
2 Finance Accounts of Government of Kerala Various issues

FIGURE: 1.1



The Public debt of the state is also on a roll, recording a meteoric rise .The Debt/GSDP ratio shows an ominous picture when compared to AS figures. On an average it comes about 30 percent of GSDP as compared to the AS average of 23 percent. The quantum of public debt symbolizes the gravity of the crisis sensed by any government as it is the reservoir which accumulates the end products of all the fiasco originating from the revenue expenditure misalliance.
It is crystal clear that compared to the Other States, the performance of Kerala cannot be claimed Satisfactory in respect of most of the fiscal indicators such as Revenue and Fiscal deficits, Revenue Receipts, Revenue Expenditure, capital outlay and Public Debt as a ratio to GSDP.

ANALYSIS OF REVENUE

Revenue enhancement coupled with containment of expenditure is the sine qua non for fiscal robustness and sustainable development .In this direction, it is worth mentioning that the Kerala economy recorded appreciable growth in TRR over the years. However the growth cannot be said satisfactory when compared to the growth in TRR and RD. Accordingly it may be inferred from Table 1.2 that valiant attempts are required to further enhance the revenue of the state and fine tune the existing tax base to contain, at least, the Revenue Deficits which registers a phenomenal Average Annual Growth Rate (AAGR) of 18.38percent as against 14.84percent AAGR of TRR. Nevertheless it may be attributed to the ever increasing gap between revenue and expenditure. This phenomenon remains the same in absolute terms as well
Though not covered by the analysis, it may be noted that in the composition of TRR, Own Tax Revenue is the principal contributory with a Combined Annual Growth Rate (CAGR) of 14.25 percent. This is followed by the Share of central Transfers, Grants-in-aids and Non-Tax Revenue with a CAGR of 13.77, 12.27 and12.18 percent respectively**.** The Total Revenue receipts recorded a CAGR of 14.72 percent during the study period. The conspicuous growth of Own Tax Revenue, the predominant component, is primarily instrumental for the reasonably impressive growth in Total Revenue receipts. This phenomenon is also evident in absolute terms as well .This would compel GOK to concentrate more on enhancing the share of other components in consolidating the finances of the state.
There was a drift in the growth of Revenue at certain point of time. Revenue receipts declined in growth rate in 2005-06 over 2004-05 from14.3 percent to 13.3percent, which is mainly due to the introduction of the value added tax in 2005-06. Anyhow, the situation improved from 2006-07onwards as a result of the introduction of the better tax administration measures by the Government. It introduced a series of measures to augment revenue mobilization such as Check-post take overs, introduction of E-governance in the check posts, Computerization drive in taxation department, etc. The compensation made by the Centre for the loss of revenue incurred as a result of the introduction of VAT also helped improve Revenue Receipts.
However, it is quite alarming to see that despite of this impressive growth in RR almost keeping pace with RE, the revenue deficits continue to take the upward stride. It expected that the GST proposed to be implemented with effect from first April 2016 would be a break through reform in this regard.

ANALYSIS OF EXPENDITURE

The structure and composition of expenditure, major items of expenditure such as salary, pension interest and public debt are anlysed here.

CAPITAL EXPENDITURE

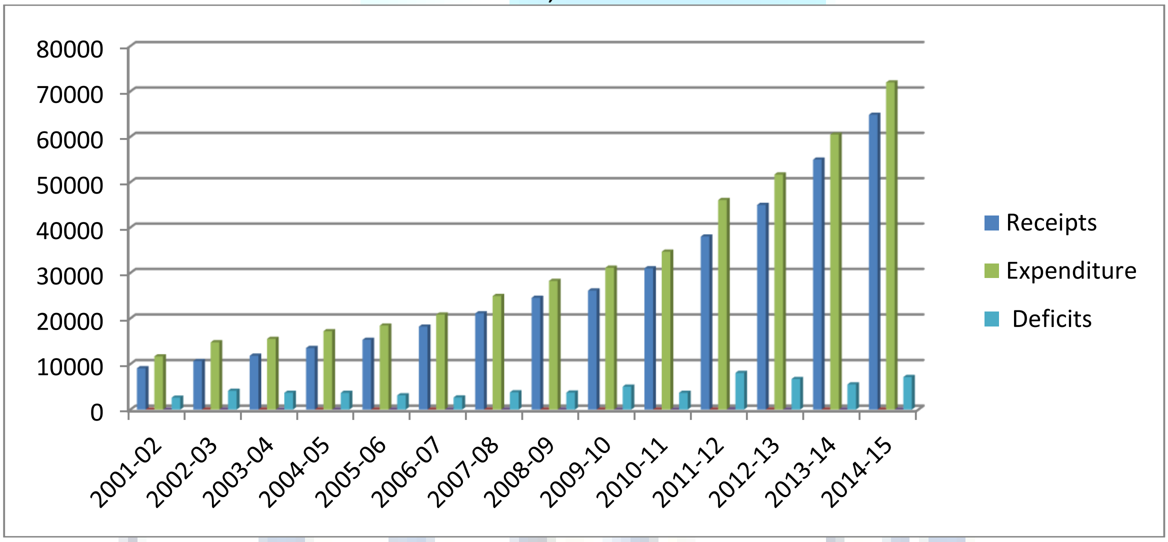
The composition of Total expenditure split into Capital and Revenue expenditure is presented in Figure 1.1. It is quite evident that TRE is the predominant component accounting for about 93.31percent of the total while the share of Capital Expenditure is only 6.69 percent. This exposes the inability of the govt to spare funds for productive investment. Low level of capital formation is a menace to sustainable development. Since the chunk of revenue is utilized for meeting current consumption there nothing left in the revenue side of the account, which forces the govt to resort to the easiest but dangerous option of borrowings to finance the so called productive investment, leading to a very likely debt trap. One of the ways to get through this fiasco is restructuring of expenditure based on quality and efficiency so that an optimum balance may be struck in between the competing revenue and capital components, availing more funds for productive Capital Expenditure.

TABLE 1.2: REVENUE RECEIPTS, REVENUE EXPENDITURE AND REVENUE DEFICITS (Rs. In crores)

Year	Revenue Receipts (Rs.)	AGR of TRR	Revenue Expenditure	AGR of TRE	Revenue Deficits	AGR of RD
1990-91	2402.93		2824.9		421.97	
1991-92	2852.13	18.69	3216.4	13.86	364.27	-13.67
1992-93	3318.73	16.36	3656.10	13.67	337.37	-7.38
1993-94	3922.05	18.18	4293.40	17.43	371.35	10.07
1994-95	4666.43	18.98	5066.30	18.00	399.87	7.68
1995-96	5423.56	16.23	5826.40	15.00	402.84	0.74
1996-97	6145.08	13.30	6788.10	16.51	643.02	59.62
1997-98	7124.15	15.93	8241.10	21.41	1116.95	73.70
1998-99	7200.59	1.07	9228.10	11.98	2027.51	81.52
1999-00	7943.81	10.32	11566.20	25.34	3622.39	78.66
2000-01	8730.86	9.91	11877.90	2.69	3147.04	-13.12
2001-02	9056.39	3.73	11662.10	-1.82	2605.71	-17.20
2002-03	10633.89	17.42	14756.10	26.53	4122.21	58.20
2003-04	11815.37	11.11	15495.70	5.01	3680.33	-10.72
2004-05	13500.48	14.26	17169.40	10.80	3668.92	-0.31
2005-06	15294.53	13.29	18423.70	7.31	3129.17	-14.71
2006-07	18186.58	18.91	20824.60	13.03	2638.02	-15.70
2007-08	21106.79	16.06	24893.63	19.54	3786.84	43.55
2008-09	24512.18	16.13	28223.85	13.38	3711.67	-1.99
2009-10	26109.35	6.52	31132.37	10.31	5023.02	35.33
2010-11	30990.95	18.70	34664.82	11.35	3673.87	-26.86
2011-12	38010.36	22.65	46044.62	32.83	8034.26	118.69
2012-13	44969.21	18.31	51675.65	12.23	6706.44	-16.53
2013-14	54966.85	22.23	60485.49	17.05	5518.64	-17.71
2014-15*	64842.35	17.97	71974.04	18.99	7131.69	29.23
AAGR		**14.84**		**14.68**		**18.38**
r=.99						
CAGR	14.72		13.83		11.97	

Source: Finance Accounts Govt.of Kerala Various Issues

FIGURE 1.2: RECEIPTS, EXPENDITURE AND DEFICITS



ANALYSIS OF TOTAL REVENUE EXPENDITURE (TRE)

As stated earlier, the Total Revenue Expenditure is the prime contributory factor responsible for the fiscal strain of the state. TRE rose from Rs 2824.9 crores in 1990-91 to the colossal figure of Rs 71974.04 crores in 2014-15, recording an awesome AAGR of 14.68 percent. Despite the fact that, in relative terms though, the AAGR of TRR is slightly favoring it in the race (Table 1.2), in almost all the years under study TRE was racing ahead of TRR, leaving huge revenue deficits. From 2010 onwards the propulsion of expenditure is felt more intense, to further aggravate the situation. The major components of TRE consist of Salary, interest and Pension which are analysed below.

EXPENDITURE ON SALARY

Salary is in the nature a committed non- plan expenditure. As it is clear from Table1.3 that salary is the most dominant of all components of TRE, when taken individually, it accounts for about 36.39 percent of TRE, on an average. But it is quite encouraging to see that the percentage share shows a steady decrease; from 59.56 percent in 1990-91, it dwindled sharply to 36.39 percent in 2014-15.

The Annual Growth Rate of salary varies with wide fluctuations. After the sudden spurts in 2006-07 and 2011-12, the AGR bounced back to finally rest with an AAGR of 12.48 percent as against 14.68 percent AAGR of TRE. On the whole Growth rate of salary shows an upward trend. More over in absolute terms salary is reckoned to be an item of concern for the upcoming years, as the polynomial projections (see Figure 1.4) show that by 2018, salary is likely to cross the mammoth figure of Rs 38000 crores mark, with the expected salary revision already due entailing an additional burden of Rs 5275 crores from the year 2015-16 onwards. With the ever increasing trend and the huge size, salary undoubtedly, contributes to the meteoric rise of public expenditure. This fact is established by a correlation coefficient of 99.54percent between salary and TRE.

The two categories of staff which get same scale of pay, retirement benefits and monthly pensions are government staff recruited through Kerala Public Service Commission and teachers and non-teaching staff appointed by the managements of private aided educational institutions. A head wise breakup of the total salary expenditure for the year 2011--12 shows that Salary of staff of aided educational institutions, alone, accounts for about 33% of the total while it is 18.5 percent in the case of Salary of staff of government educational institutions. The policy of revision of salaries and pensions once in 10 years as followed by central government, avoidance of wasteful expenditure on education, reducing staff strength, instituting open schools and resorting to out sourcing may be few options to keep this debacle under check. It is imperative that the GOK uphold the sanctity of legislative sanction while releasing funds in this regard beyond partisan considerations.

INTEREST

The role of interest payment on government borrowings need not be over emphasized as it is yet another important factor contributing to the massive growth of Revenue Expenditure of Kerala. . Interest plays a decisive role in escalating public expenditure because of its conspicuous growth (AAGR15.31 percent) and huge size (17.23 percent) it bears to TRE. Though the annual growth rate shows a decreasing trend, the AAGR is well above that of TRE, manifesting its ominous potential. As shown by the polynomial trend in Figure 1.4 interest is likely to get past the massive figure of Rs 13000 crores by 2018, rendering it an item of portentous proportions. The correlation coefficient between Interest and RE is as high as 99.14 percent, signifying the profound influence of Interest Payments in the escalation of public expenditure.

TABLE 1.3: SALARY,INTEREST,PENSION AND OTHER EXPENDITURE TO TOTAL REVENUE EXPENDITURE (TRE)

	Salary	Interest	Pension	Others	TRE	Public Debt
(Rs. In crores)	a	b	c	d	e = a + b + c + d	
1990-91	1682.65	340.62	334.62	467.01	2824.90	4716.86
1991-92	1383.59	483.39	390.68	958.74	3216.40	5472.93
1992-93	1419.46	542.51	430.88	1263.25	3656.10	6297.13
1993-94	1836.13	687.15	523.53	1246.59	4293.40	7198.66
1994-95	2194.25	819.67	626.11	1426.27	5066.30	8820.86
1995-96	2230.41	924.14	796.89	1874.96	5826.40	10113.54
1996-97	2616.66	1103.41	852.20	2215.83	6788.10	11420.91
1997-98	2803.26	1286.07	1018.20	3133.57	8241.10	12868.14
1998-99	3254.68	1446.24	1253.13	3274.05	9228.10	15700.28
1999-00	4502.86	1952.82	1899.70	3210.82	11566.20	20176.06
2000-01	4491.6	2257.76	2041.20	3087.34	11877.90	23918.97
2001-02	4200.8	2489.55	2001.58	2970.17	11662.10	26950.57
2002-03	4678.99	2946.76	2470.37	4659.98	14756.10	31060.27
2003-04	5067.09	3328.3	2694.10	4406.21	15495.70	37452.24
2004-05	5345.58	3612.53	2865.82	5345.47	17169.40	41877.88
2005-06	5607.78	3929.83	3193.21	5692.88	18423.70	45929.05
2006-07	8104	4189.7	3656.82	4874.08	20824.60	49875.19
2007-08	8293.66	4552.19	5362.42	6685.36	24893.63	55409.56
2008-09	9063.81	5004.03	5182.22	8973.79	28223.85	63269.67
2009-10	10145.65	5567.93	5363.94	10054.85	31132.37	70969.42
2010-11	11037.76	5689.66	5767.49	12169.90	34664.82	78673.24
2011-12	16027.5	6293.59	8700.30	15023.23	46044.62	89418.2
2012-13	16795.74	7045.40	8467.31	19367.20	51675.65	101247.6
2013-14	19279.78	7204.81	8866.89	25134.01	60485.49	116577.5
2014-15*	23190.25	9598.15	11370.14	27815.50	71974.04	131578.8
AAGR	12.48%	15.31%	16.76%	14.24%	14.68%	**16.37**%
Share in TRE	36.39%	17.23%	15.57%	30.31%		
share TRR	44.17%	20.82%	12.08%			
r=	99.54%	99.14%	99.17%	98.76%		99.34%

Source: Finance Accounts Govt. of Kerala Various Issues 1

The rising debt-service obligation is thus a key threat to sustainable development and intergenerational equity. Interest Payments need to be addressed with caution. The Govt has little control over this item because it is entirely made up of non-plan components, representing past commitments which are irreversible in nature. Evidences indicate that the weighted average cost of debt is very high while the rate of returns from the use of borrowed funds is very low, even not enough to service the cost of debt. Creative initiatives may be taken for restructuring the portfolio of borrowing of the state with least cost objective so as to reduce the intensity of the situation. The government should also see that it borrows money only on the basis of affordability and sustainability and not on availability .Moreover; the possibility of debt swapping, variable interest rates and relying on borrowings from the central government may also be looked into along with increased share from central pools.

EXPENDITURE ON PENSIONS

Expenditure on pensions of retired government staff and employees in the private aided educational institutions and others account for about 15.57 percent of the TRE. A person retiring from the service is eligible for a number of benefits such as monthly pension based on the number of years' service, commuted value of pension, gratuities, leave encashment benefits etc, requiring huge payouts from the exchequer.

Pension Payments are also non –plan commitments which are irreversible in nature as well. The Govt is to incur more and more on it year after year and hence it maintains an ever increasing trend. As it can be seen from Table1.3 that Pension shot up from Rs 334.62 crores in 1990-91 to Rs 11370.14 crores in 2014-15,recording an increase of about 24 times in a 25 year period. The growth rate was robust initially but there after came down a bit towards the middle and after 2007-08. Though it increased by ups and downs it ended up with an alarmingly high AAGR of 16.76percent, manifesting its ever increasing tendency to step up. The polynomial trend (Figure 1.4) too supports this view as the projected value is likely to reach the huge figure of Rs 17000 crores by 2018. For 2015-16, an amount of 2500 crore is worked out as pension revision commitment tentatively. The recent decision of the government to switch over from the present system of statutory defined benefit scheme (pension scheme) to contributory scheme w.e.f 1-4-2013 is a sound decision.

An alarmingly high Average Annual Growth Rate of 16.76 percent coupled with a relatively sizable share in the total of about 16 percent, Pension Payments turns itself into one of the prime factors influencing the growth of public expenditure of Kerala. The correlation coefficient of 0.99 bears out the solid influence of pension on public expenditure.

TABLE 1.4: BREAK UP PENSION FOR THE PERIOD 2006 -11 (AVERAGE)

1. Superannuation and retirement	52.23
2. Commuted value of pension	12.10
3. Gratuities	8.10
4. family pension	9.23
5. Pension to employees of the state aided institutions	15.13
6 Leave Encashment benefits	3.21

Salary, Interest and Pension together account for about 70.40 percent of TRE (Figure1.3) and eat away about 85 percent of TRR. More over these components grow much faster than TRE. All these signal the menacing growth and magnitude of these constituents which would further widen the gap between revenue and expenditure to intensify the financial squeeze haunting the state.

FIGURE 1.3

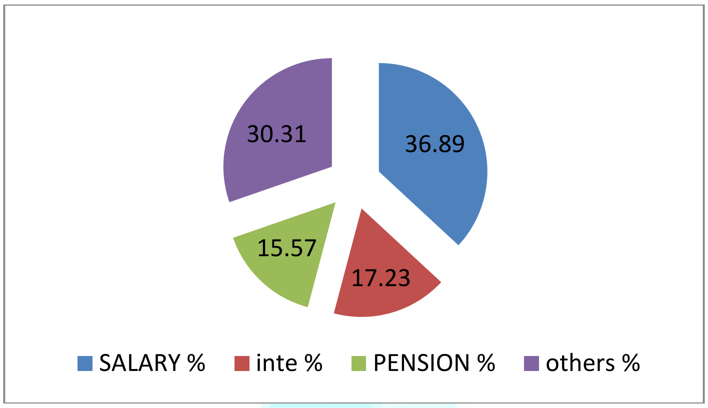
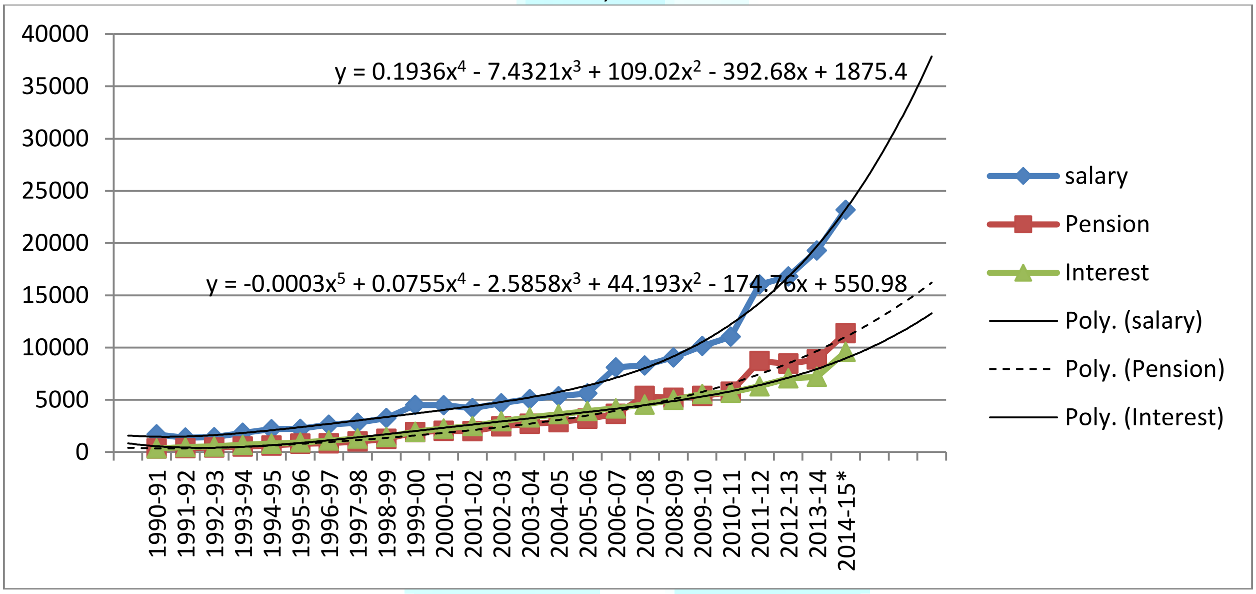


FIGURE 1.4: SALARY, PENSION AND INTEREST



PUBLIC DEBT AND REVENUE EXPENDITURE

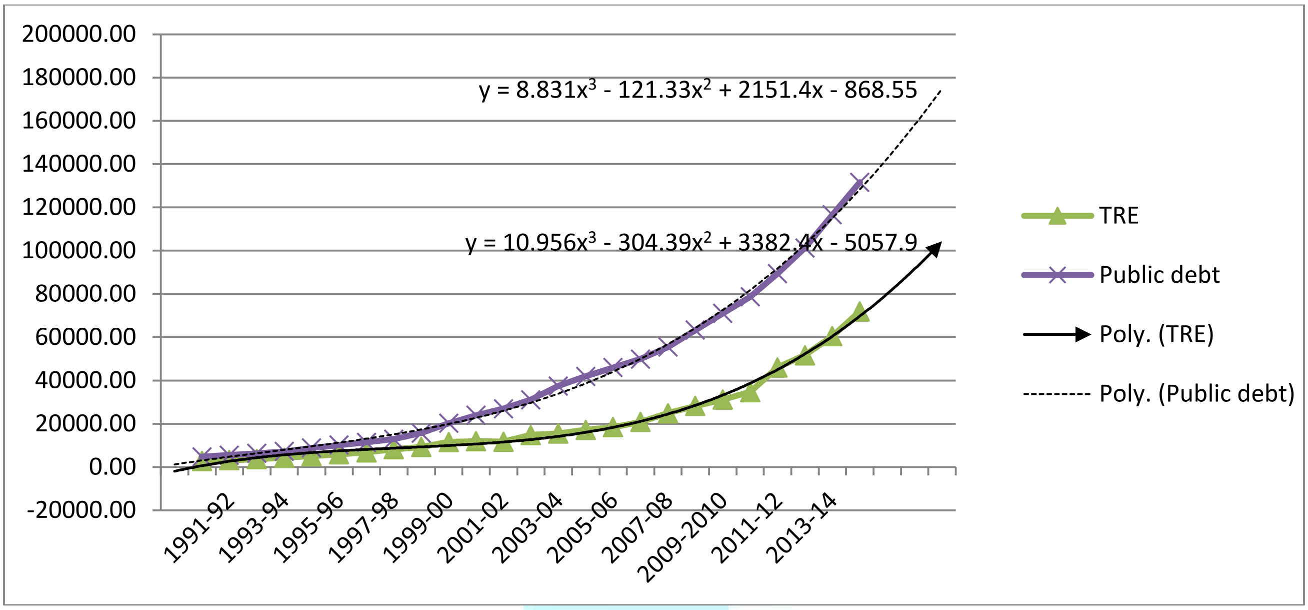
The topic of public debt is a hot topic of debate and so is public expenditure. There for it is important to know the role of public debt in the growth of public expenditure and Vice Versa. There is a bi-directional causality between public debt and public expenditure .This is because increase in public expenditure attracts public debt and increase in debt entails more public expenditure in the form of interest charges for servicing the debt.

Table 1.3 shows that public debt is having more annual growth rate than revenue expenditure and there for has its AAGR at 16.37 percent, which is much higher than the AAGR of TRE. Though there is marked difference in their AAGR, both of them grow more or less in a similar fashion to have a perfectly positive correlation of 99.34 percent, showing that public debt is an important factor responsible for the growth of revenue expenditure.

Public Debt increases by leaps and bounds when compared to the growth of public expenditure and so does the ratio of Debt to TRE. The AGR of public debt varies between 8.59 percent and 28.59 percent. The AGR of TRE also various between -1.82 percent to 26.53 percent, with great ups and downs . Public debt is likely to reach the colossal figure of Rs 1, 75000 crores by 2018(Figure 1.5) while public expenditure is to go past Rs. 100000 corers by the same period (Figure 1.5).Let us not forget the recent sovereign debt Crisis of Greece.

The debt burden of the state is assessed by the ratio of debt to Gross State Domestic Product. Comparative analysis of ratios of southern states indicates that it is the highest in Kerala. There is widening gap between the sustainable level of debt and actual level of debt in the state. While recognizing the challenges in determining an appropriate debt target, cross-country analysis and simulations suggest that 'a ratio in the range of 60-65 percent of GDP might be suitable for India' [3], seem to be an arbitrary ceiling. Nevertheless there is something to cheer for the state Government as the Domar Gap (GSDP growth rate minus Weighted Average Cost of Capital) is getting widened towards closing period.

FIGURE 1.5: TRE AND PUBLIC DEBT



Effective public debt management is the cornerstone of financial stability and sustainable fiscal policy. The main objective of public debt management is to ensure that the government's financing needs and its payment obligations are met at the lowest possible cost over the medium to long run, consistent with a prudent degree of risk. The risks inherent in the government's debt structure should be carefully monitored and evaluated. These risks should be mitigated to the extent feasible by modifying the debt structure, taking into account the cost of doing so. The debt manager's task is to assess the magnitude of these risks (market risk , rollover risk, liquidity risk and Credit risk) or the sensitivity of outcomes to changes in the risk factors, and develop a strategy for managing the trade-off between expected cost and risk.Though the Kerala Government seemed to have advanced a few steps forward in this regard, it has yet to travel miles to realize the true objective of public debt management.

CONCLUSION

The growth of public expenditure is, invariably, a universal phenomenon and more particularly true in a welfare democracy like India. The government cannot do away with public expenditure; instead it has to incur heavy doses of it to address the increasingly complex developmental challenges of varied types as well as to discharge the functions of the sovereign. Consequently deficits and debts are the order of the day which jeopardise the foundations of the finances of the union and state governments in India. Corollary to the above, the situation in Kerala, too, is not different. It is imperative that the GoK take up this matter with utmost care to keep the upcoming menace at bay and consolidate the finances of the state, concentrating more on containing, reprioritising and rationalising the predominant components of revenue expenditure viz salary, interest and pension on the one hand and initiating a much vigorous campaign for revenue enhancement and deficit reduction packages on the other.

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GSCM PRACTICES AND ITS RELATIONSHIP WITH ECONOMIC PERFORMANCE IN SELECT ISO 14001 CERTIFIED COMPANIES IN (GUJARAT) INDIA

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ABSTRACT
India is a developing country with a tremendous scope to grow. It is believed that in coming future India is going to be the Manufacturing hub among Asian countries, hence increasing the negative impact on the environment, as manufacturing sector is the main polluter of the environment. Due to the globalization, and increased pressure from global partners, India has realized the importance of Green practices in the supply chain. Many companies have already started practicing it on proactive basis but still it is in nascent stage as Indian companies are not sure of the benefits derived from its implementation. This study is an attempt to identify the green practices adopted by Indian manufacturing companies and their relationship with economic performance. Results show that Green practice implementation on proactive basis has a positive relation with the economic performance.

KEYWORDS
green Practices, economic performance, ISO certification, manufacturing companies.

INTRODUCTION
Green supply chain management practices adoption is regarded as a solution to increased problem of environmental pollution to some extent. GSCM practice definition itself suggest the inclusion of the environmental criteria into the various business functions throughout the supply chain thereby leading to cost savings in the long run through waste elimination, energy saving, etc. Many researchers have identified various types of green practices which can be implemented throughout the supply chain including suppliers in the up streams and including customers down streams. They are Green purchasing, green design, green manufacturing, green packaging, green distribution, Investment recovery, reverse logistics, customer cooperation, internal environment management and internal green policy. Performance indicators are something that measures the various aspects of outputs resulting from the application of various inputs. These measures are environmental performance, economic performance, operational performance, social performance, competitive performance and company image measures. Zhu et al. (2007)[1] indicates that enterprises implementing GSCM in China have only slightly improved environmental and operational performance, and GSCM practices have not resulted in a significant economic performance improvement. However, some anecdotal evidence showed that substantial environmental management performance leads to lower manufacturing costs by eliminating waste (Allen, 1992)[2]. Rao and Holt (2005)[3] pointed out that organizations adopting GSCM in the South East Asian region ultimately enhanced both competitiveness and economic performance. A study indicated that environmental performance positively affected financial performance of the firms through both increasing the market share and decreasing cost (Klassen and Mclaughlin, (1996)[4]. The reasons why the results of these studies differ from each other may be due to the heterogeneity of environmental management practices adopted by organizations and industries (Elsayed and Paton, (2005)[5].Numerous studies have tried to find the relationship between GSCM practices implementation and performance but result are confusing and hence require to be empirically tested further.
This study focuses mainly on five green practices commonly practiced in manufacturing companies in India and their relationship with Economic performance, as economic gains are the main motivators for GSCM adoption in India.

RESEARCH STATEMENT
Gujarat is an industrially developed state of India and is a hub for many large manufacturing companies with ISO 14001 certification. This study aims to identify the various green practices practiced by these companies and what is their relationship with economic performance.

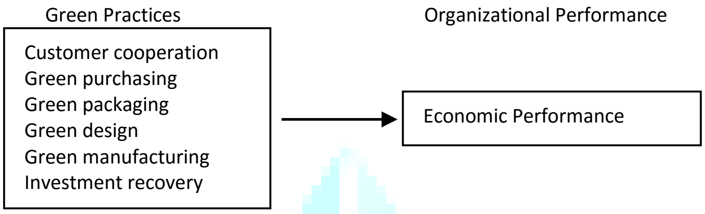
HYPOTHESIS
There is a relationship between GSCM practice adoption and economic performance.

OBJECTIVES
1. To identify the green practices adopted by of Indian manufacturing companies.
2. To know the relationship between various green practices and economic performance.

LITERATURE REVIEW
Green supply chain management (GSCM) is an emerging field that differentiates itself from the traditional supply chain perspective The 'greening' here refers to everything that is ecologically thought (Svensson, (2007))[6]. Mudgal et al. (2009))[7] also refers that "greening the supply chain is considered as a process of integration of the environmental values into supply chain". This leads us to the simple definition of green supply chain management (GSCM) by adding "green" to the supply chain management practices. It can be defined as "green procurement+ green manufacturing+ green distribution+ reverse logistics" (Sekshan et al, (2010) ,Sarkis (1995))[8]. The ultimate purpose is to eliminate or minimize waste(energy, emissions, and chemical/hazardous, solid wastes) along the supply chain. (Hervani et al (2005))[9].GSCM has been quoted by many researchers as an emerging approach to balance both economic and environmental performance of organizations (Zhu & Sarkis (2004))[10]. The key practices worth noting from the previous research work are The concepts of green design, green operations, reverse logistics, waste management and Green manufacturing (Guide & Srivastava, (1998)[11]; Srivastava, (2007))[12].Many researchers have identified four kinds of GSCM practices, including internal environmental management, external environmental management, investment recovery and eco-design (Zhu et al., (2007)[13] and later adopted by Ninlawan et al.,(2010)[14]. Most of the research work on GSCM practices are fragments of a part of the Porter's value chain model. Emmet and Sood (2010)[15] have classified GSCM practices as Green procurement and supply, Green production, Green packaging, Green marketing, Green Logistics and Supply loop.
Many studies has studied the relationship between GSCM practice adoption and Economic performance. (Bowen, Cousins, Lamming, & Faruk, 2001)[16]studied the relationship between green practices and economic performance in Japanese manufacturing firms. Xianbing Liu , Leina Wang , Yanli Dong , Jie Yang , Cunkuan

Bao (2011) [17] also found a positive relationship between GSCM practices and economic performance. Qinghua Zhu, Joseph Sarkis, Kee-Hung-Lai (2010))[18]also found the positive relationship between external and internal GSCM practices and economic performance. **(**Eltayeb, Zailani and Ramayah (2011))[19] assessed the actual environmental, economic and intangible outcomes resulting from the adoption of green supply chain initiatives. Choudhary (2011)[20] developed the relationships among performance measurement criteria using analytic hierarchy process. Performance criteria were based upon five factors namely, internal environment management, green purchasing, customer cooperation, investment recovery and eco-design. To take it further this study tries to find the relationship between GSCM adoption and Economic performance. Based on the literature following research framework was developed.

RESEARCH FRAMEWORK



RESEARCH METHODOLOGY

The study focused on the GSCM practices and their impact on Economic performance in Indian manufacturing industries. Based on the literature review the instrument was developed to measure GSCM practices and Economic performance with some alteration with expert consultations. The instrument was tested for reliability and validity. Total of twenty six factors were identified as green practices based on the studies of (Zhu , Sarkis and Kee-Hung Lai (2011) [21] Ninlawan (2010) [22] , and Tritos Lasirihongthong, Keach-ChoonTan, Dotun Adebanjo (2010)) [23] We conducted principal component analysis to confirm the groupings of GSCM practices, which resulted into six GSCM practice factors. Similarly total of seven variables were identified as economic performance indicators based on Zhu & Sarkis (2004)[24] and Ninlawan (2011)[25]. The instrument used for the study consists of three parts, Part 1: The company profile that documented the demographics of the industry type, organization size, turnover, products manufactured. Part 2: The Green practices adopted in the companies. on a five point scale to indicate the extent in which each item was practiced in the organization. Part 3: The effect of GSCM practice implementation, economic performance were captured on a five point scale. The Reliability is tested by the Cronbach's alpha values which were all above the acceptable value of .7. The list of the items for the Green practice factors and economic performance items with their mean values ,standard deviations, factor scores , KMO, variance explained by each factor and their alpha values are shown in table 1.

TABLE 1: FACTOR ANALYSIS OF GREEN SUPPLY CHAIN PRACTICES AND PERFORMANCE

Sr. No.	Green supply chain practices & performance	Mean values	Std. Deviation	Factor loadings	Variance explained	Cronbach's Alpha values	KMO
1.	Customer Cooperation (CC) Cooperation with customer for cleaner production (CC-1)	4.15	.799	.837	52.613	0.881	.788 Sig.000
2.	Cooperation with Customers for Green Packaging (CC-2)	4.13	.892	.778			
3.	Cooperation with customers for eco design (CC-3)	3.98	.911	.777			
4.	Cooperation with Customers for Environmental procurement (CC-4)	4.20	.798	.739			
5.	Cooperation with Customers for using less energy during Transportation (CC-5)	4.23	.767	.737			
6.	Recovers or sells access Inventories / material (CC-6)	4.13	.873	.719			
7.	Integrated production with recovery (CC-7)	4.10	.986	.677			
8.	Design of the product is to reduce waste and cost (CC-8)	4.50	.597	.635			
9.	Carryout life cycle analysis of the product (CC-9)	4.05	.981	.597			
1.	**Green purchasing: (GPu)** Environmental Audit for suppliers for Internal Management (GPu-1)	4.18	.983	.916	75.068	0.832	0.667 Sig.000
2.	Second Tier Supplier Environmental Friendly Practice Evaluation (GPu-2)	3.70	.979	.892			
3.	Procurement from ISO 14001 Certified Suppliers (GPu-3)	4.08	.979	.785			
1.	**Green Packaging (GPa)** Minimized use of Packaging material (GPa-1)	3.95	.982	.861	59.054	0.766	0.727 Sig.000
2.	Re-collects and plans for Packaging material (GPa-2)	3.93	1.00	.771			
3.	Customers are environment Conscious and Help in returns handling (GPa-3)	4.05	.946	.737			
4.	Centralized Inspection and collection facilities (GPa-4)	3.97	.974	.696			
1.	**Green design (GD)** Design of the product is with easy and quick dis-assembly	4.30	.156	.853	64.668	.815	0.761 Sig.000
2.	Design of the Parts of the product is for extended use, easy repair & increased efficiency	4.35	.137	.846			
3.	Design of product is for re-use ,re-cycle ,recovery of material and component parts	4.22	.154	.759			
4.	Identifies, Collects and distributes products and parts that will be re-cyclable and re-usable	3.93	.130	.754			
1.	**Green manufacturing (GM)** Design of Products is for Reduced Consumption of material/energy or Bio-degradable material I(GM-1)	4.27	.821	.857	67.606	0.743	0.679 Sig.000
2.	Design of product is to support regulation (GM-2)	4.55	.565	.827			
3.	Design of Products is to avoid or reduce use of hazardous material in products & their manufacturing process (GM-3)	4.25	.856	.781			
1.	**Investment recovery: (IR)** Sells scrape and used materials (IR-1)	4.38	.846	.800	60.914	0.675	0.660 Sig.000
2.	Sells Access capital equipment (IR-2)	3.95	1.111	.793			
3.	Applies reverse Logistics in Stock Planning (IR-3)	3.85	1.039	.747			
1.	**Economic performance: (ECO.P)** Decreased use of total Packaging Material (Eco.P.1)	4.00	.921	.894	65.798	0.9.11	0.836 Sig.000
2.	Decrease in the cost for energy consumption (Eco.P..2)	4.32	.725	.871			
3.	Decrease in the Fees for Waste Treatment (Eco.P.-3)	3.98	.948	.858			
4.	Decrease in the fees for waste discharge (Eco.P.-4)	3.97	.920	.826			
5.	Decrease in fine fees for environmental accidents (Eco.P.-5)	4.25	.773	.769			
6.	Decrease in use of Physical Resources (Eco.P.-6)	4.03	.843	.733			
7.	Decrease the cost for materials Purchasing (Eco.p.7)	4.01	.853	.708			

RESEARCH FINDINGS

Construct validity: Table 1 shows the results from factor analysis. The indicators for green purchasing explain 75.06 % of variance in the data followed by customer cooperation 52.613%, green packaging 59.054%,green design 64.668%, green manufacturing 67.606 %,investment recovery 60.914% and economic performance 65.798% respectively. Factor loadings for all indicators are above 0 .5.A Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) close to 1indicate the sum of partial correlations is relatively compact. The KMO values of greater than .50 are acceptable and a values of all the seven constructs are higher. Hence suggesting that factor analysis is appropriate for data. Table 1 shows that means for each of the constructs components. With respect to the practices it is clear that green design is the most adopted practice followed by green manufacturing, then customer cooperation, then green purchasing, investment recovery and least adopted is green packaging. While weakest indicator of economic performance is decrease in fees for waste discharge which means that investing in waste treatment is considered as wasteful activity and waste of funds by Indian companies.

TABLE 2: COORELATION ANALYSIS

Green Practices& Performance	CC	GPu	GPa	GD	GM	IR
Customer cooperation (CC)	--					
Green purchasing (GPu)	.107	--				
Green packaging (GPa)	.508**	.238	---			
Green Design (GD)	.249	.423**	.251	---		
Green manufacturing (GM)	.328*	.299*	.326*	.531**	---	
Investment recovery (IR)	.152	.308*	.311*	.336**	224	---
Economic Performance (ECO.P)	.331**	.256*	.600**	.247	.300*	.241

Significant at 0.01**(2 tailed) Significant at 0.05* (2 tailed)

Table 2. shows the correlation between GSCM practices and economic performance. Here it is found that customer cooperation, green purchasing, green packaging , and green manufacturing are positively co-related to economic performance significant at 0.05 and 0.01 level of significance.

TABLE 3: MULTIPLE REGRESSION ANALYSIS

Model					Change statistics		
	R	R square	Adjusted R square	Standard error of the estimate	R square change	F change	Sig.
1	.618	.382	.312	4.02488	.382	5.454	.000

a. Predictors: (Constant), IR , CC , GP, Gm , GPA , GD Practices

b. Dependent Variable: Eco. Performance .

TABLE 4: ANOVA

Model		Sum of Squares	df	Mean square	F	Sig.
1	Regression	530.151	6	88.359	5.454	.000
	Residual	858.582	53	16.200		
	Total	1388.733	59			

a. Predictors: (Constant), IR , CC , GP, Gm , GPA , GD Practices

b. Dependent Variable: Eco. Performance .

TABLE 5: COEFFICIENTS

Model	Unstandardized Coefficients		Standardized Coefficients				
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	8.590	4.929		1.743	.087		
CC	.123	1.019	.016	.121	.904	.703	1.422
GP	.500	.703	.087	.711	.480	.773	1.294
GP	3.458	.861	.534	4.016	.000	.660	1.514
GD	.135	.748	.025	.180	.858	.613	1.632
Gm	.608	1.047	.077	.581	.564	.660	1.516
IR	.041	.248	.020	.165	.870	.809	1.237

Dependent variable Eco. Performance

A multiple regression analysis was conducted to determine if GSCM affects Economic Performance. The results were as shown in table 3. From table 2, R square value indicates the explanatory power of the regression model. It is the percentage of variance of the dependent variable (Economic Performance) explained by the independent variables (Green Supply Chain Management Practices). The value of 0.382 indicates that green supply chain management explains (affects) organizational performance to 38.2 %.ANOVA test was conducted to test the statistical significance of the effect of GSCM on Economic Performance. The results were as shown in table 4 .From table 4, the significance value (p) of 0.000 gives the test on the entire model. Since the value of $p<0.001$, this implies that there is positive effect of Green Supply Chain Management on Economic Performance, the effect is statistically significant. Table.5 shows the significance (p) values for each independent variable (green supply chain management practices). Significance value (p) of 0.904 shows that the effect of customer cooperation on economic performance is statistically insignificant, significance value (p) of 0.480 shows that the effect of green purchasing on economic performance is statistically insignificant and significance value (p) of 0.000 shows that the effect of green packaging on economic performance is statistically significant. Similarly, significance value (p) of 0.858 shows that the effect of green design on economic performance is statistically insignificant and 0. 564 shows that green manufacturing and 0.870 investment recovery have statistically insignificant effect on economic performance. Most manufacturing companies started serious adoption of green supply chain management in the recent past. It is important to understand the effect on economic performance that can be attributed to green supply chain management practices so far. From the findings, the equation for the regression model can be given by;

$Y = 8.590 + 0.123X_1 + 0..500X_2 +0.3.458X_3 + 0.135X_4 +$

$0.608X_5 + .041X_6+$ error term

Where; Y - Economic Performance

β0 - Constant

β1 - β5 - Regression coefficients

X_1- Customer cooperation

X_2 - Green purchasing

X_3 - Green packaging

X_4 – Green design

X_5 – Green manufacturing

X_{6-} Investment recovery

---Error term

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of the study, the following conclusions were made: There is positive relationship between Green Supply Chain Management Practices; Customer cooperation ,Green Purchasing, Green packaging, Green Design, Green Manufacturing, and investment recovery and Economic Performance. From the regression analysis it was concluded that Green Supply Chain Management practices has a positive effect on Economic Performance. Organizations that adopt green supply chain management practices experience cost savings and reduced waste thereby enhancing their economic performance. However, the effect of green supply chain management on economic performance for green packaging is statistically significant which implies that company collects its packaging material and reuses it for further packaging there by reducing the overall cost. This result could be attributed to the fact that most manufacturing companies started adoption of green supply chain strategies in the recent past and the effects of these practices may not have fully been realized. The study therefore recommends that other manufacturing companies should consider adopting green supply chain management practices. They should embrace green strategies in their purchasing, manufacturing, packaging, designing cooperating with customers and Investment recovery.

RECOMMENDATIONS FOR FURTHER STUDY

Areas of further study that were identified in this study include: Studies in other manufacturing companies, studies to relate GSCM with other aspects of performance such as operations, environment which is the very basic purpose of GSCM implementation and social performance and studies to explore other GSCM practices other than green purchasing, green manufacturing, green design customer cooperation, green packaging, investment recovery like green distribution , green marketing, reverse logistics and internal environment practices etc which are the recent developments in the field of GSCM to cover whole of the supply chain to have more effective results.

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TOURISM DESTINATION DEFICIENCY: A STUDY WITH REFERENCE TO KANNIYAKUMARI DISTRICT

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ABSTRACT

Though tourism becomes an essential part of human life, it seems to be lucrative for the government as the inflow of foreign exchange has become a good revenue earner. So on the one hand tourism makes a tourist merry, happy, get them eased and get them entertained. But on other hand it strengthens the economy of the nation. Here, comes the necessity for caring tourism which ultimately benefits both the individual and the government. Deficiency literally means the state of being deficient in service. Deficient tourist centres fail to draw sufficient tourists towards it. Hence deficiency has a major role in tourism.

KEYWORDS

destination deficiency, destination competitiveness, destination satisfaction, destination factors.

INTRODUCTION

Deficiency in providing the needed services to the tourists by the service providers causes destination deficiency. Destination deficiency can be studied from two angles. One is from the side of the service providers and the other is from the side of tourists who visit the destination. In the present study destination deficiency is assessed through a personal enquiry with the tourists who visit tourism centres in South Tamil Nadu. The perception on available services in tourism centres as observed through a structured interview schedule by the researcher with the tourists has been used as the base for measuring destination deficiency.

STATEMENT OF THE PROBLEM

When a destination fails to fulfil the expectations or aspirations of the tourists, the tourists feel dissatisfied with the tourism services. So dissatisfaction of tourists over the tourism services, echoes deficiency of services in tourism centres. Destination deficiency is caused by several factors such as destination related factors and personal factors related to the tourists. Destination related factors are those factors which are related to the tourist centre. Personal factors are those factors which are related to perception of the tourists about the tourist centre. Any deficiency in these two categories of factors causes destination deficiency.

REVIEW OF LITERATURE

Destination competitiveness is the preparedness of the tourist centre to attract the tourists to visit. It represents the destination's ability and superiority in its performance with regard to offering quality tourism experience competitively.
In offering tourism services each centre differs from the other. According to Ritchie and Crouch (2000), destination's competitiveness is a country's ability to create added value and thus increase the national wealth by managing assets and processes, attractiveness, aggressiveness and proximity and thereby integrating these relationships within an economic and social model that takes into account a destination's natural capital and its preservation for future generations.
According to Dwyer and Kim (2003), destination competitiveness is the destination's ability to create and provide value-added products and quality experience which are important to tourists while sustaining its resources and maintaining market position relative to competitor.According to d'Hauteserre,A. M. (2000), competitiveness is "the ability of a destination to maintain its market position and share and/or to improve upon them through time".
Dwyer, L., Forsyth, P., & Rao, P. (1999) defined tourism competitiveness is a general concept that encompasses price differentials ,coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination".
Dwyer and Kim (2003), proposed that destination competitiveness is "the ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered being important by tourists".
In brief, destination competitiveness shows the perception of the tourists about the destinations ability and superiority in its performance with regard to offering quality tourism experience competitively.

OBJECTIVES OF THE STUDY

The following objectives have been framed for the study:
1. To analyse the Destination Deficiency of tourism destinations in Kanniyakumari District
2. To explore the possibilities of future progress and prospects of tourism developments in Kanniyakumari District.

METHODLOGY

The study is mainly based on primary and secondary data. Primary data collected from the sample respondents representing domestic and foreign tourists through a structured interview schedule have been used for the study. The secondary data was gathered from various books, journals, newspapers and government publications and websites.

HYPOTHESIS

There is no significant difference in deficiency among different personal background in terms of personal variables of domestic and foreign tourists in South Tamil Nadu.

SAMPLING

All tourist destinations in Kanniyakumari district form part of the universe of the study. In Kanniyakumari district, there are several tourist places. Among them, some seven tourist destinations are covered in this study. Table 1.1 lists the tourist centres covered by the study, which have temples, palaces, sea shore, Dam, waterfalls, sanctuaries and the like that attract the tourists to visit the destinations.

TABLE 1.1: TOURIST CENTRES COVERED BY THE STUDY

Sl.No	Tourist Centre	Importance/Attractions
1	Kanniyakumari	Temple, Sea shore
2	Suchindram	Temple
3	Padmanabhapuram	Palace
4	Petchiparai	Dam
5	Tiruparappu	Water Falls
6	Mathoor Thotti Palam	Hanging bridge
7	Muttom Beach	Beach

In the second stage, 30 domestic and 30 foreign tourists were selected at random by the researcher personally by visiting the center on weekly holidays by employing random sampling method. In this study, for the purpose of collecting primary data 420 tourists were selected on random basis at large. This consummated sample size 420 is derived by taking 60 tourists from each tourist centre.

MEASUREMENT OF DESTINATION DEFICIENCY

Destination deficiency is the difference between destination competitiveness perceived and destination satisfaction observed by the tourists with respect to different variables. Destination competitiveness and Destination satisfaction of different tourist centres in South Tamil Nadu have been measured through different indices, namely DSI (Destination Satisfaction Index) and DCI (Destination Competitiveness Index). The variables included in Destination Satisfaction Index are different from the variables included in Destination competeveness. Because both of the two indices are different in their measure. Further the numbers of variables included in each of these indices are also different. There are 22 variables included in 'Destination Competitiveness Index'. But the 'Destination Satisfaction Index' comprises of 31 variables.

Hence Destination deficiency for a tourist centre is measured through the following formula

$$DDI = \left\{ \frac{\sum_{I=1}^{n} DCV_i as}{\sum_{I=1}^{n} DCV_i ms} - \frac{\sum_{I=1}^{n} DSV_i as}{\sum_{I=1}^{n} DSV_i ms} \right\} \times 100$$

Where

DDI = Destination Deficiency Index of a tourist centre

$DCV_i as$ = Destination Competitiveness Variable ith Actual Score in a tourist Centre

$DCV_i ms$ = Destination Competitiveness Variable ith Maximum Score in a Tourist Centre

$DSV_i as$ = Destination satisfaction variable ith actual score in a tourist centre

$DSV_i ms$ = Destination Satisfaction Variable ith maximum score in a tourist centre.

The Destination Deficiency Score in the study for each destination can be a maximum of 110.i.e. there are 22 variables measuring destination competitiveness with a score ranging from one to five. These respondents perceiving high destination competitiveness about a tourist centre can award a maximum score of 110 to the tourist centre and the one with low perception on destination competitiveness can award a score of 22. Thus the $DSV_i as$ can range between 22 to 110 for every respondent. The destination competitiveness of each tourist centre is the summed up figures of arrived through.

The $\frac{\sum_{I=1}^{n} DCV_i as}{\sum_{I=1}^{n} DCV_i ms}$ for any tourist centre can be 6600 i.e. 60 respondents with 110 scores each.

The Actual Destination Competitiveness Score $\left(\sum_{I=1}^{n} DCV_i as\right)$ for any tourist centre can range between 1320 i.e. (22 score X 60 respondents) and 6600(110 X 60) respondents.

$DSV_i as$ is the actual destination satisfaction score perceived by a tourist. The $\sum_{I=1}^{n} DSV_i ms$ in the study for each destination can be a maximum of 155 i.e., there are 31 variables measuring destination satisfaction with scores ranging from one to five. The $\sum_{I=1}^{n} DSV_i as$ for any tourist centre can range between 1860 (31 variables X 60 = Scores) and (31 X 60 tourist X 5 score) 9300.

$DSV_i ms$ of a tourist centre is the maximum destination satisfaction score perceived by tourists in a centre for the ith variable. It could be a maximum of 9300 i.e., 31 variables for 60 tourists at a maximum score of five and the minimum score of 1860.ie 31 variables for 60 tourists at a minimum score of one.

DESTINATION DEFICIENCY IN KANNIYAKUMARI DISTRICT

As the destination competitiveness, each tourist centre has deficiency in one aspect or other. The tourist centre with high deficiency in a few variables lacks tourists. Hence the authorities are very careful in identifying the deficiency with every tourist centre and locating the factors which causes deficiency. Table 1.2 exhibits the destination deficiency of the tourist centres in Kanniyakumari District.

TABLE 1.2: DESTINATION DEFICIENCY IN KANNIYAKUMARI DISTRICT

Sl.No 1	Tourist Centres 2	Destination Competitiveness Score 3	Mean 4	Destination Satisfaction 5	Mean 6	Destination Deficiency 7 (3-5)	Mean 8
1	Kanniyakumari	3320.91	55.35	2754.84	45.91	566.07	9.43
2	Suchindram	2882.58	48.04	3155.45	52.59	272.87	4.55
3	Padmanabhapuram	2954.319	49.24	3106.36	51.77	152.17	2.54
4	Petchiparai	3570.32	59.50	3136.36	52.27	-436.96	-7.28
5	Tiruparappu	3554.84	57.58	3032.73	50.54	-422.11	-7.03
6	Mathoor Thotti Palam	3623.87	60.40	3253.64	54.23	-370.23	-6.17
7	Muttom Beach	3030.72	50.50	3140.91	52.35	110.59	1.84

Analysis of the competitiveness of destinations in Kanniyakumari District reveals that destination competitiveness is high in Mathoor Thotti Palam with a mean score of 60.40 which is followed by Petchiparai with 59.50 mean scores. Kanniyakumari comes fourth in the row with a mean score of 55.35 which is next to Tiruparappu. Suchindram records the least competitiveness with a mean score of 48.04.In satisfaction aspect Mathoor Thotti Palam topped with a mean score of 54.23 which is followed by Suchindram with a mean score of 52.59.Comparing the destinations in Kanniyakumari District, Kanniyakumari registers the lowest satisfaction with a mean of 45.91.It is clear that Petchiparai, Tiruparappu and Mathoor Thotti Palam registered no deficiency as its score were -7.28,-7.03 and -6.17. But Kanniyakumari files as the highest deficiency destination among all other destinations.

PERCEPTION OF DESTINATION DEFICIENCY
Destination Deficiency depends upon the perception of tourists. Perception of destination deficiency is a psychological variable which depends upon the tastes and preferences and several other issues related to the tourists.
The perception of foreign tourists and domestic tourists also differ from other. Foreigners admire the Hindu temples and Sculptures which are seen common in Tamil Nadu whereas it is not so the case with domestic tourists. Domestic tourists usually wonder only on the things which are of foreign nature. Hence foreign tourists and domestic tourists differ in satisfaction.

FACTORS CAUSING DESTINATION DEFICIENCY
Destination deficiency is caused by several factors such as destination related factors and personal factors related to the tourists. Destination related factors are those factors which are related to the tourist centre. Personal factors are those factors which are related to perception of the tourists about the tourist centre. Any deficiency in these two categories of factors causes destination deficiency. The role of these two categories of factors in destination deficiency is analysed in detail. There are several destination factors which are deficient in different tourist centres which make the tourists dissatisfied. Tourists who feel deficiency in service with regard to any of these destination services in any destination are fed up with the services in the tourism centres and are worried about it. This has been a major issue unresolved in many tourist centres in Kanniyakumari District. Hence the destination factors yielding deficiency have been identified and their levels of influence on deficiency are probed.

FINDINGS AND DISCUSSION
Destination deficiency is measured through Destination Competitive Index. The perception of destination deficiency is identified through an analysis on destination related factors using Artificial Neural Network (ANN) and accuracy of data is predicted. Personal factors are also analysed with Factor Analysis. Confirmatory Factor Analysis has been applied in this chapter to confirm the results of exploratory factor analysis on personal factors causing destination deficiency.

CONCLUSION
Deficiency is caused by several factors in a tourist destination. The factors causing deficiency have differing level of influence in causing deficiency in Kanniyakumari District. This chapter presents the factors responsible for deficiency in tourist places in Kanniyakumari District. In the study 7 variables have been identified as associated with destination factors in Kanniyakumari District and 18 variables have been identified as associated with personal factors of tourists .It has been identified that sanitary problem, water problem, infrastructure problem, security problem and the like induce destination deficiency. The study further reveals that factors like purpose of visit, age, income, marital status, occupation, and amount spent and the like also cause deficiency in the tourist place.

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5S METHODOLOGY TO IMPROVE THE QUALITY AND ENVIRONMENT OF THE ORGANIZATION

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ABSTRACT

The aim of this paper is showing the 5S methodology. In this paper it was introduced the way of implementing the 5S methodology in the company. We provided some vast literature on the implementation of 5S in any industry. This strategy involves the study and change in the work place of a manufacturing industry post implementation of 5S. This strategy helps in minimizing the time of manufacturing and also increases the area of work place. Thus, the solution found by our approach solely minimizes several kinds of wastes in the production process and which finally helps in the development of the organization. An Inspection process has been executed on the basis of 5S check lists and the results analyzed to confirm great changes like increasing efficiency in production and quality, improves safety.

KEYWORDS

5s methodology, organisation environment.

INTRODUCTION

1 s – **Sorting** through the suitable sorting it can be identified the materials, tools, equipment and necessary information for realization of the tasks. Sorting eliminates the waste material (raw materials and materials), nonconforming products, and damaged tools. It helps to maintain the clean workplace and improves the efficiency of searching and receiving things, shortens the time of running the operation. The 1s rule's proceedings [5]:

1) On the first stage one should be able to answer to the control questions:
- Does an unnecessary thing create the problem in work area?
- Does unnecessary odds and ends of materials thrown anywhere in the work area?
- Do tools and rest of materials of production place on the shop floor?
- Are all necessary things sorted, ordered and retain at their own place?
- Are all measuring tools sequentially kept?

On the basis of answers to the above questions it is possible for the assessment of work area in terms of the 1s rule. If any question's answer is yes, it should carry out sorting of items, which are in work area.

2) On the second stage one should carry out the review of all things which are in the work area and arrange them. According to established sorting it should execute the elimination of items from work area, which were unnecessary.

3) To continual usage the 1s rule is the movement of the red tag. It means giving red tag to items, which operator will make out as useless within his work area. At the beginning of each month, put a red tag on every item. During the month, remove the red tag when item is used. At the end of the month, decide whether the item with the tag is necessary or not.

2 s – Set in order especially important is visualization of the workplace (e.g. Painting the floor helps to identify the places of storage of each material or transport ways, drawing out the shapes of tools makes possible the quick putting aside them on the constant places, colored labels permit to identify the material, spare parts or documents etc.). Implementing the 2s rule [3]: it should execute the segregation of things and mark the places of their storing. Used things should always be divided on these, which should be: - in close access (1st degree sphere), - accessible (2nd degree sphere), - in the range of hand (3rd degree sphere).

- Reduce preparation time for tool setting.
- Reduce waiting time for parts, materials, papers and files
- Reducing processing time and cycle time by improving the plant layout of work area.
- Time and strength spent on looking for jigs, fixture tools etc.
- Run down for parts in stores.
- Searching for files and information in computers.
- Labels are attached so that items can be recognized.
- At a glance and clear

3 s – Shine Regular cleaning permits to identify and to eliminate sources of disorder and to maintain the clean workplaces. During cleaning it is checked the cleanness of machine, workplace and floor, tightness of equipment, cleanness of lines, pipes, sources of light, current data, legibility and comprehensibility of delivered information etc. Indispensable is also taking care of and maintenance the personal tidiness of the operator.

4s – Standardize Standards should be worked out and implemented in the work place. Management should pass instructions in order to set the work place on order. The instructions should be clear and easily understandable to workers. All the workers in the shop floor should be involved in this activity; the workers group knows specificity of their own activities and process of elaboration along with the usage gives them the possibility of understanding the importance of each aspect of the operation. The aim of the easy access of the obligatory standards for constant and visible places should be assured.

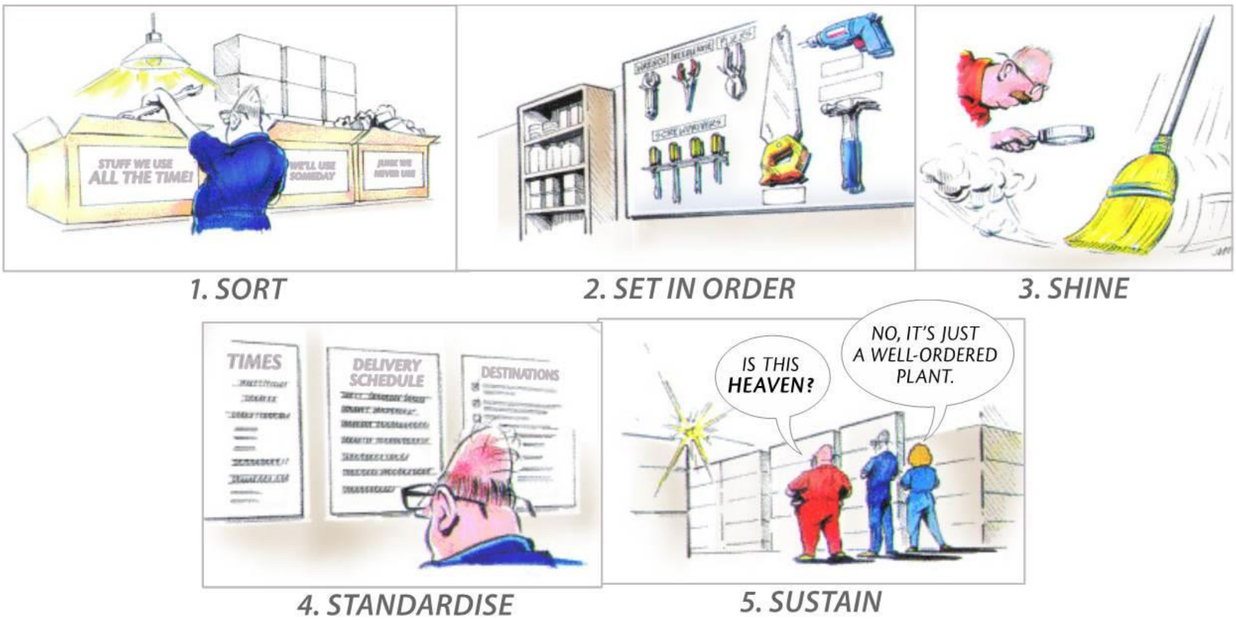
5S – Sustain The principle is to establish the maintenance of a clean environment as an ongoing process for ever. This increases the consciousness of the workers and decreases the number of non-confirming products and defective products. This process also increases the internal communication and human relations in the organization. It is also essential to understand the need and importance of the inspections for 5S. The inspections are executed with the help of Check list prepared on the basis of the radar charts of 5S. This also helps in estimating the work place. The inspection of the realization of 5S standards is executed once a month by the team.

5s APPROACH IN INDUSTRY

The 5s methodology depends upon the capacity of creating and maintaining a well organized, clean, effective and high quality work place. Our research was carried out in a manufacturing company of the metal doors. In the first phase of research, we executed the selection of things in the production process of the work place.

We introduced 5s methodology to the workers on the shop floor and carried out a questionnaire for them. After that all the 5 rules of the 5s has been implemented on the shop floor in a systematic order. We appointed one of the workers as a person responsible for the implementation of 5s for that department and so with the other departments of the industry. This resulted in great changes on the shop floor.

FIG. 1



1s:
- Things have been sorted on the basis of necessary and unnecessary.
- Distributing the things and other stuff in the workplace has been reduced.

2s:
- All the things and tools are arranged properly for quick usage.
- The time required for preparing the work place has been reduced.

3s:
- Clean and hygienic work place has been established.
- Cleanly working conditions have been established near the machines.

4s:
- All the rules set by the company are being obeyed.
- All the rules were set in order for future

5s:
- 5s became a habit for all the workers in the shop floor.
- Discipline is all around the workplace.

For the perfect execution of 5s in future, inspections based on check lists are being performed within the Time set for it.

CONCLUSION
5s is one of the most cost-effective lean techniques available, and it is the foundation to all other lean techniques. That makes 5s the perfect starting point for bringing the benefits of lean to your workplace.
It is simple to get started with 5s. It begins with cleaning and organization. Using a durable label printer and you can mark and label everything so that tools, supplies, equipment and materials can be properly identified and stored. Mark machines and equipment with labels providing standardized operating and maintenance instructions. Ensure you are fully in compliance with all requirements by making needed safety signs, pipe markers and ghs labels. Make way-finding signs to identify work locations and the safest and most efficient paths through your facility.
5s is foundation to all other lean techniques and having proper labeling and signs is foundational to 5s.
The key benefits of 5s are:
- less waste (improved efficiency)
- reduced space used for storage
- improved maintenance
- improved safety
- better, more committed employees
- improved quality

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THE MAJOR ROLE AND EFFECTS OF SOCIAL MEDIA ON STUDENTS

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ABSTRACT

In the last ten years, the online world has changed dramatically. Thanks to the invention of social media, young men and women now exchange ideas, feelings, personal information, pictures and videos at a truly astonishing rate. Studies show that that the social media sites encourage negative behaviors for teen students such as procrastination. However, every day many students are spending countless hours immersed in social media, such as Facebook, Twitter, MySpace, Watsup…etc. It also helps students to develop important knowledge and social skills and be active citizens who create and share content. At present, whether the Social media is favorable or unfavorable; many students utilize these sites on a daily basis. As social media sites continue to grow in popularity it is our belief that technology is a vital part of today's student success equation. Many researchers have been diving into a considerable amount of research on how social media influences student retention at colleges. Many parents are worried that their children who are studying in colleges are spending too much time on Facebook and other social media sites and not enough time for studying. Therefore, our research ascertains the relationship between the social media and students' study efficiency. This study is also an attempt to find out the impact of social media on college going students in Bangalore city. Later 150 number of sampling was taken from all over city for the study to draw the conclusion.

KEYWORDS

social media, students, facebook, bangalore, research, role, effects.

INTRODUCTION

Social network sites, online games, video-sharing sites, and gadgets such as iPods and mobile phones are now fixtures of youth culture. They have so permeated young lives that it is hard to believe that less than a decade ago these technologies barely existed. Today's youth may be coming of age and struggling for autonomy and identity as did their predecessors, but they are doing so amid new worlds for communication, friendship, play, and self-expression. Advertising, as you must have guessed is simply an extension of online advertising. With mobile phones, tablets a core component of media today, it has been necessary to encompass various forms into a category coined as Digital Advertising.

We are wary of claims that a digital generation is overthrowing culture and knowledge as we know it and that its members are engaging in new media in ways radically different from those of older generations. At the same time, we also believe that this generation is at a unique historical moment tied to longer-term and systemic changes in sociability and culture. While the pace of technological change may seem dizzying, the underlying practices of sociability, learning, play, and self-expression are undergoing a slower evolution, growing out of resilient social and cultural structures that youth inhabit in diverse ways in their everyday lives. We sought to place both the commonalities and diversity of youth new media practice in the context of this broader social and cultural ecology.

INDIA

The Internet, arguably the most exciting medium of the modern generation is witnessing appreciable growth in India since the turn of the century. The number of Active Internet Users has now touched 70 Million by September 2011 (Source: ICube 2011). This represents a growth of almost 20% as compared to September 2010, when the number of Active Internet Users was 59 Million. In terms of the number of Claimed Internet Users, the numbers have risen from 78 Million in 2010 to 88 Million over the same period. This represents a growth of about 13% in the last year. For a similar time frame, the number of PC Literates also exhibited a 12.5% increase with the total number of PC literates going up from 106 Million to 119 Million. In simpler words, once an individual is exposed to the Internet, it is quite likely that he or she would continue using it like any other media as television, newspapers or radio.

AD IN SOCIAL MEDIA

Social Media has been a global buzz word for over a decade now. In India, Orkut made early inroads in social networking till 2008-2009. Facebook, founded in 2004, however has taken over ever since, and is the preferred social networking site not only in India but also globally. As per various industry sources, Facebook has over 800 Million accounts across the globe today! As a consequence, Facebook easily leads LinkedIn, Orkut, IBIBO among other social networking sites in terms of social media revenue share.

OBJECTIVES OF THE STUDY

- To Know the most popular social media site for students.
- To analysis the frequency of time, students spend on social media.
- To find out the online shopping processes by social media.

METHODOLOGY

The Study was by collected the primary data using questionnaire method in Bangalore city. Although having large population size of the city, sample size preferred was 200 respondents, later questionnaire received from the respondents was 150 and data was collected in various shopping centers of Bangalore city.

Sampling area: Bangalore city
Sampling size: 150
Sampling age group: Between 18yrs -21yrs
Sampling Education: College Students

RESEARCH QUESTIONS

Which is the most popular social media site for students?
What is the amount of time students spend utilizing social media in various shopping processes?

1) SOCIAL NETWORKING SITES (SNS)

50% of participants are in favor of Facebook, 27% like, Watsup and Skype, 10% prefer Twitter and 8% like My Space.

2) GADGETS

53% of the respondents reported that they primarily used a laptop to check social media sites; while 35% use a cell phone; and only 12% preferred to use a desktop computer.

3) FREQUENCY OF TIME SPENT ON SOCIAL NETWORKING SITES

48% percent of the sample admitted that they spend 6-8 hours per day to check a social media site, 23% spent more than 8 hours, 20% spent 2-4 hours and only 9% spent less than 2 hours.

4) USAGE FROM SNS

The ratio of participants who posted or responded during college hours was 64%, 15% rarely used social media during working hours; 21% were not sure whether they would like to use it. Eighty percent of the sample reported that they posted or responded while completing office work, 8% would never use social media while doing office work and 2% were not sure.

5) BENEFITS

In terms of the benefit sought from social media, 42% agreed that social media helps them to update themselves socially about their kith and kin, 32% agreed that social media helps to make new friends and 26% just used social media for fun related activities.

CONCLUSION

According to the data which we collected from the anonymous questionnaire, most students would prefer to use social media and therefore spent long hours checking social media sites. Facebook and waatsup is very popular among working youth, even though they would use it when they had assignments. Ninety percent of workers spent their time on entertainment; there were not too many who preferred using social media. Hence the relevance of Social networking sites in the present situation is more and many young students preferred social media as a tool to communicate, have fun and enhance knowledge.

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A STUDY ON THE IMPACT OF INFORMATION TECHNOLOGY ON ACCOUNTING PRACTICES WITH SPECIAL REFERENCE TO AUDITING FIRMS IN BANGALORE

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ABSTRACT

IT plays an important role increasingly in the field of accounting. The biggest impact IT has made on accounting is the ability of companies to develop and use computerized systems to track and record financial transactions. Paper ledgers, manual spreadsheets and hand-written financial statements have all been translated into computer systems that can quickly present individual transactions into financial reports. Thus, the study on the role of Information Technology in accounting has become essential. Since no studies are conducted on the basis of auditing firms which is closely related to accounting process, an attempt was made to collect and list out the impact of IT through questionnaires which are given to the employees in auditing firms. These initiatives gave an outcome of 5 major factors which may affect accounting through IT i.e. Productivity, Accuracy, Reporting, Cost and Flaws of IT after automation. The study tries to analyse the influence of IT in said major areas. In order to analyze the impact of automation in accounting, auditing firms in Bangalore were selected and analyzed and the results are publicized accurately in this paper.

KEYWORDS

information technology, accounting, automation, computerised accounting.

INTRODUCTION

Today's accounting professionals who understand the importance of the Internet will use the Internet for e-business. They use the Internet to execute major business processes in the enterprise. Electronic business (e-business) allows the accounting firm to coordinate activities for internal management and combines the clients' relationships with the use of digital networks. Enterprise applications can be used on a small internal network called the Intranet. The Intranet can distribute information to employees such as corporate policies, and programs. It centers on a portal which is a single point of access. Information can come from several different systems using a Web interface. They can feature such things as e-mail, internal documents such as the Code of Ethics, and a search tool. It is a good means of communication within an organization. Accounting professionals can also communicate outside the organization with Web technology using the creation of an Extranet. This allows the clients to have limited access, linking to a portion of the accounting firm's Intranet to import and export files back and forth. Linking electronically increases efficiency and cuts down on travel costs ultimately reducing operational costs (Laudon, Laudon, 2006, p.59, 62,276-277). Diversified Opportunities Information became available to an accountant with the click of a mouse. This changed the nature of an accountant's work. More doors were opening with the use of information technology. This diversified opportunities in the field of accounting. New specialized areas had developed. Business owners started looking to professional accountants for technology advice. Accountants became more knowledgeable about which financial systems worked best. Accountants were becoming the IT staff and trusted advisors. An accountant's role was to help these businesses become more productive. Integrating the client's technologies properly with the accountant's systems made the practice more efficient when it came time for write-ups and reconciliation processes ("Searching for Technology," 2009). Thus, IT and accounting systems would be a major component of accounting. While it is widely acknowledged that IT plays an important role increasingly in the field of accounting.

REVIEW OF LITERATURE

- **Gitesh Sinha (2011)** observes that IT have radically transformed the nature of business and accounting practice. Accounting was simply not possible without information technology, and the assumption appears to be that information technology is the platform for accounting data and it allows certain sophisticated queries to be performed. Thus, IT and accounting systems would be a major component of accounting research. While it is widely acknowledged that IT plays an important role increasingly in the field of accounting. Paper ledgers, manual spreadsheets and hand-written financial statements have all been translated into computer systems that can quickly present individual transactions into financial reports. Features of accounting like accuracy, functionality, faster processing, better external reporting has increased by implementation of IT.
- **Pompandejwittaya and Pairat (2012)** are of the view that effectiveness of accounting information system is reliability, relevance, and timeliness. Information technology (IT) is important for accounting information system for proving quality information. It is difficult to obtain competitive advantage without application of accounting information system.
- **David Freeman (2014)** observes that Accountants need to understand the implications of internal controls on the development and operation of business technology. Accountants need to treat all information that is produced by computers and upon which business decisions are based and finances reported with a healthy scepticism. Accountants also need to understand how technology impacts business and how it can be used to improve operational efficiency, achieve regulatory compliance, support financial reporting and management and even increase revenues. They must also have an appreciation for how to capture and communicate technology needs for their business.
- **Burns, J., Scapens, R. and Turley, S.(1996)** discussed the current and future role of management accountant such as the commercial orientation and impact of IT on management accounting, and decentering accounting knowledge.
- **Danny V (2014)** observes that implementing IT software which is up-to-date and relevant to help benefit organizations with cleaning up their databases. With having a database well organized and easily accessible to all levels of management, the organization allows for an increase in productivity. Allowing IT to create a database where all information can be inputted and outputted from the server creates a more productive and organized way of preforming business.
- **Micheal Gilman (2003)** discussed data mining technology and the importance of IT in providing higher efficiency resulting in improved business decisions. Past data or history data is the key to companies to be successful in investment. However, the author failed to highlight the technical requirements in-term of application platform and knowledge required in order to employ the system.
- **Dale Johnstone and Ellis Chung Yee Wong (2014)** observes that with rapid advancements in information communications and technologies (ICT) and an increasingly mobile accessible environment (i.e., wireless networking), it is no surprise that companies are increasingly reliant on IT equipment and applications for the delivery of company operations. IT audit provides a vital role in the prevention, detection and investigation of fraud.
- **Ken Askelson (2014)** stated that the data analysis technology enables auditors to analyse transactional data to obtain insights into the operating effectiveness of internal controls and identify indicators of fraud risk or actual fraudulent activities. Whether it is reviewing payroll records for fictitious employees or accounts payable transactions for duplicate invoices, data analysis can help auditors address fraud risks

NEED/IMPORTANCE OF STUDY

IT have radically transformed the nature of business and accounting practice (Hunton, 2002). The initial interest in the relationships between accounting and information technology was gradually taken for granted; accounting was simply not possible without information technology, and the assumption appears to be that information technology is the platform for accounting data and it allow certain sophisticated queries to be performed. Thus, IT and accounting systems would be a major component of accounting research. While it is widely acknowledged that IT plays an important role increasingly in the field of accounting. The biggest impact IT has made on accounting is the ability of companies to develop and use computerized systems to track and record financial transactions. Paper ledgers, manual spreadsheets and hand-written financial statements have all been translated into computer systems that can quickly present individual transactions into financial reports. In this situation there is a need to measure the impact of automation in accounting related firms and employees through various dimensions involved in computerization and Technology upgradation.

OBJECTIVES OF THE STUDY

1. To examine the overall view of the Auditing firms in the light of Information Technology perspective.
2. To analyse the perception and reflection of the auditors toward the implementation of Office automation in the Auditing firms.
3. To analyse the change in the Productivity, Accuracy, Reporting, Cost and Flaws of IT after automation.

RESEARCH METHODOLOGY

The area of the study is Bangalore city. 100 employees were selected randomly and covered the study. This design includes cross-sectional studies using questionnaires for data collection, with different alternative responses measured on a 5-point rating scale (Strongly Disagree-1, Disagree-2, Neither agree nor disagree-3, Agree-4, Strongly Agree). The data from the questionnaires were tabulated and suitable statistical analytical tests were applied to get the conclusions. These conclusions are taken as the opinion pool for comprehensive results which is discussed under each dimension. Based on the opinion poll, suitable suggestions for automation in auditing firms were provided.

SAMPLING DESIGN

Considering the objectives set for the study, the random sample for the selection of number of employees in auditing firms are listed below in Table 1 to ensure that accounting related firms in Bangalore city are included.

TABLE NO. 1: NAME OF THE AUDITING FIRMS AND NUMBER OF EMPLOYEES SELECTED

1	Suri & co.	10
2	Varma & Varma	14
3	T. Velu Pillai & Co	17
4	S3 Solutions	18
5	Brahmayya & Co.	14
6	B K Ramadhyani & Co	12
7	L K Saraf & Co	15

DATA COLLECTION TECHNIQUE

The present study is an analytical and empirical one, which evaluates the Information Technology perspectives on the viewpoints of employees of Auditing firms, which from the primary source of information. The selected employees were contacted on site and their responses were collected. In addition, the relevant secondary data has been collected from various published reports of associations, research articles in various national and international journals, periodicals, reports from daily papers and information from various websites.

QUESTIONNAIRE DESIGN

For the creation of data base, questionnaires were prepared for Auditing employees in different auditing firms in Bangalore city.

The questionnaire for employees consists of the following sections.

SECTION A- PERSONAL PROFILE: In this section, questions to elicit personal details such as name of respondent, name of the firm, address, and email address.

SECTION B- RESPONSE FROM THE FIRM ON AUTOMATION: In this section, respondents were asked to give their opinion on a 5 point rating scale on level of office automation, Productivity, Accuracy, Reporting, Cost of Operation, and Flaws in Automation

ANALYSIS AND INTERPRETATION

'T' TESt is used for analyzing collected data. Analyzed data and its Interpretation is shown below briefly using the Table.

TABLE 2: TABLE SHOWING RESULTS OF 'T'- TEST AND ITS INTERPRETATION

HYPOTHESIS	T- test cal	T-test tab	INTERPRETATION
H0: Time taken for auditing has not reduced after the introduction of IT H1: Time taken for auditing has reduced after the introduction of IT	T- test cal = 55.281	T-test tab= 1.984	Here test cal > test tab. Thus we reject H0 and accept H1, concluding that time taken for auditing has reduced after the introduction of IT.
H0: Auditing has become not easy after computerization **H1:** Auditing has become easy after computerization	T- test cal = 63.193	T-test tab= 1.984	Here Tcal > T-tab.Thus we reject H0 and accept H1, concluding that auditing has become easy after computerization
H0: Level of book keeping has not decreased **H1:** Level of book keeping has decreased	T- test cal = 45.301	T-test tab= 1.984	Here Tcal > T-tab.Thus we reject H0 and accept H1, concluding that level of book keeping has decreased
H0: Occurrence of errors are not made frequent after automation than manual system **H1:** Occurrence of errors are made frequent after automation than manual system	T- test cal = 25.434	T-test tab= 1.984	Here Tcal > T-tab.Thus we reject H0 and accept H1, concluding that Occurrence of errors are made frequent after automation than manual system.
H0: Frauds or misappropriation could not be identified easily **H1:** Frauds or misappropriation could be identified easily	T- test cal = 39.930	T-test tab= 1.984	Here Tcal > T-tab.Thus we reject H0 and accept H1, concluding that frauds or misappropriation could be identified easily
H0: cost for gathering information is not decreased **H1:** cost of gathering information is decreased	T- test cal = 39.930	T-test tab= 1.984	Here Tcal > T-tab.Thus we reject H0 and accept H1, concluding that cost of gathering information is decreased.
H0: No Increase in the accuracy of accounting process **H1:** Increase in the accuracy of accounting process	T- test-cal =64.911	T-test tab= 1.984	Here Tcal > T-tab. Thus we reject H0 and accept H1, concluding that accuracy of accounting process is increased.
H0: Automation has not shorten the time of providing reports **H1:** Automation has shorten the time of providing reports	T- test-cal =50.815	T-test tab= 1.984	Here T-cal > T-tab Thus we reject H0 and accept H1, concluding that automation has shorten the time of providing reports.
H0: Not able to convert specific reports to management accounting reports after automation. **H1:** Able to convert specific reports to management accounting reports after automation	T- test-cal =35.653	T-test tab= 1.984	Here T-cal > T-tab.Thus we reject H0 and accept H1, concluding that firm can specific reports to management accounting reports after automation.
H0: IT not increased the hidden cost **H1:** IT increased the hidden cost	T- test-cal =34.169	T-test tab= 1.984	Here T-cal > T-tab. Thus we reject H0 and accept H1, concluding that information Technology increased the hidden cost.
H0: Not increased in the cost of training the employees **H1:** Increased in the cost of training the employees	T- test-cal =27.145	T-test tab= 1.984	Here T-cal > T-tab.Thus we reject H0 and accept H1, concluding that cost for training employees is increased.
H0: System breaks down is not in frequent **H1:** System break down in frequent	T- test-cal =30.110	T-test tab= 1.984	Here T-cal > T-tab.Thus we reject H0 and accept H1, concluding that system breakdown is frequent in the organisation
H0: Firm is not well equipped to attend to the system break down promptly **H1:** Firm is well equipped to attend to the system break down promptly	T-test cal=44.930	T-test tab= 1.984	Here T-cal > T-tab.Thus we reject H0 and accept H1, concluding that firm is well equipped to attend to the system break down promptly

FINDINGS

PRODUCTIVITY

- Organisation could reduce time occupied for accounting process.
- Firm could condense the book keeping after automation
- With the help of IT documents transform to simple journal and ledger automatically. In other words book keeping is omitted and the accuracy of accounting become more precise.

ACCURACY

- Study reveals the occurrence of error is more compared to manual book keeping. This resembles the lack of technical skills of employees in IT.
- Employees are sure that frauds will be easily detected by the implementation of IT. It will reduce fraudulent activities.
- With the help of internet, data transfer made easy. This could reduce the cost of gathering information.
- With the help of accounting software, employees feel that accounting process made accurate and easy.

REPORTING

- Most of the accounting software has the ability to generate instant reports from the inputs. So it shortens the time for providing reports.
- The same software can generate special reports for higher level managers. It will reduce the time as well as increases the accuracy of report.

COST OF OPERATION

- Installation of computers and other accessories, frequent breakdown and maintenance of computers increased the hidden cost.
- Due to lack of technical skills in IT organisation is compelled to give training and it increases the hidden cost.

FLAWS IN AUTOMATION

- One of the drawbacks in automation is frequent break down of computers. It distresses the flow of work.
- Study reveals that organisation is well equipped to attend the system break down promptly.

OFFICE AUTOMATION

- Organisations are trying to cope with changes in the technology.
- Most of the organisations have more than 20 computers, which demonstrate the reduction of book keeping.
- Every firm have their own web sites which is requisite for client relationship.
- All the facilities like internet, website and PCs indicates increased level of Office Automation.

Majority of employees believes that the organisation have high level of Office Automation.

SUGGESTIONS

1. Organisation should give proper training to the employees in order to reduce occurrence of error in accounting process. Mistakes in input for the accounting software will lead to wrong interpretation of the data.
2. Organisation need to focus attention on maintenance of system and provide alternative in the system break down. System failure in the peak hour disrupts work and may the customers to switch over to other firms. Organisation should need instant technical support and alternative arrangement to maintain the system and avoid disruption in work.
3. Organisation should try to include first-hand techniques like extranet and other internal communication techniques for free flow of data and communication.
4. Organisation can make use of employees for other managerial and decision making purpose since they could save time in accounting process.
5. Paper suggests that use of IT in providing management reports will create accurate data. And managers can decide better by using this reports.

CONCLUSION

The results of paper show that information technology causes to decrease book keeping. Also, it causes to increase accuracy in accounting process, to shorten the time of providing reports, to decrease cost of gathering information, to improve reports in management accounting and to provide a background for executing techniques of costing. Information technology has affected on accountants they need to acquire new skills like as applied software's of accounting, excel and access. Also as decreasing book keeping and saving time of accountants, their participation was increased in the processes of planning, analysing management. Therefore, in according to mentioned results, it can be stated that if using information technology, it will be provided the better background for improving accounting profession and role-creating more suitable accountants in organizations.

LIMITATION OF THE STUDY

The study focuses on the responses of employees in auditing firms for the implementation of Information Technology in accounting related firms. The limitations of the present study are:

1. The study is restricted to auditing firms in Bangalore city and other firms who maintain accounts are not included in the study.
2. The data is collected from auditing firms in Bangalore city where business firms are located. Since transactions in such firms will be higher than semi-urban areas. This affects the result of the study.
3. Automation is driven by ever changing technology and the findings of the study are relevant with reference to the technological environment that is prevailing at the time of the study and it needs to be placed in proper perspective as newer upgaradtion takes place at rapid phase.
4. The results and the findings on the perception of Information Technology revealed through the study may have inherent variations depending on the depth of knowledge and exposure of employees towards Information technology.

SCOPE OF FURTHER RESEARCH

1. The study is based only on auditing firms located in Bangalore. A study can conduct for other cities also.
2. Study could be focused only on auditing firms. A study of impact of IT can conduct on other accounting related accounting firms.
3. A study could be conducted to know the volume of IT based frauds in accounting.

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EMOTIONAL INTELLIGENCE AND EMOTIONAL LABOR: AN EMPIRICAL STUDY ON ORGANIZED RETAIL SECTOR

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ABSTRACT

The concept of emotional labour was first coined by first coined by sociologist Arlie Russell Hochschild (1983), since then EL has become an increasing interested topic in service sector. In service sector, retail sector is in its formative years and growing in leaps and bounds. Retail sector, being part of service industry characterized by work roles which focuses on the interaction between service providers and customers, thus involves emotional labor. Emotional labour can be performed through three acting techniques: SA,DA and GA. In the present research paper only SA and DA technique of emotional labor are considered. The main purpose of this research is to examine the relationship between Emotional intelligence and the Emotional labour. To test the relationship, the data has been collected from organized retail houses situated in national capital region. For selecting organized retail houses, quota sampling and convenience sampling method are used whereas for selecting retail sector employees (respondents), random sampling method is used. The data has been collected through questionnaire which is constructed on the previous established scales. The Pearson's coefficient of correlation has been conducted to test the proposed hypothesis. The result indicated that an individual possessing high emotional trait will regulate emotions from inside out with great ease by indulging in deep acting technique of emotional labour and on the other hand an individual, low in emotional intelligence trait will regulate emotions from outside only by indulging in surface acting. The research analysis indicate that an organized retail house should pay attention to an individual characteristic while making selection, i.e. should select an individual who are high in emotional intelligence traits because he/ she would not feel drained out while regulating emotions as per the display standards of an organization.

KEYWORDS
emotional labour, surface acting, deep acting, genuine acting, emotional intelligence.

INTRODUCTION
"Now hiring smiling faces!"
"Friendly people wanted!"

By Kay Hei-Lin Chu (2002)

The role that emotions play in understanding the workplace phenomenon had been ignored in organizational. Initially, most researchers had a belief that emotions were all negative and in order to achieve good performance ,an organization had to be free from emotions(see for example Marsick, 1987; Simon, 1979; Taylor, 1911; Weber, 1946).The concept of emotional labour was first coined by first coined by sociologist Arlie Russell Hochschild (1983) .According to Hochschild(1983), Emotional display rules are certain standards with respect to employees behavior while interacting with customers and employees adjust their emotions to meet these specified standards. since then EL has become an increasing interested topic in service sector. Emotions can be regulated through techniques.

SURFACE ACTING

When an employee simulates emotions which are not actually felt, by manipulating his/her outward appearances (i.e., facial expression, gestures, or voice tone) while exhibiting required emotions then this type of acting process is called surface acting technique. Thus an employee by using the surface acting technique changes the outward expression of emotion by not altering his/her inner feelings so as to meet the displayed rules. In surface acting, an individual felt emotions are different from the required one.

DEEP ACTING

It happens when employee's emotions do not match the situation; then an employee uses his/her training or past experiences to display appropriate emotions. Unlike surface acting, deep acting involves altering inner feelings so as to display appropriate outward emotions. Hochschild (1983) classified deep acting as

(1) Exhorting feeling, whereby one keenly attempts to evoke or curb an emotion, and
(2) Trained imagination, whereby one actively call up thoughts, images, and memories to fetch the associated emotion (thinking of a wedding to feel happy or a funeral to feel sad).

GENUINE ACTING

Genuine acting refers to the genuinely expressed emotions, i.e. an individual need not to regulate his or her emotions because their felt emotions are same as the required ones. But it is significant to note that the genuine acting strategy is theoretically feasible because this technique of emotions regulation still requires some effort and it would be unfeasible to separate genuine acting measurement from the measurement of deep acting (Morris & Feldman, 1996). Kruml & Geddes, 2000a, described the genuine acting as passive deep acting. Thus, the present study considers deep acting and surface acting as the technique for manipulating emotional labour. and it also helps in augmenting satisfaction level of customers, immediate improvements in the sale level, gives continuous deals, and ultimately, enhances monetary profits (Hochschild, 1983; Rafaeli & Sutton, 1987; 1989).

REVIEW OF LITERATURE
C´eleste M. Brotheridge and Alicia A. Grandey (2002) conducted a study in which she compared two perspectives of emotional labor as predictors of burnout beyond the effects of negative affectivity: job-focused emotional labor (work demands regarding emotion expression) and employee focused emotional labor (regulation of feelings and emotional expression). It is found that the use of surface-level emotional labor, or faking, predicted depersonalization beyond the work demands. Perceiving the demand to exhibit positive emotions and using deep-level regulation are linked with a heightened sense of personal accomplishment, signifying positive benefits to this aspect of work.

EMOTIONAL LABOR

Celeste M. Brotheridge (2006) reviews the theoretical and empirical literature on emotions in the workplace and reveled that employees, depending on the nature of the emotional labour that is performed, it may result in increased emotional exhaustion, depersonalization, physical health, turnover, role ambiguity, and conflict, and reduced levels of personal accomplishment, job satisfaction, organizational commitment, and personal authenticity. Thus researcher recommends that individuals should find employment that fits with their personal emotional character, build up their personal resilience, and manage their emotions more consciously.

Stephen Brown (2010) did investigation on the effects of emotional labour on wellbeing. The results show that the management of natural emotion should be included as an emotional labour strategy and, along with deep acting, should be considered preferable to surface acting for the well-being of employees and for organisational outcomes such as turnover intention. Employers can assist employees by preparing employees for interactions and by ensuring adequate support

Elizabeth Levine Brown (2011) focused on the emotional labor involved in teaching. This study found that teachers performed emotional labor on the job despite teachers not knowing the emotional display rules required in their schools. Findings show that (a) teachers' emotional labor related to their knowledge of emotional display rules on the job, but this sample expressed that no explicit emotional display rules existed in their schools; (b) teachers' knowledge of emotional display rules can vary by district; and (c) teachers perform emotional labor through both surface acting and deep acting.

Abraham (2000) found that although EI is related to job satisfaction, this is moderated by the environmental characteristics like job control. Based on these results, it is not sufficient to hire emotionally intelligent employees and organizations must offer autonomy in decision making.

EMOTIONAL INTELLIGENCE

Wong and Law (2002) found the significant relationship between EI and job satisfaction and job performance. According to Patra (2004) EI can create a pleasant workplace and effect employees' job satisfaction and efficient management and organizational development.

Rozell, Pettijohn and Parker's (2004) did the research with the purpose to determine the relationships existing between customer-oriented selling, emotional intelligence and organizational commitment. The results indicate that a salesperson's customer-orientation level is significantly related to emotional intelligence and commitment.

Lisa Gardner (2005) systematically examined the relationship between EI and the occupational stress process, including stressors, strains (health), and outcomes of stress (job satisfaction and organisational commitment). In this study 320 employees of ten different public organizations (school/university, business consulting, insurance, manufacturing, and not-for-profit) from Melbourne and its surrounding suburbs participated. The study reveals employees who reported using EI are less likely to report feelings of stress, ill-health and lowered satisfaction and commitment.

Sy, Tram and O'Hara (2006) examined the relationships among employees' emotional intelligence, their manager's emotional intelligence, employees' job satisfaction and job performance for one hundred eighty seven food service employees from nine different locations of the same restaurant branches. The researchers found that the employees' emotional intelligence is positively associated with job satisfaction and performance. In addition, manager's emotional intelligence has a more positive correlation with job satisfaction for employees with low emotional intelligence than for those with high emotional intelligence.

Jamali, Sidani and Abu-Zaki (2008) empirically investigated variations in EI competency scores (self-awareness, self-regulation, self-motivation, social awareness and social skills) in a sample of employees and managers. The findings suggest differences in EI scores across different EI competencies for males and females. With males scoring higher on self-regulation and self-motivation and females scoring higher on self-awareness, empathy and social skills and that EI levels increase significantly with managerial position.

Kafetsios and Zampetakis (2008) examined the extent to which positive and negative affects at work mediate personality effect on job satisfaction by using the Wong-Law emotional intelligence scale. The result showed that in males, affect at work fully mediated the EI effect on job satisfaction. In addition, use of emotion and emotion regulation were significant independent predictors of affect at work.

Law and Wong (2008) explored the effect of EI on job performance among research and development scientists in the large computer companies in China. They assumed that the EI is a significant predictor of job performance beyond the effect of the general mental ability on job performance.

Cheung, Francis Yue-lok, Tang and Catherine So-kum (2009) investigated how emotional intelligence influence the use of emotional labor strategies at work. Results indicated that EI is a significant correlate for both deep acting and expression of naturally felt emotion.

Sang Hee Kim, (2010) focused on the Emotional Intelligence of salesperson's which is necessary to meet customer's needs/wants effectively and display positive emotions while interacting with the customers. The result shows that greater salespersons' emotional intelligence results in better adaptive selling and positive emotional expression. Such adaptive selling and positive emotional expression had significant effects on the quality of service perceived by customers.

Jahanvash Karim and Robert Weisz (July 2010) did a study with the purpose to explore (1) whether employees differing in emotional intelligence level would differ in their emotional labour styles and (2) whether these styles would mediate the impact of emotional labour on psychological distress. The results of this study indicated that (a) emotional intelligence was positively and significantly related to deep acting; (b) surface acting was positively and significantly related to psychological distress, and; (c) neither surface acting nor deep acting mediated the relationship between emotional intelligence and psychological distress.

Ghoniem, Khouly, Mohsen and Ibrahim (2011) examined the effect of emotional intelligence and gender on job satisfaction in three different governmental organizations in Egypt. The results have shown that emotional intelligence and gender could be used as a predictor of job satisfaction. In addition, respondents with high emotional intelligence are more satisfied with their job than a respondent with low EI.

Madiha Sahdat, Syed Imran Sajjad, Muhammad Umar Farooq and Kashif ur Rehman (2011) did a conceptual research on impact of Emotional Intelligence on Job Satisfaction**.** After reviewing the literature it has been analyzed that if the those employees knowing their own emotion and they are able to manage them they work more efficiently and productively Thus, research reveals that Emotional Intelligence is positively correlated with the job satisfaction.

NEED AND IMPORTANCE OF THE STUDY

Extensive research work on emotional labour in the industries Call Centre, real estate sales professionals, teaching, Mental Health Care, adventure tour, hospitals, Teaching, Police Officers, airline industry, Tourism Management, cellular services and banking sectors, physicians, coach and athlete has been done in foreign countries and very marginal work has been done in India. The present paper has made an attempt to study individual characteristics (Emotional Intelligence) with emotional labor in organized retail sector, with reference to national capital region. The present study has focused on organized retail sector because retail sector is in its formative years and growing in leaps and bounds. In today's scenario, when competition is so high, retail sector ensures not only "getting a job completed but also focuses on "how job is done". The company ensures that an employee is appropriately decked up with the expressions of seriousness, attitude and concern for the clients so as to match up with the display standards because the client do not separate interactive experience from the product. Thus, service quality is largely determined by employees‟ interactions with customers require that employees continuously manage and monitor their emotional responses during service transactions with clients. This management and manipulation of emotional responses, when paid and done for a wage, is called emotional labor (Hochschild, 1983). Hence, raises the interest of the research scholar.

STATEMENT OF PROBLEM

The purpose of the research paper is to explore the relationship between individual characteristic, i.e. emotional intelligence trait, and emotional labor. The present study investigates how an individual characteristic, i. e extroversion trait, affect the way people engage in executing emotional labour.

OBJECTIVES OF THE STUDY

The objective of the study is to find out the relationship between individual characteristic (emotional intelligence) and the emotional labor. The present paper focuses on the degree of manipulation that an employee uses to display the appropriate emotions. From the review of literature, it has been observed that an individual can perform emotional labour in any one of the two ways: surface acting and deep acting. (Hochschild ,1983). These two acting mechanisms vary in nature and requires different degree of manipulation. Thus, what makes an employee to choose deep acting (regulation of emotions from inside out) rather than surface acting (regulation from outside only) is the main objective of the present research. To answer this question, individual characteristic may be an important factor which will find out what acting technique (surface acting and deep acting) individuals tend to select during service interaction with the client.

HYPOTHESIS-EMOTIONAL INTELLIGENCE AND EMOTIONAL LABOUR

EMOTIONAL INTELLIGENCE

Emotional intelligence has been defined as the "ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and actions" (Salovey & Mayer, 1990, p. 185). In other terms, emotional intelligence can be broken down into three parts: appraisal and expression of emotion, regulation of emotion, and utilization of emotion (Mayer & Salovey, 1993; Schutte, Maulouff, Hall, Haggerty, Cooper, Golden, & Dornheim, 1998). It would be reasonable to argue that if an individual is high on emotional intelligence, which incorporates the use of emotional regulation strategies in its definition and measurement, then that individual would tend to use emotional regulation strategies for the purpose of an organization more often.

Dieffendorf and Gosserland (2003) suggested that the type of emotional regulation strategy that will be employed may be based on whether the emotional event that is occurring is anticipated or unexpected. Anticipated events, such as planning to confront an unruly customer in the lobby, are more likely to generate a deep acting strategy, On the other hand, unexpected emotional events, such as a customer approaching an employee with a complaint, would generate a surface acting strategy, as the emotional reaction may have already begun. Since emotionally intelligent people are better able to anticipate emotional events, they will be able to use the deep acting strategy more often, and not have to use surface acting as often as a less emotionally intelligent individual. Two hypotheses are proposed for empirical testing.

Hypothesis 1 a: There is no relationship between Emotional Intelligence and Deep acting method of Emotional Labor.

Hypothesis 1 b: There is no relationship between Emotional Intelligence and Surface acting method of Emotional Labor.

RESEARCH METHODOLOGY

Data for the analysis has collected through structured Questionnaire. The questionnaire is constructed on the previously established scales on Emotional Intelligence (Emotional Intelligence Scale by Wong &Law, 2002) and Emotional labor (Emotional labor scale by Brotheridge &Lee 1998) The present study has been conducted in the national capital region consisting of large number of organized retail outlets. It would be impracticable, if not impossible, to test, to interview or observe each unit of universe under controlled condition in order to arrive at principal having universal validity. Thus, relatively small number of retail houses have been selected from national capital region and analyzed in order to find out something about the entire universe from which it has been selected .In this study researcher has used quota sampling method and convenience sampling method (non –probability sampling method) for selecting organized retail houses from national capital region .The data has been collected from 20 organized retail houses from national capital region with the sample of 500 employees ,working in theses organized retail houses at the designation of managers and non-managers (cashiers and team members).The data so collected has been analyzed by implementing descriptive statistical tools(mean. standard deviation and Pearson's coefficient of correlation)

RESULT AND DISCUSSIONS

In hypothesis, it is postulated that there is no relationship between Emotional intelligence and deep acting method of emotional labor. To test the hypothesis, Pearson's coefficient of correlation is conducted. After analyzing the data, collected from the sample of 500 respondents ,the Pearson's coefficient of correlation of Deep acting and Emotional Intelligence comes out to be r=0.20 (Table 1.1).The analysis indicates that there is a positive correlation between Deep acting and Emotional Intelligence as far as the present sample is concerned .Therefore, the null hypothesis i.e. there is no relationship between deep acting and emotional intelligence, is rejected. From the analysis, it can be concluded that an employee high in emotional intelligence regulates his or her emotions with greater ease and effectiveness from inside out by indulging in deep acting technique of emotional labour.

TABLE 1.1: DESCRIPTIVE STATISTICS AND INTERNAL CONSISTENCY RELIABILITY FOR EMOTIONAL INTELLIGENCE AND DEEP ACTING OF EMOTIONAL LABOUR

Variable / Descriptive Statistics	Emotional Intelligence (EI)	Deep Acting (DA)
No. of Respondents	500	500
Internal consistency reliability	0.94	0.89
Mean	81.046	12.29
Standard Deviation	10	2
Correlation EI and DA	0.20	

Hypothesis 1b proposes that there is no relationship between Emotional intelligence and Surface acting method of emotional labor. The hypothesis is tested through Pearson's coefficient of correlation. The Pearson's coefficient of correlation between Surface acting and Emotional Intelligence comes out to be r= -0.09 (Table 1.2) for the selected sample. The result of the analysis indicates that there is a negative correlation between Surface acting and Emotional Intelligence as far as the present sample is concerned. The analysis does not support the hypothesis, therefore the null hypothesis i.e. there is no relationship between surface acting and emotional intelligence, is rejected. From the analysis, it can be concluded that an employee low in emotional intelligence trait will regulate his/her emotions from the outside only by indulging in surface acting of emotional labour

TABLE 1.2 DESCRIPTIVE STATISTICS AND INTERNAL CONSISTENCY RELIABILITY FOR EMOTIONAL INTELLIGENCE AND SURFACE ACTING METHOD OF EMOTIONAL LABOUR

Variable / Descriptive Statistics	Emotional Intelligence (EI)	Surface Acting (SA)
No. of Respondents	500	500
Internal consistency reliability	0.94	0.86
Mean	81.046	8.59
Standard Deviation	10	4
Correlation EI and SA	- 0.09	

FINDINGS

Hypothesis 1 (a) and Hypothesis 1 (b) results analysis indicate that emotional intelligence is positively correlated with deep acting and negatively with the surface acting. Therefore, an individual, with elevated levels of emotional intelligence are better able to regulate their emotions to meet organizational display rules. This hypothesis result is consistent in terms of deep acting with Totter dell and Holman (2003) observation, Totter dell and Holman (2003) who found a significant relationship between emotional intelligence and the deep acting component of emotional labor. This finding has interesting implication in the selection process of service employees i.e employers would hire those potential employees who have high level of emotional intelligence because it appears to contribute to employee Job Satisfaction in the service context.

RECOMMENDATIONS

The present study has found significant relationship between personality characteristic (emotional intelligence) and emotional labor indicating that individuals with certain dispositions are more likely to engage in deep acting. Individuals who are high in emotional intelligence trait, reported higher levels of deep acting. Similar patterns of relationships are also found for outcomes of emotional labor. Employees with high levels of deep acting reported high levels of job satisfaction. Thus, these findings recommend that selecting an individual who is predisposed to display (express) positive emotions and experience positive feelings may prove beneficial for both organizational and employee well- being. Putting into practice personality tests or interviews in selection processes may be helpful for maintaining person- job fit.

CONCLUSIONS

It is hoped that this study will provide a better understanding of how employees perform emotional labor and how this labor should be measured statistically. The findings of the study will contribute not only in literature of emotional labor but also but also to the retail sector by making organized retail industry aware of their employee's emotional contribution to the organization's performance. Retail industry should take emotional labor seriously since it influences customer contentment, customer loyalty, and eventually, financial performance of the organizational. Emotional labor deserves researchers' attention. Service industry employees, who perform emotional labor, deserve the public's respect and should be paid nicely.

LIMITATIONS OF THE STUDY

Research being a never ending process makes the ground for more researches. The findings and limitations of any study may be the starting point for another research. Firstly, the number of organized retail houses selected for the analysis from the national capital region are small because of shortage of time. Secondly, lack of willingness to fill up the questionnaire by the respondents because of their busy schedules, posed the greatest challenge. Last but not the least, statistical tools used in the study too have their inherent limitations, the descriptive statistics used are mean, standard deviation and Pearson's of coefficient of correlation. Some elements of inaccuracy might have crept in because of misinterpretation of the questions on the part of the respondents

SCOPE FOR FURTHER RESEARCH

For future research, there is a need to categorize the organized retail sector for more precise analysis. As different organized retail sector has different display rules, therefore more samples of organized retail sector should be taken. The future research should take more individual characteristics so as to study relationship between dispositional antecedents and emotional labor. This study concentrated only on the antecedents of emotional labor, future researcher should investigate the consequences of emotional labor.

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A STUDY ON SWOT ANALYSIS WITH SPECIAL REFERENCE TO PERSONNEL MANAGEMENT IN AUROFOOD LTD., PUTHUCHERRY

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ABSTRACT
A set of attributes specific to a particular organisation that may be induced from the way that organisation deals with its members and its environment. For the individual members within the organization, climate takes the form of a set of attitudes and expectancies which describe the organisation in terms of both static characteristics and behaviour outcome and outcome-outcome contingencies. Workers' participation in decision making is a good concept for better organizational climate. Hence it is the ideal time for the management to think over in this line.

KEYWORDS
personal management, Aurofood Ltd.

INTRODUCTION
Mankind experiences various evolutionary changes from primitive times to the present day. However man's problems are many in number and are very complicate by nature today. Man's economic activity centers primarily on production. Infact, workers are human beings capable of holding responsibilities, extending co-operation and achieving objectives. They are having their own attributes and aspirations, which, if handled properly lead to the success of industrial work and growth of the economy.

PROBLEM OF THE STUDY
SWOT is an acronym for the internal strengths and weaknesses of a business and environmental opportunities and threats facing that business. SWOT analysis is a systematic identification of these factors and the strategy that reflects the best match between them. It is based on the logic that an effective strategy maximizes a business's strengths and opportunities but at the same time minimizes its weaknesses and threats. This simple assumption if accurately applied, has powerful implications for successfully choosing and designing an effective strategy. Under these circumstances, it was necessary to find out the SWOT analysis to personnel department of Aurofood Ltd., Pondichery and the satisfaction of the employees towards these measures.

OBJECTIVES OF THE STUDY
1. To find out the SWOT analysis to personnel department of Aurofood Ltd., Puthuchery.
2. To assess the satisfaction of employees on Health, Safety and Welfare measures provided by the company.
3. To identify the satisfaction level of the workers with regard to their working conditions.
4. To offer suggestions for improving the strength and opportunities and reduce the weakness and threats in the study unit.

METHODOLOGY
Survey method was followed and Aurofood Ltd., Puthuchery was taken as the study unit. Both primary and secondary data were used for this study. Secondary data were collected from the books, magazines and from annual reports and records of the study unit.
For collecting primary data, a questionnaire schedule was prepared and administered among the non-supervisory employees of the study unit.

SAMPLING
Stratified random sampling technique was adopted for selecting the respondents. The total non-supervisory employees of different departments of Aurofood Ltd., Puthuchery were 250.
A sample of 30 employees from each of the five departments was drawn irrespective of the proportion of workers in such department. Thus sample of 150 respondents was selected for the study.

ORIGIN OF THE COMPANY
Aurofood has grown consistently in the past starting with just a small Floor Study unit in 1970. Today this Rs.100 Crore multi-divisional, multi-product organization is a landmark on the Tindivanam – Puthuchery Highway with one of the largest integrated food processing complexes in India. The complex comprises of Flour Study unit, Biscuit, Wafer Plants and Pasta (Vermicelli) Plant. Added to this is the Edible Oil Refinery situated at Thirubhuvanai in Puthuchery.
In late sixties, Aurofood was started by Sri. Manibhai Patel, a first general entrepreneur, when he returned from Kenya in 1965. The main architect, Sri. Manibhai Patel was attracted to India by the Teachings and Philosophy of The Mother of Sri Aurobindo Ashram. With his entrepreneurial skill, he set up this manufacturing complex.

OPINION ABOUT OVERALL MANAGEMENT
The opinion of the workers about overall management of the company is asked and analysed in table 1.

TABLE 1: OPINION ABOUT OVERALL MANAGEMENT

Opinion	No. of Respondents	%
Highly satisfied	24	16
Satisfied	33	22
Moderately satisfied	78	52
Dissatisfied	15	10
Highly dissatisfied	0	0
Total	**150**	**100**

Source: Primary data.

From table 1 it is clear that all the workers in the company appreciate the present management setup. No one is dissatisfied or finds fault with the management of the company. The existing organizational pattern may be allowed to continue as it is approved and appreciated by almost all the workers.

SWOT ANALYSIS

The strengths and Weaknesses of the company identified through the satisfaction level of health, safety and welfare measures taken by the company are enlisted in the table 2.

TABLE 2: STRENGTH AND WEAKNESS OF THE COMPANY

STRENGTHS	WEAKNESSES
1. High satisfaction of the workers	1. No workers participation in the decision making
2. Conducive work environment	2. Wide gap between supervisors and workers
3. Favourable organizational climate	3. Poor transport facilities
4. Cordial relationship between management and workers	4. Inadequate rest room and canteen facilities
5. Effective training programme	5. Lack of immediate medical facilities
6. Acceptable appraisal methods	

Source: compiled by the researcher

The SWOT analysis reveals that even though the company has certain weaknesses like No workers participation in decision making, wide gap between supervisor and workers, lack of medical immediate medical facilities, etc., still it is bestowed with some strengths like conducive work environment, favourable organizational climate, effective training programme, etc., by which it can overcome such weaknesses.

The factors threatening the study unit and the opportunities available to it to meet out such threats are enlisted in the table 3.

TABLE 3: THREATS AND OPPORTUNITIES OF COMPANY

THREATS	OPPORTUNITIES
1. Competition	1. High morale
2. Increasing cost on labour welfare measures	2. Effective recruitment and training
3. Trade union problem	3. Participation in management
4. Resistance to organizational change	4. Increased production with cost reduction
5. High labour ternover	5. Positive motivation in terms of both monetary and non-monetary

Source: compiled by the researcher

From table 3 it can be understood that there are some threats to the company in the form of competition, increasing cost on labour welfare measures, trade union problem, resistance to organizational change, high labour turnover, etc., It is also true that some very good opportunities are also open to the company. High morale, effective recruitment and training programme, participation in management, increased production with cost reduction, positive motivation in terms of both monetary and non-monetary is such opportunities.

To sum up the labour welfare operations of the company is not commendable since it has failed in many aspects of its operations. Therefore the labour welfare operations of the company is effective and efficient. The company to achieve its organizational goals.

FINDINGS

- All the workers in the company appreciate the present management setup. No one is dissatisfied or finds fault with the management of the company. The existing organizational pattern may be allowed to continue as it is approved and appreciated by almost all the workers.
- The SWOT analysis reveals that even though the company has certain weaknesses like No workers participation in decision making, wide gap between supervisor and workers, lack of medical immediate medical facilities, etc., still it is bestowed with some strengths like conducive work environment, favourable organizational climate, effective training programme, etc., by which it can overcome such weaknesses.
- There are some threats to the company in the form of competition, increasing cost on labour welfare measures, trade union problem, resistance to organizational change, high labour turnover, etc., It is also true that some very good opportunities are also open to the company. High morale, effective recruitment and training programme, participation in management, increased production with cost reduction, positive motivation in terms of both monetary and non-monetary is such opportunities.

SUGGESTIONS

The following are the suggestions offered to the company for developing a better organizational climate.

- It is the responsibility of the company to prevent Health hazards. There fore steps may be taken to maintain and improve the health measures.
- The degree of satisfaction over safety measures demands further improvements in it. There fore necessary steps may be taken to improve the quantity and quality of safety measures in the factory.
- The human resource development department should pay more attention to-wards work- load. It should be ensured that no worker should be asked to work more as over work- load will result in fatigue, carelessness, accidents and other unpleasant problems.
- The quality and quantity of food items offered at the canteen be improved to give maximum satisfaction to the workers.
- The supervisors can still be flexible to encourage the workers to improve their morale and productivity.
- Purified, Hot and Cool water may be made available to workers.

CONCLUSION

Now a days it is quite difficult for a manufacturing enterprise to satisfy it workers in terms of Health, safety and welfare facilities as the modern world in changing fastly and these facilities are also changing accordingly. Yet the Aurofood Ltd., is successful in its attempt, as it has satisfied all its workers in all these areas. It cannot be denied that there is a visible difference in the degree of satisfaction level. It denotes some modification in the existing facilities or systems. No doubt the workers are satisfied with the existing condition still they expect some thing more, something modern. If the management takes necessary steps to fulfill the expectation of its workers it will definitely be a nourishment to the existing organizational climate which in turn will pay rich dividends in terms of efficiency and productivity. The organizational climate will be shifted to the status of better from good, if the workers were allowed to participate in the management, which is their prime expectation. Workers' participation in decision making is a good concept for better organizational climate. Hence it is the ideal time for the management to think over in this line.

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IMPORTANCE OF PERFORMANCE APPRAISAL AND ITS EVALUATION PARAMETERS OF EMPLOYEES IN INSURANCE COMPANIES

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ABSTRACT
Insurance industry is part of immune and repair systems of an economy. Successful operation of the industry sets impetus for other industries and development of an economy. Performance appraisal is important for employees at all levels through the organization. The parameters and standards for evaluation and improve efficiency of employees in Insurance Companies. The performance appraisal has become the heart of human resource management system in the organization. It is measures the performance of the employees and organization as a whole. This article focuses on performance appraisal system in insurance companies in general, based on the importance of performance appraisal in service organizations. Identifying the managerial practices and measures, those make employees effective and efficient in insurance companies, are the essence of this article. Right from strategy formulation to evaluation of performance of employee units, various aspects of performance appraisal are covered in this article. It is theoretical attempt to suggest key performance appraisal indicators and success factors for performance appraisal in insurance companies.

KEYWORDS
performance appraisal, performance appraisal parameters, importance, employee performance and Insurance Companies.

1. INTRODUCTION
Wherever there is uncertainty there is risk. We do not have any control over uncertainties which involves financial losses. The risks may be certain events like death, pension, retirement or uncertain events like theft, fire, accident, etc. Insurance is a financial service for collecting the savings of the public and providing them with risk coverage. The main function of Insurance is to provide protection against the possible chances of generating losses. It eliminates worries and miseries of losses by destruction of property and death. It also provides capital to the society as the funds accumulated are invested in productive heads. Insurance comes under the service sector and while employee participation[1].

The Insurance industry in India has seen an array of changes in the past one decade .The economic scenario which emerged after globalization, privatization and liberalization has thrown a new challenge before the insurance sector. Insurance, essentially in an arrangement where the losses experienced by a few one extended over several that are exposed to similar risks. Insurance is a protection against financial losses arising on the happenings of an unexpected event. Insurance companies collect premium to provide security for the purpose. In simple words it is spreading of risks among many people[2].

Performance appraisal system was started as a method for the justification of salary and wages. Every organization desires to develop a performance appraisal system, where sales force dominated there is evaluation practices for employees for improve work efficiency. Especially in insurance companies based on tasks, targets, product through employees for achieving organization goals. Insurance companies which consists of an established procedure for evaluating the work of employees on a regular basis such as daily meeting, on the job training, target evaluation, discussion with higher authority people. Most Insurance companies' appraisal system serves not only to determine how well an employee is working at his job, but also to decide on the ways to improve his performance. It describes the general policies and factors for the administration of performance in an organization. Companies' appraisal program is a combination of specific procedures, methods, and requirements for rating performance.

Insurance Companies Appraisal system Provides executive an opportunity to recall as well as feedback to people as to how they are doing so that they can correct their mistake and acquire new skill for reach targets and increase the sales force. Performance appraisal is actually an evaluation and acknowledgement of an employee's performance of given responsibilities and accountabilities in insurance companies. Evaluation and assessment is based on outcomes got by the employees' profession, not on the employee's personality features. The appraisal measures expertise and treated as a permanent developing advancement to accomplishments of employees with rational accuracy and equality. Appraisals are one of the utmost problematic Appraisals frequently record a valuation of an employees and challenging modules of human resource management. Appraisals are responsible for a familiar, standard, verified and an outline for potential and possible development. In diminutive, appraisal systems and profession decision are important for management.

2. REVIEW OF LITERATURE
Rohan Singh, Madhumita Mohanty, Mohanty. A.K (2013)[3] in their research article evaluates about Performance appraisal practices in Indian service and manufacturing sector organizations. they were discuss performance appraisal has become a essential requirement of every organization to properly evaluate the performance of employees. In a lot of organizations, rarely is an effort made to discuss with its work force as to whether expected results, as predetermined, were met, exceeded or not. Today's employees want to know not only how they fit in with the targets of the organization for which they work but also what aspects of self-improvement is needed in their performance. The existing relationship between performance appraisal and employee performance in service and manufacturing sectors, which was the objective of this study was met and the variance have been projected. Performance appraisal has a important role to play on employee performance. Conducting periodical review of workforce performance by organizations has become a fundamental requirement which will help to shrink the gap between employee performance and successful attainment of its objectives.

Michael A. Akinbowale, Melanie E. Lourens, Dinesh C. Jinabhai (2013)[4] in their article assessment about role of performance appraisal policy and its effects on employee performance in organization. However, effective performance appraisal policy remains a practical challenge to managers and employees because of cognitive, motivational and behavioral factors. At an organizational level, the performance appraisal policy impacts other human resources policies as well as organizational strategy. Authors mainly discuss and make view on the effectiveness of an organization's performance appraisal policy is a prerequisite for ensuring the success of its selection, training and employee performance. At a strategic level, the need for rapid and effective organizational changes in today's dynamic social, economic and political environment requires that employees continually re-align their performance with the evolving goals and objectives of the organization. The need to continually re-align employee performance characterizes many organizational units which continue to struggle with getting their employees to embrace the philosophy and practices that are geared at enhance employee performance.

Muhammad Faseeh ullah khan (2013)[5] in his research article explained regarding Role of Performance Appraisal System on Employees Motivation. In many organizations, reward decisions depend on subjective performance evaluations. However, evaluating an employee's performance is often difficult. In this paper, he was developing a model in which the employee is uncertain about his own performance and about the manager's ability to assess him. The manager gives an employee a performance appraisal with a view of affecting the employee's self perception, and the employee's perception of the manager's ability to assess performance. Research author examine how performance appraisals affect the employee's future performance. The predictions of model are consistent with various empirical findings. These comprise (i) the observation that managers tend to give positive appraisals, (ii) the finding that on average positive appraisals motivate more than negative appraisals, and (iii) the observation that the effects of appraisals depend on the employee's perception of the manager's ability to assess performance accurately.

Liza Estino Daoanis (2012)[6] in his article explored about Performance appraisal system: It's Implication to Employee Performance in organization. Researcher discussed outcome of that massive adoption was the recognition and understanding of the dependency between accuracy, effectiveness, quality of the Performance Appraisal Process and organizational human resource development. he evaluate concept of Performance appraisal is very important within an organization that will help to evaluate the staff according to their tasks in order to ensure they conduct their job at a required standard which will effect on the compensation. In addition, it's significant to identify their skills, performance and to know there weakness and how to improve it within the department target. He suggest in his study appraisal system should be up-to- date with the improvement of the company and to satisfy the company goals.

Chris Obisi (2011)[7] in their article analyze concept of employee performance appraisal and its implication for individual and organizational growth. Organizations should stop giving less attention to the evaluation of their employees and recognize that organizational training needs can only be identified from performance appraisal outcomes. It is an invaluable tool but in the hands of human resource management officers to continuously evaluates and audits the performance of its employees in other to help organizations win competitive advantage. And also suggest a major issue in performance appraisal is communication. If one's performance is not communicated to him or her, there would be no way the person's performance would improve in the subsequent future, which would definitely defeat the purpose of performance appraisal. In an industrial organization, if a supervisor fails to communicate to his subordinate in terms of strengths and weaknesses, the subordinate's future performance would be in jeopardy. In a university system, the heads of departments, should communicate the performance of their subordinates to them at the end of every appraisal exercise and discuss the outcome of the appraisal exercise with the subordinates during performance counseling exercise in order to improve their performance in the future.

S.LAVANYA[8] in her research article discussed the study —Effectiveness of Performance Appraisal system in Insurance Sector concludes that performance appraisal system is the most important tool for an organization. There are various methods which are used by the organization to appraise the Performance of their employees. Performance appraisal increases the motivation level of the employees. They can be effectively used for planning purposes and to identify the problems and obstacles affecting employee's performance. Every organization has its own performance appraisal methods which are designed to evaluate the performance of employees in an organization. It also identifies the training and developmental needs. It serve not only to determine how well an employee is does his or her job but also to decide the ways to improve the performance. Through this system, employees are motivated to work efficiently and effectively organization. Appraisal help to create a system of motivation and rewards based on performance.

3. OBJECTIVES OF THE STUDY

Performance appraisal is not only evaluate employees it is also use some parameters, tools and methods for enhance employee performance, increase organization productivity and also increase individual targets in insurance companies.

1) To know performance appraisal and its evaluation parameters of employees in organization
2) To study importance and purpose of performance appraisal in organization
3) To evaluate overall performance appraisal in insurance companies
4) To explain theoretical concept of performance appraisal process in organization

4. CONCEPT OF PERFORMANCE APPRAISAL

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development.

MEANING AND DEFINITION

Performance appraisal is the process of obtaining, analyzing and recording information about the relative worth of an employee. The focus of the performance appraisal is measuring, evaluation and improving the actual performance of an employee and also the future potential of the employee.

According to Flippo, a prominent personality in the field of Human resources, "performance appraisal is the systematic, periodic and an impartial rating of an employee's excellence in the matters pertaining to his present job and his potential for a better job." Performance appraisal is a systematic way of reviewing and assessing the performance of an employee during a given period of time and planning for his future[9].

It is a powerful tool to calibrate, refine and reward the performance of the employee. It helps to analyze employee achievements and evaluate his contribution towards the achievements of the overall organizational goals.

5. OBJECTIVE OF PERFORMANCE APPRAISAL

The main objective of performance appraisals is to measure and improve the performance of employees and increase their future potential and value to the company. Other objectives include providing feedback, improving communication, understanding training needs, clarifying roles and responsibilities and determining how to allocate rewards.

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

1. The supervisors measure the pay of employees and compare it with targets and plans.
2. The supervisor analyses the factors behind work performances of employees.
3. The employers are in position to guide the employees for a better performance.

An objective performance appraisal system should emphasize individual and insurance company's objective and also mutual objective. From the point of individual objective the performance appraisal such as

1) To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
2) To identify the strengths and weaknesses of employees to place right men on right job.
3) To maintain and assess the potential present in a person for further growth and development.
4) To provide a feedback to employees regarding their performance and related status.
5) To provide a feedback to employees regarding their performance and related status.
6) It serves as a basis for influencing working habits of the employees.
7) To review and retain the promotional and other training programmes[()].

From the organizational view point, a performance appraisal should generate manpower information, improve efficiency and effectiveness, serves as mechanism of control and provide a rational compensation structure. In short, the appraisal system establishes and upholds the principle of accountability in the absence of which organization failure is the only possible outcome.

In general, the main objective of performance appraisal is to measure and improve the performance of employee and increase their future potential and value to the company. other objective include providing feedback, improve communication, understanding training needs, clarifying roles and responsibilities and determining how to allocate rewards. These are discussed as under

Measuring and improving performance: the main objective performance appraisal is to measure and improve the performance of employees and increase their future potential and value to the company.

Provide feedback: the feedback received by the employee can be helpful in many ways. It gives insight to how supervisors value your performance, highlights the gap between actual and desired performance and diagnoses strengths and weaknesses as well as shows area for improvement.

Improve communication: the method of performance appraisal helps superior strengthen relationship and improve communication with employees.

Training needs: These appraisals also identified the necessary training and development the needs to close the gap between current performance and desired performance.

Clarity of expectation: performance appraisal should clarify roles, responsibilities and expectation of all employees.

Allocate rewards: performance appraisal reduce employee grievances by clearly documenting the criteria used to make organizational decision such as promotion, raises or salary hikes, etc.

6. ADVANTAGES OF PERFORMANCE APPRAISAL

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

1) **Promotion:** Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.
2) **Compensation:** Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which include bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.
3) **Employees Development:** The systematic procedure of performance appraisal helps the supervisors to frame training policies and programmes. It helps to analyze strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programmes.
4) **Selection Validation:** Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.
5) **Communication:** For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:
   a. Through performance appraisal, the employers can understand and accept skills of subordinates.
   b. The subordinates can also understand and create a trust and confidence in superiors.
   c. It also helps in maintaining cordial and congenial labour management relationship.
   d. It develops the spirit of work and boosts the morale of employees.
   e. All the above factors ensure effective communication.
6) **Motivation:** Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future[10].

7. IMPORTANCE OF PERFORMANCE APPRAISAL IN INSURANCE COMPANIES

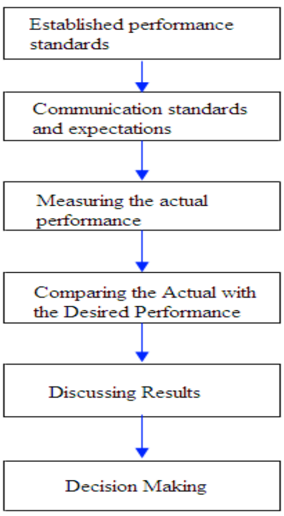
Performance appraisal provides important and useful information for the assessment of employee's skill, knowledge, ability and overall job performance. The following are the points which indicate the importance of performance appraisal in Insurance Companies:

1) Performance appraisal helps supervisors to assess the work performance of their subordinates.
2) Performance appraisal helps to assess the training and development needs of employees.
3) Performance appraisal provides grounds for employees to correct their mistakes, and it also provides proper guidance and criticism for employee's development.
4) Performance appraisal provides reward for better performance.
5) Performance appraisal helps to improve the communication system of the organization
6) Performance appraisal evaluates whether human resource programs being implemented in the organization have been effective.
7) Performance appraisal helps to prepare pay structure for each employee working in the organization.
8) Performance appraisal helps to review the potentiality of employees so that their future capability is anticipated[11].

8. PROCESS OF PERFORMANCE APPRAISAL

A performance appraisal or performance review, is a formal interaction between an employee and manager. This is when the performance of the employee is assessed and discussed in thorough detail, with the manager communicating the weaknesses and strengths observed in the employee and also identifying opportunities for the employee to develop professionally.

FIG. 1



1) ESTABLISHING PERFORMANCE STANDARDS

In this Insurance Companies use as the base to compare the actual performance of the employees for enhance employee performance. In this step Insurance Companies requires to set the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. If employee doesn't come up to expectance, then it should be taken extra care for it. Insurance Companies set standards for enhance employee performance for achieve organizational goal.

2) COMMUNICATING THE STANDARDS

It is the responsibility of the management to communicate the standards to all the employees of the organization. The employees should be informed and the standards should be clearly explained. This will help them to understand their roles and to know what exactly is expected from them.

3) MEASURING THE ACTUAL PERFORMANCE

The most difficult part of the performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time. It is a nonstop process which involves monitors the performance all over the year. This stage requires the watchful selection of the suitable techniques of measurement, taking care that individual bias does not affect the outcome of the process and providing assistance rather than interfering in an employees work.

4) COMPARING THE ACTUAL WITH THE DESIRED PERFORMANCE

In this the actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance.

5) DISCUSSING RESULTS

The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an effect on the employees' future performance. The purpose of the meeting should be to solve the problems faced and motivate the employees to perform better.

6) DECISION MAKING

The last step of the process is to take decisions which can be taken either to improve the performance of the employees, take the required corrective actions, or the related HR decisions like rewards, promotions, demotions, transfers etc[12].

9. PARAMETERS OF EMPLOYEE EVALUATION IN INSURANCE COMPANIES

Numerous methods have been devised to measure the quantity and quality of performance appraisals in Insurance Companies. Each of the methods is effective for some purposes for some service sector like Insurance Companies only. None should be dismissed or accepted as appropriate except as they relate to the particular needs of the organization and an employee.

PAST ORIENTED METHODS

ESSAY APPRAISAL METHOD

This traditional form of appraisal, also known as "Free Form method" involves a description of the performance of an employee by his superior. The description is an evaluation of the performance of any individual based on the facts and often includes examples and evidences to support the information. A major drawback of the method is the inseparability of the bias of the evaluator.

STRAIGHT RANKING METHOD

This is one of the oldest and simplest techniques of performance appraisal. In this method, the appraiser ranks the employees from the best to the poorest on the basis of their overall performance. It is quite useful for a comparative evaluation.

PAIRED COMPARISON METHOD

A better technique of comparison than the straight ranking method, this method compares each employee with all others in the group, one at a time. After all the comparisons on the basis of the overall comparisons, the employees are given the final rankings.

CRITICAL INCIDENTS METHOD

In this method of Performance appraisal, the evaluator rates the employee on the basis of critical events and how the employee behaved during those incidents. It includes both negative and positive points. The drawback of this method is that the supervisor has to note down the critical incidents and the employee behaviour as and when they occur.

FIELD REVIEW

In this method, a senior member of the HR department or a training officer discusses and interviews the supervisors to evaluate and rate their respective subordinates. A major drawback of this method is that it is a very time consuming method. But this method helps to reduce the superiors' personal bias.

CHECKLIST METHOD

The rate is given a checklist of the descriptions of the behaviour of the employees on job. The checklist contains a list of statements on the basis of which the rater describes the on the job performance of the employees.

GRAPHIC RATING SCALE

In this method, an employee's quality and quantity of work is assessed in a graphic scale indicating different degrees of a particular trait. The factors taken into consideration include both the personal characteristics and characteristics related to the on the job performance of the employees. For example a trait like Job Knowledge may be judged on the range of average, above average, outstanding or unsatisfactory.

FORCED DISTRIBUTION

To eliminate the element of bias from the rater's ratings, the evaluator is asked to distribute the employees in some fixed categories of ratings like on a normal distribution curve. The rater chooses the appropriate fit for the categories on his own discretion[13].

FUTURE ORIENTED METHODS

MANAGEMENT BY OBJECTIVES

It means management by objectives and the performance is rated against the achievement of objectives stated by the management. MBO process goes as under. MBO represents a modern method of evaluating the performance of personnel. Thoughtful managers have become increasingly aware that the traditional performance appraisal systems are characterized by somewhat antagonistic judgments on the part of the rater. There is a growing feeling nowadays that it is better to make the superior work with subordinates to exercise self control over their performance behavior. MBO thus represents more than an evaluation programme and process.

- Establish goals and desired outcomes for each subordinate
- Setting performance standards
- Comparison of actual goals with goals attained by the employee
- Establish new goals and new strategies for goals not achieved in previous year.

PSYCHOLOGICAL APPRAISALS

These appraisals are more directed to assess employees' potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. This approach is slow and costly and may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depends upon the skills of psychologists who perform the evaluation.

ASSESSMENT CENTERS

This technique was first developed in USA and UK in 1943. An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assesses are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance in actual job. The characteristics assessed in assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity and mental alertness etc.

360-DEGREE FEEDBACK

It is a technique which is systematic collection of performance data on an individual group, derived from a number of stakeholders like immediate supervisors, team members, customers, peers and self. In fact anyone who has useful information on how an employee does a job may be one of the appraisers. This technique is highly useful in terms of broader perspective, greater self-development and multi-source feedback is useful. 360-degree appraisals are useful to measure inter-personal skills, customer satisfaction and team building skills. However on the negative side, receiving feedback from multiple sources can be intimidating, threatening etc. Multiple raters may be less adept at providing balanced and objective feedback[14].

10. CONCLUSION

The main purpose of explaining concept of performance appraisal in this research work is to identify the importance of performance appraisal of employees including significance, objective, importance, process of performance appraisal in organization. The study reveals that performance appraisal helps to employees for achieve organizational objective and increase individual performance. The performance appraisal is important for every employees and organization. The parameters, the characteristics and the standards for evaluation are different but the fundamentals of performance appraisal are the same. Insurance Companies should adopt behavioural performance appraisal system and management by objectives as the appraisal systems were found to be conceptually significant in influencing employee's relationship and improving employee's productivity. The company's management should therefore utilized targets, accomplishments, organization goals, employees management and efficiency for performance measure purposes and the appraisal process as this would lead to increased in employee's productivity and organizational goals.

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EVALUATION OF EQUITY FINANCE OPTION AND PERFORMANCE OF COOPERATIVE BUSINESS ENTERPRISES IN NJIKOKA LOCAL GOVERNMENT AREA OF ANAMBRA STATE

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ABSTRACT

Cooperative societies must be competitive like any other businesses irrespective of its purpose and role. The study examined the possible strategies of financing cooperative business enterprises in Njikoka Local Government Area of Anambra State. The questionnaires were randomly distributed, but it was only 47 questionnaires that were duly filled and returned. The findings from the result revealed that the level (amount in Naira) of equity finance in cooperatives are relatively .inadequate; and there are other equity finance strategies (options) available to cooperatives but these cooperatives societies lack the capacity to access these other strategies of equity finance. In a bid to strengthen cooperative ability in accessing other strategies of equity finance option, the researcher recommend that the management committee members should make their business enterprises to be more attractive which will encourage new member to join the cooperatives society also it will encourage the existing members to invest more in the cooperative society.

KEYWORDS
equity finance, cooperative business enterprises, performance.

INTRODUCTION

Cooperative is a business model where members jointly owned a business and democratically controlled such business for the collective interest and benefits of every member. International Cooperative Alliance cited in Onyima and Okoro 92008) defined cooperative as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through jointly and democratically; enterprise. Lund (2013) agreed that, in cooperative, only participants who have met the requirements for membership are allowed to be owners, and cooperative operates on the principle of one member one vote, as control is allocated evenly among the users of the cooperative without regard to how much money each member have invested. Therefore, member ownership in cooperative in tagged with the equity capital provided or contributed by its members. Cooperative business model is unique, but still subjected to the principles of business finance, business management, and economics. Cooperative must be managed as business that can compete in a capitalistic-market economy (Boland, 2013). So, in order is competitive, cooperative needed capital, to cover operating cost, to acquire necessary assets, for expansion and growth. As such, capital needed can be sourced from through both debt capital sources and equity capital sources. In this context, this study is much concerned with equity sources which are also referred to as risk capital or owner's, fund. In the view of Kenkel (2014), equity is the net worth of the cooperative and it represents the members ownership interest in the total assets of the cooperative society, and this appears on the cooperative balance sheet as; Equity = Total assets - Total liabilities. Kenkel further stated that, equity is the cushion fund that increases or decreases; with-the, profitability of the cooperative which also allows the membership to have more control and flexibility in determining how the cooperative is operated and finance.

The challenges confronting cooperative business enterprise in Njikoka Local Government Area is how to meet up such criteria. 'Such challenges ranging from capital inadequacy, to mismanagement available fund, poor state of business opportunities to low investment, low turnover to poor method of patronage repayment.

The study is necessary because there is need to affirm whether the multipurpose cooperative societies operating in Njikoka. LGA have adequate or inadequate equity fund to carry out their business and this will be done, by obtaining information pertaining amount of equity fund available to them for the past five accounting period (2009 -2013). Meanwhile, it is very necessary to determine how effective the types of strategies in which multipurpose cooperative societies adopted in raising equity fund for the business and the effect of these strategies on the performance of cooperative business enterprises in Njikoka LGA of Anambra State. This is the focus of the study.

OBJECTIVES OF THE STUDY

The broad objective of the study is to evaluate equity finance options of cooperative societies and performance of cooperative business enterprises in Anambra central senatorial zone of Anambra State.

The specific objectives are to:

1. evaluate the level of equity finance in cooperative business enterprises over 5 years [2009 – 2013]
2. assess various strategies/types of equity finance[allocated; unallocated; and preferred stock] that are accessible to finance cooperative enterprises
3. compare equity finance and debt finance options of financing cooperative businesses;
4. examine the role of effective equity finance on cooperative business performance;
5. identify challenges that limit equity finance management of cooperative enterprises and make recommendations that will strengthen effective management of equity finance.

HYPOTHESES

H_{01}: There is no significant difference in the views of various societies on the level of equity financing in their societies.

H_{02}: Challenges with equity financing retard cooperative business enterprise from fulfilling their financial obligations as an entity.

REVIEW OF RELATED LITERATURE

In a cooperative, equity capital is the portion of assets owned by members which is described by Williamson (2000) as the risk capital because all other obligations must be met in case of liquidation before any equity capital is returned to members. According to Patrie (2014), equity is the money members of cooperative invest in cooperative business, which represent the members ownership interest in the assets of the cooperative. Also Rathbone (1997), affirmed that, equity is the net worth, or risk capital of the organization which represent ownership interest in the total assets of the cooperative.

TYPES OF EQUITY CAPITAL

Therefore, cooperative equity comes in two forms, allocated and unallocated. In the word of Rathbone (1997), how equity is managed depends largely on what types of equity a cooperative has, how and when it was acquired, and how it is redeemed. In its broadest sense, equity is divided into two categories - allocated and unallocated.

a) Allocated equity is capital recorded on the cooperative's books which is assigned, or allocated, to each member on a proportional basis according to use. It is acquired in three different ways. Allocated equity may come from a direct investment by the member, through patronage refunds, and/or from per-unit capital retains.

b) Unallocated equity is capital not assigned or designated to specific member accounts. It may originate from net income earned on nonmember or non-patronage business, patronage income the board of directors decides not to allocate, or capital obtained from a special event like the profit from the sale of an asset. The mix between allocated and unallocated equity capital in one cooperative compared with another may present a significantly different equity management situation. Unallocated equity is not assigned to a member's account, but usually redeemed only upon liquidation of the cooperative. While it is primarily retained as the after-tax portion of non-patronage net income, some cooperatives specifically designate a portion of patronage income as unallocated. This requirement is usually outlined in the bylaws and may be specified in State statutes. The purpose for the cooperative is to build a tax-paid reserve to cushion allocated equity from operating losses. Unallocated equity also serves as a "permanent" capital base (Rathbone, 1997).

EQUITY CAPITAL SOURCES

Members most commonly provide equity capital to their cooperative by: (1) purchasing capital stock or other types of equities; (2) leaving a portion of the co-op's net savings in the cooperative; and (3} authorizing the co-op to deduct from proceeds made through sales of member's farm products usually called per unit retains.

Equity capital may be divided into two classes; (1) initial capital investments consisting of common stock, preferred stock -and membership fees; and (2) capital obtained through operations that result in member or patron investments. These investments consist of patronage refunds and per unit capital investments made by members in their cooperative, and stock or other types of equity certificates sold to members and patrons (Williamson, 2000).

EQUITY MANAGEMENT AND COOPERATIVE PRINCIPLES

Cooperative principle laid emphasis on democratic member control, whereby ownership and control of cooperative should be collective1 and equal responsibility of every member. In the view of Rathbone (1997), adhering to cooperative principles is a critical aspect of effective equity management. At the heart of equity management are: (1) the owner-user principle; (2) the user-control principle; and (3) the user-benefit principle.

The key element of the owner-user principle is that equity (ownership financing) is supplied by the current users of the cooperative in proportion to use. If the owner-user principle is followed, then the user-control principle is usually being followed. This principle means that voting control in the cooperative is maintained; in the hands of current users. The user-benefit principle means that net income should be distributed or allocated to members on the basis of current use.

METHODOLOGY

The study area was conducted in Njikoka LGA of Anambra State, Nigeria. The area has six autonomous communities with estimated population of 148,394 inhabitants (NPC 2006). Meanwhile, the study population consists of 28 registered and functional multipurpose cooperative societies with membership strength of 537 members (Divisional Cooperative Officer, 2014). Therefore, 47 management committee members from 9 most viable multipurpose cooperative societies were purposively selected based convenience and availability of data. Data gotten from the respondents were analyzed with both descriptive and inferential statistics model. The descriptive statistics used include, simple percentage; frequency table; five point likert scale measure with conventional weighted mean, of 3.0. Meanwhile the study hypotheses were tested with Analysis of Variance and Chi-square. As such the result was presented as follows.

LEVEL (AMOUNT PER ACCOUNTING YEAR IN NAIRA) OF EQUITY FINANCE IN COOPERATIVE

TABLE 1: RESPONSES DISTRIBUTION ON THE LEVEL (amount per Naira) **OF EQUITY FINANCE AVAILABLE IN COOPERATIVE (2009 – 2013)**

S/No	Equity level per accounting of year (N)	2009		2010		2011		2012		2013	
		Frequency n=47	Percentage (%)	Frequency n=47	Percentage (%)	Frequency n=47	Percentage (%)	Frequency n=47	Percentage (%)	Frequency n=47	Percentage (%)
i.	Less than 500,000	19	40.4	6	12.8	10	21.3	2	4.3	11	23.4
ii.	500,000 – 1million	26	55.3	12	25.5	7	14.9	5	10.6	4	8.5
iii.	1million – 2million	2	4.3	19	40.4	15	31.9	20	42.6	7	14.9
iv.	2million – 5million	-	-	8	17.0	9	19.2	17	36.2	10	21.3
v.	5.1million – 20million	-	-	2	4.3	6	12.8	3	64	12	25.5
vi.	20.1million – 50million	-	-	-	-	-	-	-	-	3	6.4
vii.	50.1million – 100million	-	-	-	-	-	-	-	-	-	-
viii.	Above 100 million	-	-	-	-	-	-	-	-	-	-
	Total	**47**	**100**	**47**	**100**	**47**	**100**	**47**	**100**	**47**	**100**

Source: Field Survey, 2014

From the above result table 1 there is enough evidence that the level (amount in naira) of equity finance available for each accounting year is relatively small, as it was shown in the table that the majority of cooperative societies has less than N1million as their equity fund.

TEST OF HYPOTHESIS ONE (H_{01})

H_{01}: There is no significant difference in the views of the members on the level of equity finance available in their society.

H_{02}: There is significant difference in the views of the members on the level of equity finance available in their society.

The above hypothesis statement was tested through application of one-way analysis of variance and the summary of the result was presented in the table 2 below:

TABLE 2: SUMMARY TABLE OF TEST STATISTICS

	Squares of mean	df	Mean Square	F	Sig.
Between groups	22.083	4	5.521	30.306	.000
Within groups	7.833	43	.182		
Total	**29.917**	**47**			

DECISION

From the result of test statistics above where F ratio (30.306) is significance at 1% level of significance. Therefore,, there is strong, indication that P-value is less than 0.05. As such, .null hypothesis was rejected while the alternate was accepted. That is, there is significant difference in the view of respondents on the level (amount) of equity finance available to the cooperatives. Meanwhile, this result did not come as a surprise because it was not expected that all the cooperatives should have equal or same amount of equity finance, and variation in their equity finance can be attributed to heir socioeconomic characteristics difference.

EQUITY FINANCE STRATEGIES ACCESSIBLE TO FINANCE COOPERATIVE ENTERPRISES

TABLE 3: DISTRIBUTION RESPONSES ON THE EQUITY FINANCE TYPES AND STRATEGIES

S/N	Equity Finance Strategies	Mean ($\bar{X}$)	Decision
A	**Allocated Equity:**		
i.	Shared capital (common stock)	4.73	Accessible
ii.	Members direct investment	2,74	No accessible
iii.	Members net savings and contributions	3.48	Accessible
iv.	Membership entrance fees	3.86	Accessible
V.	Sales of members products	2.51	Not accessible
vi.	Fines and penalty of default members	3.13	Accessible
vii.	Members retained patronage refund	2.36	Not accessible
B	**Unallocated Equity:**		
viii.	Surplus plough back (re-investment	3.05	Accessible
ix.	Reserve funds	3.88	Accessible
X.	Government and international interventions and grants	2.47	Not accessible
C	**Preferred Stock :**		
xi.	Direct investment by non-members	2.13	Not accessible
xii.	Surplus from sale of non members products	2.64	Not accessible
xiii.	Cooperative partnership (joint venture or alliance)	2.07	Not accessible
	Grand Mean	**3.038**	**Accessible**

Source: Field Survey 2014

The above result table 3 was deduced from 5 point scale analysis with standard rating 3.0. That is, where any variable (strategies) less 3.0 was considered not accessible while variables (strategies greater than 3.0 was confirmed to be accessible. As a result of this, there is evidence (grand mean = 3.038) that some equity finance strategies are accessible for the finance of the cooperative business enterprises. Inspite of the grand mean (3.038) result, some of the equity strategies are not accessible. These include, direct investment from the1 members (2.741); sales if members products (2.51); members retained patronage (2.36) as well as other preferred stocks.

COMPARISON BETWEEN EQUITY FINANCE OPTION AND DEBT FINANCE OPTION

TABLE 4: DISTRIBUTION OF RESPONDENTS' OPINION ON THE DIFFERENCE BETWEEN EQUITY FINANCE AND DEBT FINANCE OPTION

S/N	Comparism indicators	Equity		Debt	
		Mean ($\bar{X}$)	Decision	Mean ($\bar{X}$)	Decision
i.	Risk involved	2.86	Disagree	305	Agree
ii.	Sustaining members' control principle	4.52	Agree	2.64	Disagree
iii.	Effect cooperative surplus	3.74	Agree	3.16	Agree
iv.	Redemption	3.42	Agree	2.66	Disagree
v.	Flexibility	4.03	Agree	2.39	Disagree
vi.	Easy accessibility	4.28	Agree	2.74	Disagree
	Grand Mean	**3.81**	**Agree**	**2.773**	**Disagree**

Source: Filed Survey, 2014

The above result was deductions of respondents opinion from 5 point scale analysis with standard rating of 3.0. The respondents opinion was on difference between debt finance option and equity finance option and it was financing cooperative enterprises as this based on the considerable indicators of compare.

EQUITY FINANCE STRATEGIES EFFECTS ON COOPERATIVE PERFORMANCE

TABLE 5: DISTRIBUTION RESPONSES ON THE EFFECTS OF EQUITY FINANCE OF THE IMPROVEMENT COOPERATIVE BUSINESS PERFORMANCE

S/N	Comparism indicators	Mean ($\bar{X}$)	Decision
i.	Helping independence and autonomous principle	3.47	Agree
ii.	Improves members' ownership control	3.61	Agree
iii.	Increases credit worthiness of cooperative	3.83	Agree
iv.	Enhances cooperative competitiveness	3.08	Agree
v.	Facilities cooperative business growth and expansion	4.02	Agree
vi.	Facilities cooperative ability in attending to members needs and being	3.54	Agree
	Grand mean	**3.592**	**Agree**

Source: Field Survey, 2014

With 3.0 standard rating from 5 point scale analysis, there is strong indication from the above table result table 5 as it shows that there is unanimous agreement on the opinion of the respondents on the effects of equity finance on cooperative performance. As such, the grand mean (3.592) also consolidate the fact that equity finance strategies have positive effects on the performance of cooperative business enterprises.

TABLE 6: DISTRIBUTION RESPONSES ON THE CHALLENGES CONFRONTING EFFECT MANAGEMENT OF EQUITY FINANCE OPTION AMONG COOPERATIVE SOCIETIES

S/N	Challenges	Frequency n=47	Percentage (%)
i.	Equity are not transferable	47*	100
ii.	Equity does not increase in value with market trend	42*	98.4
iii.	Fix value of equity (common stock)	44*	93.6
iv.	Fluctuates with membership strength	39*	82.9
v.	Members bad attitude to contributions and savings	46*	97.9
vii.	Relative small amount attached to share capital (value)	32*	68.1
viii.	Unattractive cooperative investment	47*	100
ix.	Ownership control not attached to member of share capital	45*	95.7
	Grand Mean	**3.592**	**Agree**

Source: Field Survey, 2014)

* Multiple response

The above table 6 shows multiple responses of the respondents on the challenges that are confronting equity finance option in cooperatives, and majority of the variables presented in the table are possible challenges which include; equity are not transferrable (1005); fix value of equity (share capital) (93.6%); members bad attitude to contributions and savings (97.9%); unattractive cooperative investment (100%) as well as ownership and control of cooperative not attached to number of share capital (100%).

TEST OF HYPOTHESIS TWO (H_{02})

H_{02}: Challenges confronting equity finance option do not significant limits cooperative business enterprise from fulfilling their financial obligation as business entity.

H_{A2}: Challenges confronting equity finance option significant limits cooperative business enterprise from fulfilling their financial obligation as business entity.

The hypothesis was subjected to test statistics with chi-square (X^2) and the summary result of the test is presented in the table below:

TABLE 7: SUMMARY TABLE OF TEST STATISTICS OF X^2

Chi-square	23.250a
df	5
asymp.sg	.000

Significance at 5% level of significance.

DECISION

From the above result table of the X^2 shows that p-value is less 0.05 which is significance at 5% level of significance. Therefore, the null hypothesis is rejected while the alternate is accepted. The implication is that, challenges confronting equity finance option significantly limits cooperative business enterprises from fulfilling their financial obligation as business entity.

CONCLUSION AND RECOMMENDATIONS

CONCLUSION

The cooperative business enterprises are supposed to play a key role to economic development but due to their inability 'to command adequate equity fund they are unable to compete favourably in the1 competitive environment. The challenges associated with equity finance option should be tackle by the management committees and leaders of the cooperatives if they really want to thrive and succeed as viable business investment.

RECOMMENDATIONS

Though the benefits associated with adequate equity finance option are numerous, as such, the researcher therefore made the following robust recommendations that will enhance and strengthen cooperatives capability in effective management of equity finance option for the sustenance of their business performance. Thus, the following recommendations are made necessary:

- The cooperative should make their business to be more attractive. This will encourage new members to join the cooperative while it will also encourage the existing members to invest more money into the cooperative, as such more equity will be raised.
- The cooperative management committees and the leaders of the cooperative societies should adopt others equity strategies like unallocated equity and preferred stock equity finance to finance their businesses. This will enable them to source for more equity that will be enough to finance their investment.
- Since the result showed that equity finance option has some positive effect on cooperative performance, therefore, the cooperative should try as much they could to diversify-their business. This will also help them to generate more income that might use as equity.

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A STUDY OF FINANCIAL PERFORMANCE: A COMPARATIVE ANALYSIS OF BANGALORE AND GULBARGA MILK UNION

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ABSTRACT
Efficient management of finance is very important for the success of an enterprise. Term financial performance is very dynamic term. The subject matter of financial performance has been changing very rapidly. In present time greater importance is given to financial performance. This article analyzes the financial performance of selected unions i.e. Bangalore milk union and Gulbarga milk union. While analyzing the financial performance of the selected unions, we include the analysis of working capital and analysis of profitability.

KEYWORDS
financial performance, profitability management, working capital management.

INTRODUCTION
Business concern needs finance to meet their requirements in the economic world. Any kind of business activity depends on the finance. Hence, it is called as lifeblood of business organization. Whether the business concerns are big or small, they need finance to fulfill their business activities. It has been rightly termed as universal lubricant which helps the enterprise dynamic. Business firms are existing in a world of rapid changes and extensive interactions which necessitated radical reforms especially in the field of financial management. Finance is said to be the circulating system of an enterprise making possible the need for co-operation between diverse activities. It plays an extremely crucial role in the continuity and growth of the business.
Financial performance analysis is prepared primarily for decision-making. They play a dominant role in setting the framework of managerial decisions. But the information provided in the financial statements is not an end in itself as no meaningful conclusions can be drawn from these statements alone. However, the information provided in the financial statements is of immense use in making decisions through analysis and interpretation of financial statements.
Financial analysis is 'the process of identifying the financial strengths and weaknesses of the firm by properly establishing between the items of the balance sheet and the profit and loss account.' There are various methods or techniques used in analyzing financial statements, such as comparative statements, trend analysis, common-size statements, schedule of changes in working capital, funds flow and cash flow analysis, cost-volume-profit analysis and ratio analysis.

CONCEPT OF WORKING CAPITAL ANALYSIS
From the financial management point of view, capital in broader sense can be divided into two main categories- fixed capital and working capital. Here I am going to study the concept of working capital. The term working capital generally is used in two senses – 'Gross working capital' which denotes total current asset and 'Net working Capital' which denotes the excess of current assets over current liabilities. Both the concepts have their own significance and relevance. In common parlance, working capital is that part of capital, which is in working or which is used to meet day-to-day expenses. To understand the exact meaning of the term 'Working Capital', it will be appropriate to understand its two components – current assets and current liabilities. The current assets are those assets, which can be converted into cash within a short period of time, say not more than one year during the operating cycle of business or without affecting normal business operations. Current liabilities are such liabilities as are to be paid within the normal business cycle and within the course of an accounting year out of current assets.

GROSS WORKING CAPITAL CONCEPT
According to the gross concept, working capital means total of all the current assets of a business. It is also called gross working capital.
Gross working Capital = Total Current Assets

NET WORKING CAPITAL CONCEPTS
The concepts of Net Working Capital refer to the excess of current assets over current liabilities. It indicates the surplus value of current assets. Since, all the current liabilities are met out of current assets and after meeting the current liabilities what remains in the enterprise is called net working capital. Net working capital will exist only in that case when long-term funds, to some extent, are invested in current assets and comparatively less amount of short term funds are involved in current assets.

COMPONENTS OF WORKING CAPITAL
The working capital consists of two components current assets and current liabilities. Assets of a concern are of two types- Fixed assets and current assets: Fixed assets are to be in business on permanent basis and are not intended for sale whereas the current assets are for conversion into cash at the earliest. Similar is the case with liabilities, which may be long-term liabilities and current liabilities. Long-term liabilities are those maturing over a long period of time usually five or ten years whereas short-term liabilities are those maturing within a short period usually less than a year.

CONCEPT OF PROFITABILITY ANALYSIS
The analysis of profitability is mainly a test of earning capacity of business. Profit is the lifeblood of every business unit. It is also very essential for the survival of any business. The efficiency of management functioning is also determined on the basis of the profitability of business. Profit is also required for the long-term growth of the business.

OBJECTIVES OF THE STUDY
1. To analyse and evaluate the overall working capital management in the selected unions.
2. To analyse and evaluate the overall profitability in the selected unions.
3. To analyse and evaluate the trends in financial performance of the selected unions.

SCOPE OF THE STUDY
The present study is confined to the two milk unions namely Bangalore milk union and Gulbarga milk union. The study covers a period of ten years from 2003-04 to 2012-13. This period is enough to cover both the short and medium terms fluctuations and to set reliability.

DATA COLLECTION
For completion of this study, only secondary data has been used. The main sources are annual reports. Besides, for framing conceptual framework various books and published material in standard books and newspapers, journals and websites has been made use of.

LIMITATIONS OF THE STUDY

The main source of information is annual reports. They represent financial information/position on particular date. What happened between such two dates cannot easily be presumed or predicated.

The financial performance covering a large period say 20 years or 30 years can give a much clear picture of management practices of financial performance. Our study covering a period of 10 years can touch only a part of the problem.

The results restricted to the extent of information provided by the unions.

DATA ANALYSIS AND INTERPRETATION

CURRENT RATIO

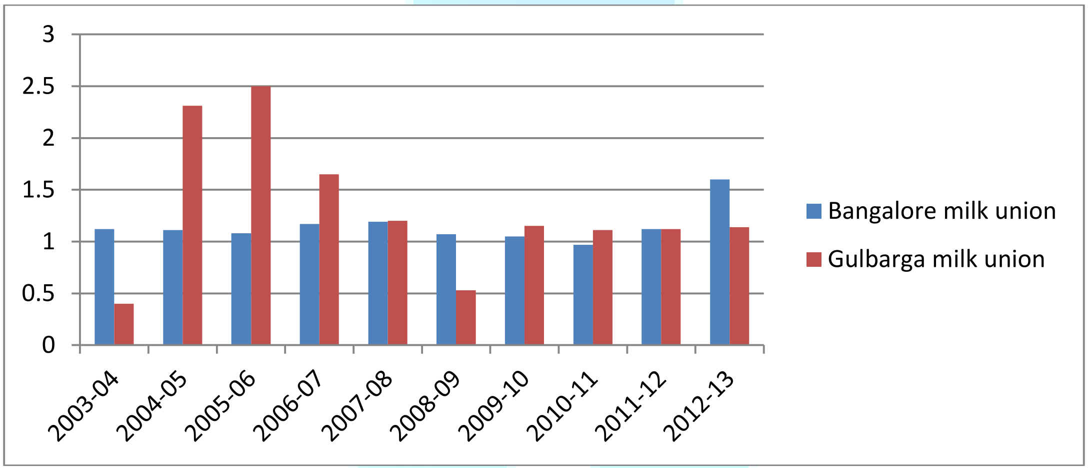
One of important function of the financial manager is to maintain sufficient liquidity. Current ratio is an important criterion to test the liquidity and also the short term solvency. The ratio of 2:1 is considered as standard of current ratio.

TABLE NO. 1: SHOWING CURRENT RATIO

Year	Bangalore milk union	Gulbarga milk union
2003-04	1.12	0.40
2004-05	1.11	2.31
2005-06	1.08	2.50
2006-07	1.17	1.65
2007-08	1.19	1.20
2008-09	1.07	0.53
2009-10	1.05	1.15
2010-11	0.97	1.11
2011-12	1.12	1.12
2012-13	1.60	1.14

Source: Secondary data

GRAPH NO. 1: SHOWING CURRENT RATIO



Interpretation

From the above table and graph it is clear that Bangalore milk union current ratio is low in the year 2010-11 and Gulbarga union current ratio in the year 2003-04 & 2008-09 is low and highest in the 2005-06 i.e. 2.50. Gulbarga union has more fluctuating trend compared to Bangalore union. From the above it can be concluded that both unions should maintain liquidity to meet the short term obligations.

QUICK RATIO

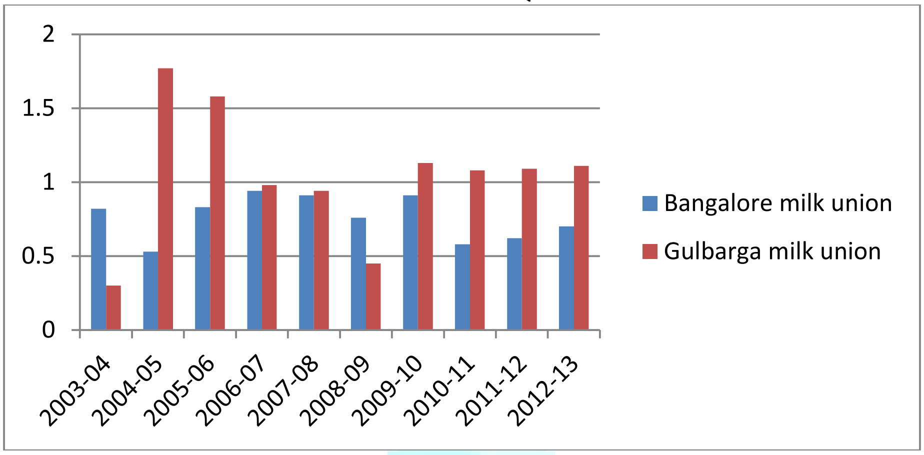
This ratio also tests liquidity. But it is a more refined test of liquidity and solvency. This ratio takes into consideration the liquid assets only which are directly convertible into cash. The current assets like inventories which are two steps away from the cash are excluded. The quick ratio is computed by dividing liquid assets by current liabilities. A quick ratio of 1:1 is considered adequate.

TABLE NO. 2: SHOWING QUICK RATIO

Year	Bangalore milk union	Gulbarga milk union
2003-04	0.82	0.30
2004-05	0.53	1.77
2005-06	0.83	1.58
2006-07	0.94	0.98
2007-08	0.91	0.94
2008-09	0.76	0.45
2009-10	0.91	1.13
2010-11	0.58	1.08
2011-12	0.62	1.09
2012-13	0.70	1.11

Source: Secondary data

GRAPH NO. 2: SHOWING QUICK RATIO



Interpretation

The above table and graph shows that Quick ratio of Bangalore union is low compared to conventional norm in all the years. Quick ratio of Gulbarga union shows fluctuating trend and also low in the year 2003-04 & 2008-09. Gulbarga union has highest ratio in the year 2004-05 and lowest in the year 2003-04 i.e. 0.30. It can be conclude that Bangalore union has better financial performance than Gulbarga union.

INVENTORY TURNOVER RATIO

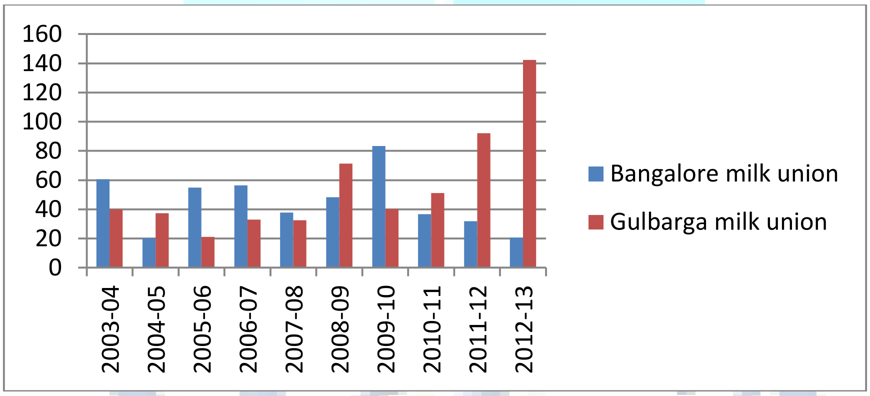
This ratio indicates the number of times inventory is replaced during the year. It also suggests the liquidity of the firm's inventory. It establishes the relationship between the sales and closing inventory.

TABLE NO. 3: SHOWING INVENTORY TURNOVER RATIO

Year	Bangalore milk union	Gulbarga milk union
2003-04	60.48	40.04
2004-05	20.12	37.21
2005-06	54.80	21.05
2006-07	56.41	32.93
2007-08	37.71	32.38
2008-09	48.31	71.29
2009-10	83.27	40.20
2010-11	36.72	51.04
2011-12	31.83	92.19
2012-13	20.65	142.32

Source: Secondary data

GRAPH NO. 3: SHOWING INVENTORY TURNOVER RATIO



Interpretation

The above table and graph shows that Inventory turnover ratio of Gulbarga union shows fluctuating trend and high in the year 2012 & 2013 and overall it implies good management of inventory. Inventory turnover ratio of both unions is satisfactory level.

GROSS PROFIT RATIO

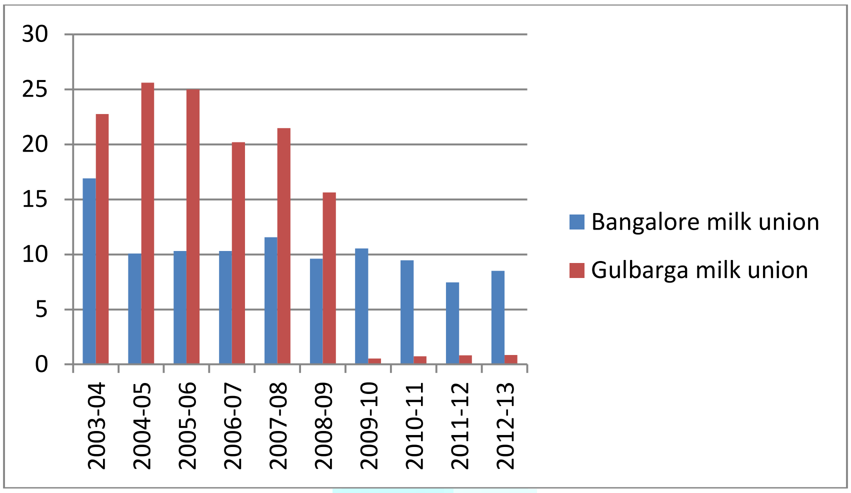
Gross profit ratio is a profitability ratio that shows the proportion of profits generated by the sale of products or services. Gross profit ratio assesses a company's success in generating profits and how these profits are used to reward investors.

TABLE NO. 4: SHOWING GROSS PROFIT RATIO

Year	Bangalore milk union	Gulbarga milk union
2003-04	16.90	22.74
2004-05	10.08	25.60
2005-06	10.31	25.00
2006-07	10.32	20.19
2007-08	11.56	21.47
2008-09	9.62	15.64
2009-10	10.53	0.55
2010-11	9.45	0.73
2011-12	7.46	0.82
2012-13	8.49	0.86

Source: Secondary data

GRAPH NO. 4: SHOWING GROSS PROFIT RATIO



Interpretation

From the above table and graph shows that Gross profit ratio of both the unions are decreasing trend throughout the period of the study. Gross profit ratio of GMUL high in the first 6 years of the study and very low performance in last 4 years. It can be concluded that BAMUL's financial performance is better than that of GMUL in terms of gross profit because GMUL has more variation in gross profit.

RETURN ON CAPITAL EMPLOYED RATIO

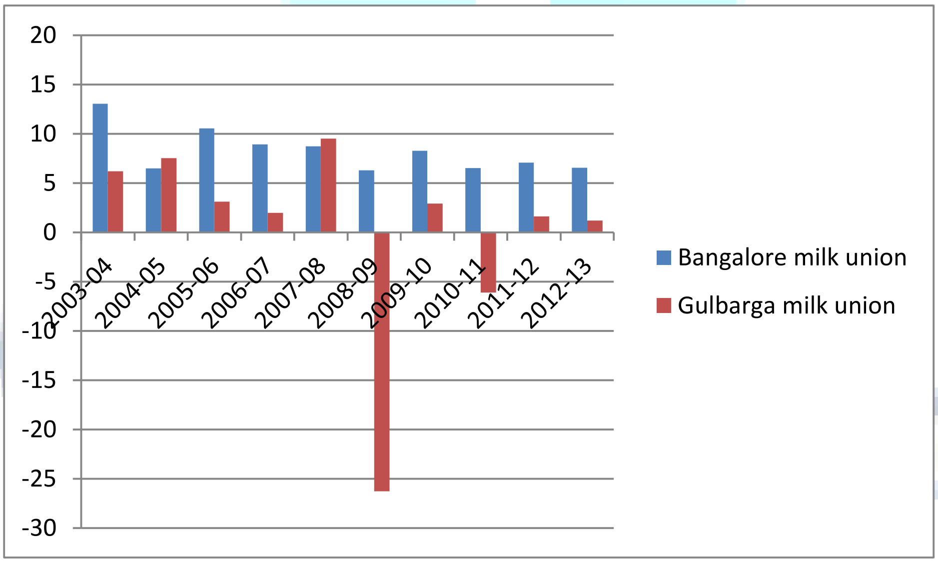
The term capital employed refers to long-term funds supplied by the lenders and owners of the firm. It provides a test of profitability related to the sources of long- term funds. The higher the ratio, the more efficient is the use of capital employed. It is calculated by comparing the profit earned and the capital employed to earn it.

TABLE NO. 5: SHOWING RETURN ON CAPITAL EMPLOYED RATIO

Year	Bangalore milk union	Gulbarga milk union
2003-04	13.05	6.19
2004-05	6.49	7.52
2005-06	10.55	3.10
2006-07	8.92	1.98
2007-08	8.72	9.52
2008-09	6.29	-26.27
2009-10	8.26	2.91
2010-11	6.51	-6.12
2011-12	7.07	1.61
2012-13	6.54	1.21

Source: Secondary data

GRAPH NO. 5: SHOWING RETURN ON CAPITAL EMPLOYED RATIO



Interpretation

From the above table and graph shows that BAMUL has 13.05% returns on their long term funds in the year 2003-04, it become 6.54% in the year 2012-13. On the other hand GMUL have 6.19% in 2003-04, it become negative in the year 2008-09. During the study period BAMUL earn more return on their long term funds compare to GMUL. It can be concluded that BAMUL has better financial position than GMUL.

DEBT EQUITY RATIO

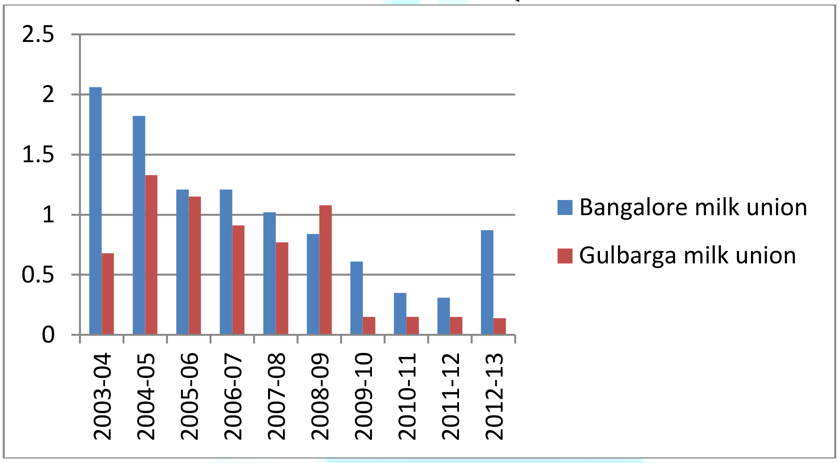
This ratio expresses the relationship between long term debts & shareholders' funds. It indicates the proportion of funds which are acquired by long term borrowings in comparison to shareholders funds.

TABLE NO. 6: SHOWING DEBT EQUITY RATIO

Year	Bangalore milk union	Gulbarga milk union
2003-04	2.06	0.68
2004-05	1.82	1.33
2005-06	1.21	1.15
2006-07	1.21	0.91
2007-08	1.02	0.77
2008-09	0.84	1.08
2009-10	0.61	0.15
2010-11	0.35	0.15
2011-12	0.31	0.15
2012-13	0.87	0.14

Source: Secondary data

GRAPH NO. 6: SHOWING DEBT EQUITY RATIO



Interpretation

From the above table and graph it is clear that both unions have fluctuating trend throughout the period of the study. Debt equity ratio of BAMUL is 2.06 in the year 2003-04, it become 0.31 in the year 2011-12. GMUL has low ratio in last 4 years. It can be conclude that BAMUL has better utilization outside liability compare to GMUL.

CONCLUSION

Financial performance is an important yardstick to measure a company operational and financial efficiency. This aspect must form part of the company's strategic and operational thinking. Efforts should constantly be made to improve the financial position. This will yield greater efficiencies and improve investor's satisfaction.

Bangalore milk union and Gulbarga milk union both the unions are major players in Dairy co operative sector in Karnataka. After making the comparative analysis of both the unions we find that performance of BAMUL is better than the GMUL, It is so because the Gross profit of BAMUL is greater than the GMUL Similarly the working capital management of the BAMUL is better than the GMUL.

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POLITICAL AWARENESS AMONG MUSLIM STUDENTS: A STUDY OF ALMORA TOWN (UTTARAKAND)

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ABSTRACT

The present study was conducted to check the level of political awareness and correlation between education and Political awareness among the Muslim students of Almora town. The Muslim area of the town has been selected purposely. Data has been collected by the convenience sampling technique from 39 respondents with the help of self made tool questionnaire. During this study it was found that there is a difference in the level of political awareness, among respondents and when we classify the respondents on the basis of Gender it was found girls are more aware than boys. In this study we also found that there is a correlation between education and the political awareness. From 12th to Graduation political awareness increases however it remains constant from Graduation to P.G. The study can be helpful to the Govt. in formulating the incentives for addressing the problems of poor political awareness among the Muslims in India.

KEYWORDS

Muslim, students, Political, awareness, education, Almora, town.

INTRODUCTION

Islam is the second largest religion in India after Hinduism. According to the 2011 census the population of Muslims in India is 14.88%. As per the Sachar committee findings (2006) the socio- economic conditions of this community presents a dismal picture and education is the grave concern of the Indian Muslims. The report further says that the status of Indian Muslims is below the conditions of Scheduled castes and Scheduled tribes. Their representation in different government sectors is very low therefore on the recommendations of this report the UPA -1 led by former Prime Minister Shri Manmohan Singh takes some steps for the upliftment of this community. Different welfare programmes were introduced like Prime Ministers 15 points programme, minority scholarships and skill development programmes. The poor political awareness among Muslims has been the major issue in accessing Govt. schemes. (K. Rahman Khan 20/12/2014)

NEED OF THE STUDY

Muslims are second largest population after Hindus in our Country. It is very important for the Muslims to be politically aware because there are various programmes run by the Govt. of India for the development of Muslim Students. The programme of Govt becomes successful only when people are aware about the particular Programme therefore it is necessary to check the political awareness among the Muslim students because if they are aware then these Govt. Programmes are successful.

MEANING

For the proper Meaning and understanding of political awareness we must first understand the word awareness. The word awareness means to have knowledge about something for example as something means university so awareness about University means to know all about the particular University. So it is clear that political awareness means to know about the political process prevailing in the country as the solid democracy needs a politically aware people who can be capable to differentiate the policies of the main political parties. The politically aware people play a vital role in the political, socio development in the country.

IMPORTANCE

Political awareness affects every aspect of citizen's attitude. (Zaller 1990)

- To be political aware is very important for the Scio- economic development. In the democracy the ultimate power lies in the hands of people. The decision making is the fundamental activity of the Government. These Govt. decisions affects the people at a huge level, the effect depends on the nature of decision so if the people are politically aware they can make difference between the good and bad decisions.
- The politically aware people have an idea the qualities of good leader ship.
- Politically aware people know how to use the vote.
- Politically aware people know about the programmes and schemes run by the government.

FACTORS THAT AFFECT THE POLITICAL AWARENESS OF A PERSON

The main factors which directly affect the political awareness of the person are:-

EDUCATION

Education plays a vital role in political awareness of the person because an educated person analyse the policies, decisions of the government very effectively. Political awareness among Dalits, a study of Block in Haryana reported that those citizens who are educated have high level of political awareness than those who are uneducated.

POVERTY

Poverty is also another factor that affects the political awareness of a person as high level of political awareness are seen in those citizens who have much income as compared who are poor (S. Ravindra and S. Ram 2013) The poor people did not have too much time to discuss the political problems as he remains busy in earning their livelihood.

TOPOGRAPHY OF THE AREA

Topography too play an important role in political awareness of a person as those people are more aware who have availability of information in the form of news papers, internet facility easy connectivity to cities as compared to those who don't have these facilities available.

SOCIAL NETWORKING SITES

Face- book and Twitter increase political awareness in authoritarian regimes(Ora John and David Szakonyi 2013) Social media has power to change the thinking about politics in the way political parties compagain (K. Rajalakshmi and C. Velayutham 2014). Therefore it is clear that social media plays a significant role in political awareness of the person. There is a lot of information in the form of different pages on the face- book created by different political parties who every day share their political ideas on different issues of the world. During the year of 2009 and 2014 assembly elections the main national political parties of India BJP and Congress use social media as a part of election campagain in order to attract the young audience.

OBJECTIVES OF STUDY

- To study the level of Political awareness among the Muslim students.
- To study the correlation between the level of education and Political awareness among Muslim students.

SIGNIFICANCE OF THE STUDY

The study can be helpful for the state Govt. in formulating the better policies and Programmes in order to address the problems of poor Political awareness among the Muslim community in India.

RESEARCH METHODOLOGY

AREA OF STUDY

The Almora is one of the districts of newly formed state Uttarakhand. It is spreaded over an area of 5385.00sq.Kms and is situated at Lat 29.5972˚N and long 79.6570˚E. According to the census of 2011 the population of this district is 621927 out of which the Muslim Population is 7283 which constitutes 1.15%.

UNIVERSE OF THE STUDY

The study was carried out in the Almora town of Uttarakhand, India.

POPULATION

The population of the present study were the 12th, Graduate and Post Graduate Muslim Students of Almora town.

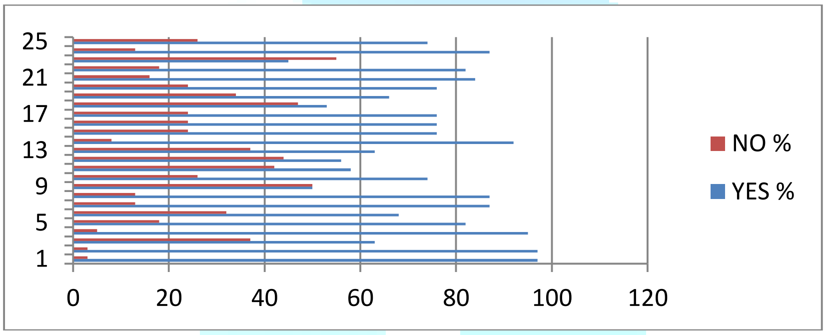
SAMPLE AND SAMPLING TECHNIQUE

The Present study is an empirical; The Muslim areas were selected purposely as these areas are (Niyaa ganj, Karbelaa, Dharaanaula and Khan- Molalla) from these areas the respondents were selected by convenience sampling technique.

TOOL USED FOR THE COLLECTION OF PRIMARY DATA

A self made close ended tool was administered for the purpose of collection of primary data. The tool has been distributed among the respondents usually males and females in order to get first hand data. In the tool, two point scales was employed to determine scores where respondents were asked to rate each attribute on Yes or No as the percentage of responses is shown in the following figure:

GRAPH 1



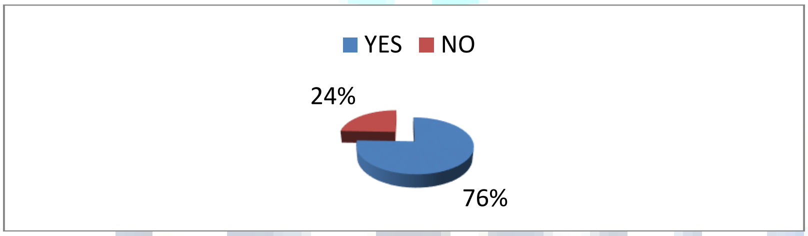
DATA ANALYSES METHOD

In present study, Percentage method is used to analyse the data. The data have been analysed on the bases of three fold classification of the respondents.

ANALYSIS

First the awareness is seen as in whole as shown in the fillowing figure:

FIG. 1: POLITICAL AWARNESS AMONG MUSLIM STUDENTS



Then the data has been classified on the bases of gender means the respondents has classified into boys and girls shown in the following figures:

FIG. 2

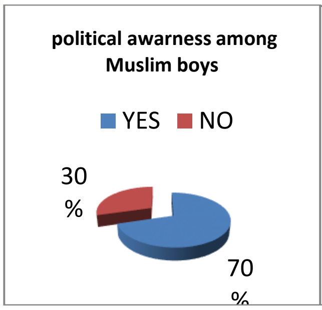
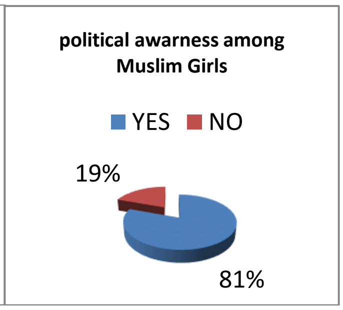


FIG. 3



On the bases of level of education the respondents are classified on three categories as Intermediate, Graduation and Post Graduation as shown in the following figures:

FIG. 4

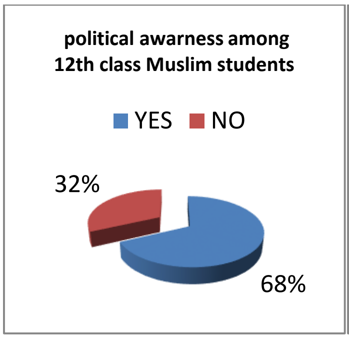


FIG. 5

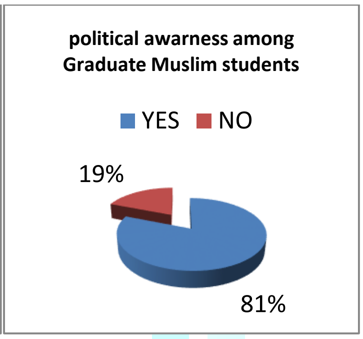
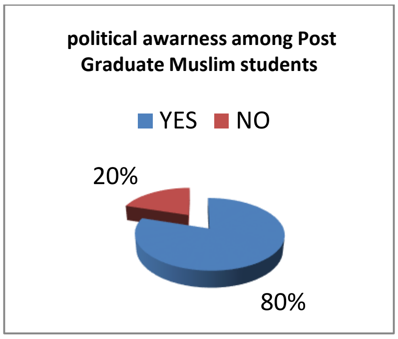


FIG. 6



FINDINGS

Data has been analysed on the bases of percentages and results therefore discussed below:-

1. POLITICAL AWARENESS ON THE BASES OF GENDER

It is clear from the fig. 1 that 70% of male respondents are aware while as 30% are unaware, And among female respondents as shown in fig.2 that 81% of female respondents are aware and 19% are unaware.

2. POLITICAL AWARENESS ON THE BASES OF EDUCATION

A. ***Political awareness of 12th class Muslim students***

It is evident from the fig. 4 that 68% students are aware and 32% students are unaware.

B. ***Political awareness of Muslim Graduate students***

It is clear from fig. 5 that 81% of Graduate Muslim respondents have a political awareness while as 19 % of respondents are unaware.

C. ***Political awareness among P.G. Muslim students:-***

The fig. 6 shows that 80% of respondents are politically aware while as 20% of respondents are not aware.

On comparing boys and girls it was found that girls have more political awareness 81% than boys as boys have 76%.

It is found there is correlation between level of education and Political awareness as present study shows that the political awareness increases from 12th to graduation and from graduation it remains constant it may because in PG the students focuses on the concerned subject in which he/she are doing P. G.

CONCLUSION

On basis of data analyses and findings it may be concluded that there is a difference in the level of Political awareness among boys and girls. And on comparing the level of political awareness of boys and girls it is found that girl's are more aware than boys. And further the political awareness of the respondents is correlated with the level of Education as the political awareness increases from 12th to Graduation however it remains constant from graduation to P.G. It may be because in P.G, the students focus on Masters Course very deeply so their level of political awareness did not increase with the level of education and from 12th to graduation there is a combination of different subjects which may be the main cause that political awareness increases from 12th to graduation.

SUGGESTIONS

- Special programmes should be organised for the political awareness for the Muslim Community.
- A guide line should be framed by the Govt. that basic political education should be given in Madarsas.
- Monthly or weekly courses should be organised by the govt. for the political awareness of the Muslim community.
- NGOS should come forward in order to give basic education regarding the developmental programmes run by Govt. of India for the welfare of this community

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HISTORICAL DEVELOPMENT OF FINANCIAL DERIVATIVES AND ITS CURRENT POSITION IN INDIAN DERIVATIVE MARKET

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ABSTRACT

The innovative practices always catch-up the eyes of concerned people where ideas and innovation become the hallmark of progress. During the past decade, India has witnessed the multiple growths in the volume of international trade and business due to the wave of globalization and liberalization all over the world. As a result, the demand for the international money and financial instruments increased significantly at the global level. In this respect, change in exchange rates, interest rates and stock prices of different financial markets have increased the financial risk to the corporate world. Adverse changes in the macroeconomic factors have even threatened the very survival of business world. It is, therefore, to manage such risk, the new financial instruments have been developed in the financial markets, which are also popularly known as financial derivatives,. And even capital market is no far away from this, whereas financial derivatives have given drastic change in the growth of the financial market. Indian markets have recently thrown open a new avenue for retail investors and traders to participate derivatives. The key role and purpose behind introducing derivatives is to minimize or eliminate price risk through hedging. In India, the emergence and growth of derivatives market is relatively a recent phenomenon. Since its inception in June 2000, derivatives market has exhibited exponential growth both in terms of volume and number of contract traded. The market turnover has grown from Rs.2,365 Cr. in 2000-2001 to Rs. 5,56,06,453.39 Cr. in 2014-15. Rs.1,70,82,696.64 Cr. up to July (2015-16). Within a short span of fifteen years, derivatives trading in India has surpassed cash segment in terms of turnover and number of traded contracts. This paper tries to encompass the historical development on the financial derivatives market in India and categories of derivatives, the status of Indian derivative market and derivative product traded at BSE and NSE.

KEYWORDS
derivatives, national stock exchange, exchange rate, financial crisis, forward, futures, index options, notional value underlying asset, options, leverage, risk management, swaps.

INTRODUCTION
New ideas and innovations have always been the hallmark of progress made by mankind. At every stage of development, there have been two core factors that drive man to ideas and innovation. These are increasing return and reducing risk, in all facets of life. The financial markets are no different. It is widely believed in financial world that the most significant milestone in financial innovation is achieved with the issuance and trading of derivatives. The endeavour has always been to maximize returns and minimize risk. A lot of innovation goes into developing financial products centered on these two factors. It has spawned a whole new area called financial engineering. Derivatives are used for variety of purposes, but, perhaps, the most important is hedging. Hedging involves transfer of market risk-the possibility of sustaining losses due to unforeseen unfavorable price changes. With the world embracing the derivatives trading on a large scale, the Indian market obviously cannot remain aloof, especially after liberalisation derivatives are among the forefront innovations in the financial markets and aim to increase return and reduce risk.

Every investor wants to multiply his investments is willing to assume different measures of risk to achieve his target. Secure trading positions and increased profits are often the driving forces behind all trading strategies. Coupled with sounds information on market movements, futures and options can provide a custom made solution for ever investor. Future and Option (F&O's) can be used for maximizing returns as well as minimizing losses. However, it must be remembered that incorrect information on the market can bring in unlimited losses for the investor. F&O's are effective instruments for hedging risks, speculating and price discovery. In India, derivative market making is primarily the province of Indian private and foreign banks, with public sector banks lagging in this area. Similarly, credit derivatives, the fastest growing segment of the market globally, are absent in India and require regulatory action if they are to develop. As Indian derivatives markets grow more sophisticated, greater investor awareness will become essential. In addition, institutions will need to devote more resources to develop the business processes and technology necessary for derivatives trading. India's experience with launch of equity derivatives market has been extremely positive, by world standards. NSE is now one of the prominent exchanges amongst all emerging markets, in terms of equity derivatives turnover. There is an increasing sense that the derivatives market is playing a major role in shaping growth of capital market.

The present study attempts to discuss the genesis of derivatives trading by tracing its historical development along with their economic benefits, types, regulation and policy developments, trend & growth, future prospects and challenges of derivative market in India.

OBJECTIVES OF THE STUDY
- To study the historical development of derivative market in India
- To analyze the categories of derivatives
- To study the scope or uses of financial derivatives
- To find out the current scenario of derivatives in India
- To know the regulation of derivatives trading in India
- To find out the derivative product traded at BSE and NSE
- To study the status of Indian derivative market

RESEARCH METHODOLOGY
The present study is largely based on the available secondary data. The statistical data regarding growth of the derivative markets was available from various websites, books and journals. The study is organized into five sections. Section - I deals with the concept, features, definition, and objectives. Section- II discuss the types and classification and distinction of derivatives in Indian market with diagrams. Section - III has been devoted to a discussion of evolution and growth of derivatives market, and regulation and policy development. Section - IV discusses the statistical information (data) and the last Section - V includes summary and concluding remarks.

SECTION-I
CONCEPT OF FINANCIAL DERIVATIVES
The derivatives originate in mathematics and refer to a variable which has been derived from another variable. A derivative is a financial product which has been derived from another financial product or commodity. The derivatives do not have independent existence without underlying product and market. Derivatives are contracts which are written between two parties for a easily marketable assets. Derivatives are also known as deferred delivery or deferred payment instruments. Since financial derivatives can be created by means of a mutual agreement, the types of derivative products are limited only by imagination and so there is no definitive list of derivative products.

DERIVATIVES

The term ‘derivatives, refers to a broad class of financial instruments which mainly include *options* and *futures*. They do not have worth of their own and derive their value from the claim they give to their owners to own some other financial assets or security. A simple example of derivative is butter, which is derivative of milk. The price of butter depends upon price of milk, which in turn depends upon the demand and supply of milk. *The general definition of derivatives means to derive something from something else.* Some other meanings of word derivatives are:

a) derived function: the result of mathematical differentiation; the instantaneous change of one quantity relative to another; $\frac{df(x)}{dx}$

b) derivative instrument: A derivative is an instrument which derives its value from another security,

(linguistics) a word that is derived from another word; “electricity” is a derivative of ‘electric’. It has no independent value of its own but derives its value from the value of an underlying asset. This underlying asset could be a stock, index, interest rate, commodity price etc. When a person buys derivative, he buys only a contract and not assets. If it is a commodity it is called commodity derivative, if it is a security it is called financial derivative.

DEFINITION OF FINANCIAL DERIVATIVES

A derivative is a financial product which has been derived from another financial product or commodity.

D.G. Gardener defined the derivatives as “A derivative is a financial product which has been derived from market for another product”.

The Securities Contract Regulation Act (SCRA) 1956 defines “derivative” as under section 2(ac). As per this “Derivative” includes;

a) “a security derived from a debt instrument, share loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security”.

b) “ a contract which derives its value from the prices or index of prices of underlying securities”.

UNDERLYING ASSET IN A DERIVATIVES CONTRACT

As defined above, its value is entirely derived from the value of the underlying asset. The underlying asset may assume many forms:

(i) Commodities including grain, coffee beans, orange juice;
(ii) Precious metals like gold & silver;
(iii) Foreign exchange rates or currencies;
(iv) Bonds of different types, including medium to long term negotiable debt, securities issued by governments, companies etc;
(v) Shares and share warrants of companies traded on recognized stock exchanges and stock index;
(vi) Short term securities such as T-bills;
(vii) Over the counter (OTC) money market products such as loans or deposits.

(Over–the-counter security is a security which is not traded on an exchange, usually due to inability to meet listing requirements. For such securities, broker/dealers negotiate directly with one another over computer networks and by phone. In OTC market security transactions are made via telephone and computer rather than on floor of exchange).

PARTICIPANTS OF DERIVATIVE MARKET

The participants of Derivative Market are broadly classified into three Groups:

1. Hedgers:- Hedgers use derivatives markets to reduce or eliminate the risk associated with price of an asset and they want to avoid exposure to adverse movements in the price of an asset. Majority of the participants in derivatives market belongs to this category. The transaction they undergo is known as Hedging.

2. Speculators:- are traders who buy/sell the assets only to sell/buy them back profitably at a later point in time. They use derivatives to bet on the future direction of the price of an asset and take a position in order to make a quick profit. They are risk takers who want to take advantage of future price movement of an asset. They are ready to face what hedgers want to avoid.

3. Arbitrageurs:- are traders, they watch the spot and future markets. They are interested in taking advantage of discrepancy between the prices in two different markets Whenever they see a mismatch in prices of two markets, they enter into a buy transaction in one and a sell transaction in other market so as to enjoy profit arising out of differences in prices.

USES OF FINANCIAL DERIVATIVES

Derivatives are supposed to provide some services and these services are used by investors. Some of the uses and applications of financial derivatives can be enumerated as following:

1. Management of risk: One of the most important services provided by the derivatives is to control, avoid, shift and manage efficiently different types of risk through various strategies like hedging, arbitraging, spreading etc. Derivative assist the holders to shift or modify suitable the risk characteristics of the portfolios. These are specifically useful in highly volatile financial conditions like erratic trading, highly flexible interest rates, volatile exchange rates and monetary chaos.

2. Measurement of Market: Derivatives serve as the barometers of the future trends in price which result in the discovery of new prices both on the spot and future markets. They help in disseminating different information regarding the future markets trading of various commodities and securities to the society which enable to discover or form suitable equilibrium price in the markets. As a result, they assist in appropriate and superior allocation of resources in the society.

3. Efficiency in trading: Financial derivatives allow for free trading of risk components and that leads to improving market efficiency. Traders can use a position in one or more financial derivatives as a substitute for a position in underlying instruments. In many instances, traders find financial derivatives to be a more attractive instrument than the underlying security. This is mainly because of the greater amount of liquidity in the market offered by derivatives as well as the lower transaction costs associated with trading a financial derivative as compared to the costs of trading the underlying instruments in cash market.

4. Speculation and arbitrage: Derivatives can be used to acquire risk, rather than to hedge against risk. Thus, some individuals and institutions will enter into a derivative contract to speculate on the value of the underlying asset, betting that the party seeking insurance will be wrong about the future value of the underlying asset. Speculators look to buy an asset in the future at a low price according to a derivative contract when the future market price is high, or to sell an asset in the future at a high price according to derivative contract when the future market price is low.

5. Price discovery: Another important application of financial derivatives is the price discovery which means revealing information about future cash market prices through the future market. Derivative markets provide a mechanism by which diverse and scattered opinions of future are collected into one readily discernible number which provides a consensus of knowledgeable thinking.

6. Hedging: Hedge or mitigate risk in the underlying, by entering into a derivative contract whose value moves in the opposite direction to their underlying position and cancels a part or all of it out. Hedging also occurs when an individual or institution buys an asset and sells it using a future contract. They have access to the asset for a specified amount of time, and can then sell it in the future at a specified price according to the futures contract of course, this allows them the benefit of holding the asset.

7. Price stabilization function: Derivative market helps to keep a stabilizing influences on spot prices by reducing the short term fluctuations. In other words, derivatives reduces both peak and depths and lends to price stabilization effect in the cash market for underlying asset.

8. Gearing of value: Special care and attention about financial derivatives provide leverage (or gearing), such that a small movement in the underlying value can cause a large difference in the value of the derivative.

9. Develop the complete markets: It is observed that derivative trading develop the market towards “complete markets”. The complete market concept refers to that situation where no particular investors are better than others, or patterns of returns of all additional securities are spanned by the already existing securities in it, or there is no further scope of additional security.

10. Encourage competition: The derivatives trading encourage the competitive trading in the market, different risk taking preference at market operators like speculators, hedgers, traders, arbitrageurs etc. resulting in increase in trading volume in the country. They also attract young investors, professionals and other experts who will act as catalysts to the growth of financial market.

11. Liquidity and reduce transaction cost: As we see that in derivatives trading no immediate full amount of the transaction is required since most of them are based on margin trading. As a result, large number of traders, speculators, arbitrageurs operates in such markets. So, derivatives trading enhance liquidity and reduce transaction cost in the markets of underlying assets.

12. Other uses: The other uses of derivatives are observed from the derivatives trading in the market that the derivatives have smoothen out price fluctuations, squeeze the price spread, integrate price structure at different points of time and remove gluts and shortage in the markets. The derivatives also assist the investors, traders and managers of large pools of funds to device such strategies so that they may make proper asset allocation increase their yields and achieve other investment goals.

CRITICISMS OF DERIVATIVES

Options offer the potential for huge gains and huge losses. While the potential for gain is alluring, their complexity makes them appropriate for only sophisticated investors with a high tolerance for risk.

1. When a derivative fails to help investors achieve their objectives, the derivative itself is blamed for the ensuing losses when, in fact, it's often the investor who did not fully understand how it should be used, its inherent risk, etc.
2. Some view derivatives as a form of legalized gambling enabling users to make bets on the market. However, derivatives offer benefits that extend beyond those of gambling by making markets more efficient, helping to manage risk and helping investors to discover asset prices.

Lifespan - Derivatives are "time-wasting" assets. As each day passes and the expiration date approaches, you lose more and more "time" premium and the option's value decreases.

Direction and Market Timing - In order to make money with many derivatives, investors must accurately predict the direction in which the market or index will move (up or down) and the minimum magnitude of the move during a set period of time. A mistake here almost guarantees a substantial investment loss.

SECTION II

TYPES AND CLASSIFICATION OF DERIVATIVES

Derivatives can be categorized many ways, based on the markets where they trade, based on the underlying asset and based on the product feature etc. some ways of classification are following:

(I) On the basis of linear and non-linear: On the basis of this classification the financial derivatives can be classified into two big class namely linear and non-linear derivatives:

(1) Linear derivatives: Those derivatives whose Over-the-counter (OTC) traded derivative: These values depend linearly on the underlying value are called linear derivatives. They are following:

(i) Forwards (ii) Futures (iii) Swaps

(2) Non-linear derivatives: Those derivatives whose value is a non-linear function of the underlying are called non-linear derivatives. They are following:

(i) Options (ii) Convertibles (iii) Equity linked bonds (iv) Reinsurance

(II) On the basis of financial and non-financial: On the basis of this classification the derivatives can be classified into two category namely financial derivatives and non-financial derivatives.

(1) Financial derivatives: Those derivatives which are of financial nature are called financial derivatives. They are following:

(i) Forwards (ii) Futures (iii) Options (iv) Swaps

The above financial derivatives may be credit derivatives, forex, currency fixed-income, interest, insider trading and exchange traded.

(2) Non-financial derivatives: Those derivatives which are not of financial nature are called non-financial derivatives. They are following:

(i) Commodities (ii) Metals (iii) Weather (iv) Others

(III) On the basis of market where they trade: On the basis of this classification, the derivatives can be classified into three categories namely; (1) OTC traded derivatives, (2) exchange-traded derivative and (3) common derivative.

(1) The OTC derivative market is the largest market for derivatives and largely unregulated with respect to disclosure of information between parties. They are following:

(i) Swaps (ii) Forward rate agreements (iii) Exotic options (iv) Other exotic derivative

(2) Exchange traded derivative: A derivatives exchange is a market where individual trade standardized contracts that have been defined by the exchange. Derivative exchange act as an intermediary to all related transactions and takes initial margin from both sides of the trade to act as a guarantee. They may be followings:

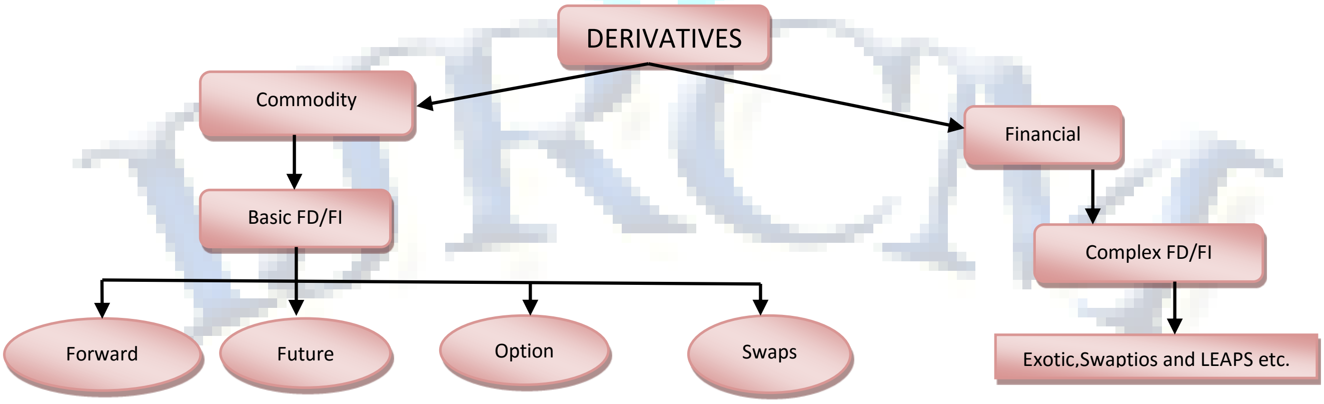
(i) Futures (ii) Options (iii) Interest rate (iv) Index product (v) Convertible (vi) Warrants vii) Others

(3) Common derivative: These derivatives are common in nature/trading and classification. They are following:

(i) Forwards (ii) Futures (iii) Options (iv) Binary options (v) Warrant (vi) Swaps

As aforesaid, this paper restricts itself only to Forward, futures, options and SWAPS in commodities and does not discuss the other kinds of derivatives.

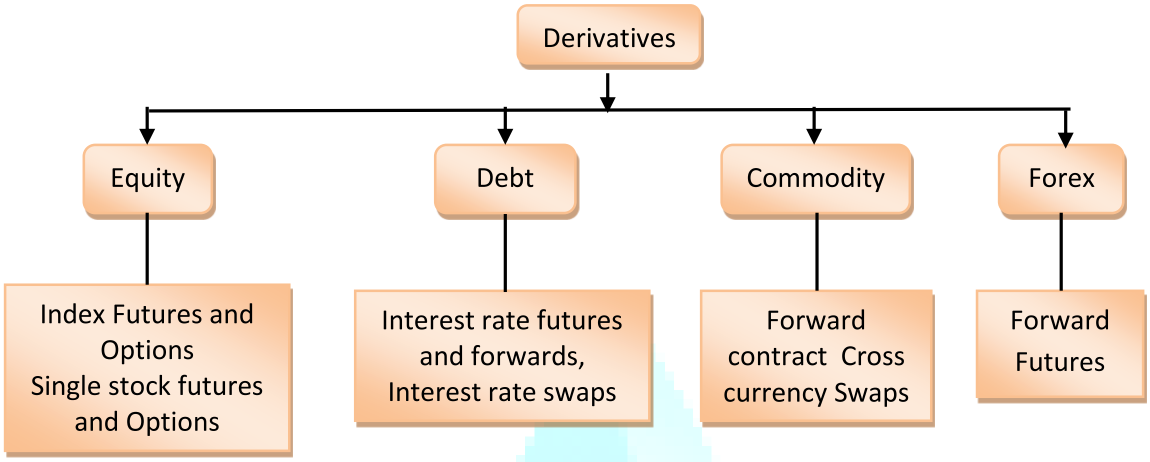
FIGURE 1: CLASSIFICATION OF DERIVATIVES



CLASSIFICATION OF DERIVATIVES CONTRACTS IN INDIA

The Indian financial market woke up to the new generation of financial instrument and the Indian derivatives markets‟ Odyssey in modern times commenced with FOREX derivatives in 1997 has also seen the introduction of many derivatives on different underlying. Currently the following contracts are allowed for trading in Indian markets.

FIGURE 2: DERIVATIVE CONTRACTS TRADED IN INDIA



FORWARD CONTRACTS

It is an agreement between two parties to buy or sell an asset at a certain date in future at a predetermined price. The promised asset may be currency, commodity, instrument like shares / debentures etc. In case of a forward contract the price which is paid/ received by the parties is decided at the time of entering into contract. It is simplest form of derivative contract mostly entered by individual in day to day life.

The holder of a long (short) forward contract has an agreement to buy (sell) an asset at a certain time in the future for a certain price, which is agreed upon today. The buyer (or seller) in a forward contract:

- Acquires a legal obligation to buy (or sell) an asset (known as the underlying asset)
- At some specific future date (the expiration date)
- At a price (the forward price) which is fixed today.

FEATURES OF FORWARD CONTRACT

1. Bilateral Contract :-Forward contract is a bilateral contract between a buyer and a seller hence it is subject to counter-party risk.
2. Over The Counter Trading (OTC) :-Forward contracts are private contracts hence traded over the counter and not in exchanges. The contract can be modified as per the requirements of parties.
3. Custom Designed :- Forward contract is a custom designed contract between two parties. It contains features in terms of size of contract, date of expiry, type and quality of asset etc.
4. Physical Delivery :-There is no physical delivery of assets at the time of entering the contract. Physical delivery takes place only on expiry date.
5. Settlement At Maturity :-Money is exchanged only on the maturity as stated in the contract. The asset must be delivered on maturity date on receipt of payment.
6. Need For Intermediary :-Mostly parties enter into a forward contract with the help of some intermediary. It can be a bank or financial institution or any other party.

LIMITATIONS OF FORWARD CONTRACT

1. Since these contracts are customised, they are non-tradable.
2. There is counter party risk. Default by any one party puts another party in trouble.

There are three authorities, which regulate trading in forward contracts in India.

- Recognised Association
- Forward Market Commission (FMC)
- Central Government

FUTURE CONTRACTS

A future contract is an agreement between two parties to buy or sell an asset at a certain time in future, at a certain price and place. Future contracts are normally traded on an exchange which sets the certain standardized norms for trading in futures contracts. A future contract may be offset prior to maturity by entering into an equal and opposite transaction. Let us take a closer look at the working of an exchange traded futures contract.

WORKING OF FUTURES

The clauses of a futures contract, traded on the exchange, are generally standardized in respect of the following items:

- Quantity of the underlying asset
- Quality of the underlying (not required in financial futures)
- Date and month of delivery
- The units of price quotation (not the price itself) and the minimum change in price (tick-size)
- Location of settlement

FEATURES OF FUTURE CONTRACT

1) Exchange Traded :-Future Contracts are generally traded on an exchange. The exchanges provide a mechanism of guarantee to honor the contract. So there is secondary market for futures.
2) Standardized :-Future contracts are highly standardized and legally enforceable. There is lack of flexibility.
3) Types Of Future :-Future contracts can be classified into two:-
    a) Commodity future in which underlying asset is a commodity
    b) Financial future in which the underlying asset is a security or bond.
4) Transparency :-The contracts enjoy a fair degree of transparency. The terms and conditions are published by exchanges.
5) Down Payment :-In future contracts, the contracting parties have to deposit a certain percentage of contract price called as Margin Money with the exchange. It acts as a collateral to support the contract.
6) Delivery of Asset:-In future contract the parties only exchange the difference between the future price and the spot price prevailing on the date of maturity.
7) Settlement :-A future contract is always settled daily, irrespective of maturity date. It is market to market on a daily basis. The difference between future price and spot price on a day constitutes either profit or loss.
8) The futures prices are expressed in currency units, with a minimum price movement called a tick size.

The quality of positive economic theory explains about its ability with precision clarity and simplicity. The main characteristics of futures explained by a good economic theory are as follows:

1. There is a limited number of actively traded products with futures contracts.
2. The trading unit is large and indivisible.
3. It has no more than maturity of 3 months.
4. The success ratio of new contract is about 25% in the world financial markets.
5. Futures are seldom used by farmers.
6. There are both commercial and non-commercial users of futures contract in interest rates and foreign exchange.
7. The main use of the future by the commercial users is to hedge corresponding cash and forward positions.
8. The positions of the non-commercial users almost entirely speculative positions.
9. In foreign exchange futures, the positions of the commercials users are unbalanced.

There are different types of contracts in financial futures which are traded in the various futures market of the world. The followings are the important types of financial futures contract:

1. Stock future or equity futures
2. Stock index futures
3. Currency futures
4. Interest rate futures

SINGLE STOCK FUTURES

Single stock future is a type of futures contracts between two parties to exchange a specified number of stocks in a company for a agreed today (the future price is the strike price) with delivery occurring at a specified future date, the delivery date. The Contracts are traded on futures exchanges. the party agreeing to take delivery of the underlying stock in future is buyer of contract, is said to be long and party agreeing to deliver the stock in future is seller of the contract, is said to be short. The expectations of the parties the buyer hopes or expects that the price is going to increase, while the seller hopes or expects that the price is going to decrease.

ADVANTAGES OF FORWARD AND FUTURE CONTRACT

1) Protection Against Price Fluctuations :-Parties to contract can protect themselves against the risk of heavy fluctuations in price of underlying assets.
2) Flexibility :-Parties to forward contract can modify the agreement as per their convenience.
3) Facilitates Planning:-These contracts facilitates planning to buy / sell assets at the time when they are most required.
4) Bulk Transactions :-The forward / future contracts facilitates bulk purchase or sale of assets at short notice in advance of delivery.
5) Portfolio Management :-Portfolio managers can advice their clients for future contracts to avoid heavy fluctuations in prices.
6) Development Of Financial Market :-Future and forward contracts facilitates the growth and development of financial markets - Capital Markets as well as Money Markets.
7) Cash Management :-In forward contract payment is done at maturity on delivery of asset. In future contract only margin money is to be paid. So these contracts do not require payment of purchase price at the time of contract.

SETTLEMENT

A futures contract that is not liquidated before its expiry may be settled in either of the following ways:

1. **Physical Delivery:** This involves the delivery of the underlying asset by the seller to the buyer in accordance with the rules of the Exchange. However, the exchange generally discourages such physical delivery through the exchange as it makes the exchange vulnerable to arbitration in case of default by either of the parties.
2. **Cash Settlement:** Cash settlement is an important advance and has broadened the reach of derivatives to products like stock indices where physical delivery is not possible. In cash settlement, the underlying asset is not physically delivered on the expiration of the contract. Instead all open positions are settled by payment of cash based on the difference between the final settlement price and the previous day's settlement price.

DISTINCTION BETWEEN FUTURES AND FORWARDS

Forward contracts are often confused with futures contracts. The confusion is primarily because both serve essentially the same economic functions of allocating risk in the presence of future price uncertainty. However futures are a significant improvement over the forward contracts as they eliminate counterparty risk and offer more liquidity.

Futures	Forwards
Trade on an organized exchange	OTC in nature
Standardized contract terms	Customised contract terms
hence more liquid	hence less liquid
Requires margin payments	No margin payment
Follows daily settlement	Settlement happens at end of period

OPTIONS

"An option is a particular type of a contract between two parties where one person gives the other person the right to buy or sell a specific asset at a specified price within a specified time period." It gives the option buyer the right but not the obligation to buy or sell an underlying at a specific price on or before a certain date. Today, options are traded on a variety of instruments like commodities, stock, index, futures, bank times deposits, interest rate, treasury securities, stock, stock indexes, petroleum products, food grains, metals etc.

The person who buys an option is normally called the buyer or holder. Conversely, the seller is known as the seller or writer. The right to buy an option is called a call option, the price which the option holder pays for buying the option is called the option price or the premium and the price at which the option is exercised is called the strike price or the exercise price. Options in India are traded over the exchange as well as OTC. The main characteristics of options are following:

1. Options holders do not receive any dividend or interest.
2. Option yield only capital gains.
3. Options holder can enjoy a tax advantages.
4. Options are traded on OTC and in all recognized stock exchanges.
5. Options holders can control their rights on the underlying assets.
6. Options create the possibility of gaining a windfall profit.
7. Options holder can enjoy a much wider risk-return combinations.
8. Options can reduce the total portfolio transaction costs.
9. Options enable with the investors to gain a better returns with a limited amount of investment.

A call which is the right to buy shares under a negotiable contract and which do not carry any obligation. The buyers have the right to receive the delivery of assets are known as 'call option.'

In this option the owner has the right to sell the underlying asset under the negotiable contract. Put option holder has the right to receive the payment by surrendering the asset.

The writer of an option is a stock broker, member or a security dealer. The buyer of an option pays a price depending on the risk of underlying security and he as an investor or a dealer or trader.

BASIC FEATURES OF OPTIONS

1. The option is exercisable only by the owner namely the buyer of the option.
2. The owner has limited liability.
3. Owners of options have no voting rights and dividend right.
4. Options have high degree of risk to the option writers.
5. Options involving buying counter positions by the option sellers.
6. Flexibility in investors needs.
7. No certificates are issued by the company.
8. Options are popular because they allow the buyer profits from favorable movement in exchange rate.

Options can be *classified into different categories* like:

(i) Call options
(ii) Put options
(iii) Exchange traded options
(iv) OTC traded options
(v) American options
(vi) European options
(vii) Commodity options
(viii) Currency options
(ix) Stock options
(x) Stock Index options

Call option - A call option gives the option holder a right to buy an asset at a certain price within a specified period of time. A call option buyer is said to have a long position.

Put option - A put option gives the option holder a right to sell an asset at a certain price within a specified period of time. A put option holder is said to have a short position.

Stock index option: Stock index option is a type of option. The option may be tied to the price of broad based indexes or narrow based indexes. A stock index option provides the right to trade a specific stock index at a specified price by a specified expiration date. A call option on a stock index gives you right to buy the index, and a put option on a stock index give you the right to sell the index option on stock indexes are similar to exchange traded funds (ETFs), If an index option is exercised before the close of the market, the buyer of the option will in-or out-of-the -money for an additional amount equal to the difference between the closing price and the exercise price. If the market closes above the intra -day exercise price, then the option will accrue an additional loss, and if the market closes below the intra-day exercise price, the option will accrue an additional gain. For this reason, index options are typically closed out after the market has closed.

Leverage - As in futures, one of the biggest advantages of using an option is the leverage it gives to the investor. By making an investment in the form of a small premium, the buyer controls a much larger stake.

Illustration - If the stock of Reliance is trading at Rs.1000, it would take Rs.1,00,000 to buy 100 shares of the stock. Instead of buying the stock, Mr.A purchases a call option with a strike price of 100 with expiration after one month. Lets say the premium he pays is Rs.10 for a share, i.e. Rs.1000 for buying the right to buy 100 shares. Thus, his total investment is Rs.1000.

Lets suppose that the stock rises to Rs.1, 100 after a month. If Mr. A had purchased 100 shares, the profit that he would have made is Rs.10, 000 (difference between Rs.1,10,000 (Rs.1,100 x 100) and Rs.1,00,000), i.e. a profit of 10%. However, by virtue of the call option bought by Mr. A, on exercising his option of buying the stock for Rs1,00,000 and selling the same for Rs.1,10,000, the profit that he will be making will be Rs.9,000 (difference between investment of Rs.1000 and the profit from sale), i.e. a profit of 900%.

Option Pricing: Option price is the price which the option holder pays to the option writer for buying a particular option . Theoretically, it is the supply and demand in the secondary market, which drive the option price. Greater the demand for the underlying higher will be the option price and vice versa. To understand option pricing, it becomes necessary to define certain terms.

Intrinsic value of an option is the amount of money that could currently be realised by exercising the option at its strike price. An option is said to have an intrinsic value when the option is in-the-money. When an option is at-the-money, the intrinsic value is zero.

Time value is the amount of money, which the option holder is willing to pay and the option writer is willing to accept, over and above any intrinsic value of the option. Time value of an option declines as the option approaches maturity because the volatility in the price of the underlying reduces.

Reducing option price to a formula it can be said that :

Option price/premium = Intrinsic value + time value.

In addition to the intrinsic value and time value, price of an option depends on the price of the underlying, strike price, volatility in the price of the underlying and risk free rate of interest.

Futures	Options
Exchange traded, with novation	Same as futures.
Exchange defines the product	Same as futures.
Price is zero, strike price moves	Strike price is fixed, price moves.
Price is zero	Price is always positive.
Linear payoff	Nonlinear payoff
Both long and short at risk	Only short at risk.

SWAPS CONTRACT

A swap is an agreement between two or more people or parties to exchange sets of cash flows over a period in future. Swaps are agreements between two parties to exchange assets at predetermined intervals. Swaps are generally customerised transactions. The swaps are innovative financing which reduces borrowing costs, and to increase control over interest rate risk and forex exposure. The swap includes both spot and forward transactions in a single agreement. Swaps are at the centre of the global financial revolution. Swaps are useful in avoiding the problems of unfavorable fluctuation in forex market. The parties that agree to the swap are known as counter parties. The two commonly used swaps are interest rate swaps and currency swaps.

Interest rate swaps- which entail swapping only the interest related cash flows between the parties in the same currency.

Currency swaps- entail swapping both principal and interest between the parties, with the cash flows in one direction being in a different currency than the cash flows in the opposite direction.

SECTION-III

HISTORICAL DEVELOPMENT OF DERIVATIVE MARKET IN INDIA

Derivatives in India are not new. Farmers used to enter into Forward contracts to hedge risk against their crops since long. The emergence and growth of derivative market has been witnessed by increased risk in the financial market. These were simple contracts developed to meet the needs of farmers and were basically a means of reducing risk. It has been traditionally observed that Indians tend to resort to safe ways of making money. For ex: keeping money in bank deposits, PPF, NSC etc. However, that outlook is slowly changing now people have started investing money in Derivatives.

Derivative markets in India have been in existence in one form or the other for a long time. In the area of commodities, the Bombay Cotton Trade Association started future trading way back in 1875. This was the first organized futures market. Then Bombay Cotton Exchange Ltd. in 1893, Gujarat Vyapari Mandall in 1900, Calcutta Hesstan Exchange Ltd. in 1919 had started future market. After the country attained independence, derivative market came through a full circle from prohibition of all sorts of derivative trades to their recent reintroduction. In 1952, the government of India banned cash settlement and options trading, derivatives trading shifted to informal forwards markets. In recent years government policy has shifted in favor of an increased role at market based pricing and less suspicious derivatives trading. The first step towards introduction of financial derivatives trading in India was the promulgation at the securities laws (Amendment) ordinance 1995. It provided for withdrawal at prohibition on options in securities. The last decade, beginning the year 2000, saw lifting of ban of futures trading in many commodities. Around the same period, national electronic commodity exchanges were also set up. Derivatives trading commenced in India in June 2000 after SEBI granted the final approval to this effect in May 2001 on the recommendation of L. C Gupta committee. Securities and Exchange Board of India (SEBI) permitted the derivative segments of two stock exchanges, NSE and BSE, and their clearing house/corporation to commence trading and settlement in approved derivatives contracts. Initially SEBI approved trading in index futures contracts based on various stock market indices such as, S&P CNX, Nifty and Sensex. Subsequently, index-based trading was permitted in options as well as individual securities. The more detail about evolution of derivatives are shown in table No.1 with the help of the chronology of the events.

TABLE 1: A CHRONOLOGY OF EVENTS: FINANCIAL DERIVATIVES IN INDIA

Sl. No.	Progress Date	Progress of Financial Derivatives
1	1952	Enactment of the forward contracts (Regulation) Act.
2	1953	Setting up of the forward market commission.
3	1956	Enactment of Securities Contract Regulation Act 1956
4	1969	Prohibition of all forms of forward trading under section 16 of SCRA.
5	1972	Informal carry forward trades between two settlement cycles began on BSE.
6	1980	Khuso Committee recommends reintroduction of futures in most commodities.
7	1983	Govt. ammends bye-laws of exchange of Bombay, Calcutta & Ahmedabad and introduced carry forward trading in specified shares.
8	1992	Enactment of the SEBI Act.
9	1993	SEBI Prohibits carry forward transactions.
10	1994	Kabra Committee recommends futures trading in 9 commodities.
11	1995	G.S. Patel Committee recommends revised carry forward system.
12	14th Dec. 1995	NSE asked SEBI for permission to trade index futures
13	1996	Revised system restarted on BSE.
14	18th Nov. 1996	SEBI setup LC Gupta committee to draft frame work for index futures
15	11th May 1998	LC Gupta committee submitted report
16	1st June 1999	Interest rate swaps/forward rate agreements allowed at BSE
17	7th July 1999	RBI gave permission to OTC for interest rate swaps/forward rate agreements
18	24th May 2000	SIMEX chose Nifty for trading futures and options on an Indian index
19	25th May 2000	SEBI gave permission to NSE & BSE to do index futures trading
20	9th June 2000	Equity derivatives introduced at BSE
21	12th June 2000	Commencement of derivatives trading (index futures) at NSE
22	31st Aug. 2000	Commencement of trading futures & options on Nifty at SIMEX
23	1st June 2001	Index option launched at BSE
24	Jun-01	Trading on equity index options at NSE
25	Jul-01	Trading at stock options at NSE
26	9th July 2001	Stock options launched at BSE
27	Jul-01	Commencement of trading in options on individual securities
28	1st Nov. 2001	Stock futures launched at BSE
29	Nov. 2001	Commencement of trading in futures on individual security
30	9th Nov. 2001	Trading of Single stock futures at BSE
31	Jun-03	Trading of Interest rate futures at NSE
32	Aug. 2003	Launch of futures & options in CNX IT index
33	13th Sep. 2004	Weekly options of BSE
34	Jun-05	Launch of futures & options in Bank Nifty index
35	Dec. 2006	'Derivative Exchange of the Year by Asia risk magazine
36	Jun-07	NSE launches derivatives on Nifty Junior & CNX 100
37	Oct. 2007	NSE launches derivatives on Nifty Midcap -50
38	1st Jan. 2008	Trading of Chhota (Mini) Sensex at BSE
39	1st Jan.	Trading of mini index futures & options at NSE
40	3rd March 2009	Long term options contracts on S&P CNX Nifty index
41	NA	Futures & options on sectoral indices (BSE TECK, BSE FMCG, BSE Metal, BSE Bankex & BSE oil & gas)
42	29th Aug. 2008	Trading of currency futures at NSE
43	Aug. 2008	Launch of interest rate futures
44	1st Oct. 2008	Currency derivative introduced at BSE
45	10th Dec. 2008	S&P CNX Defty futures & options at NSE
46	Aug. 2009	Launch of interest rate futures at NSE
47	7th Aug. 2009	BSE-USE form alliance to develop currency & interest rate derivative markets
48	18th Dec. 2009	BSE's new derivatives rate to lower transaction costs for all
49	Feb. 2010	Launch of currency future on additional currency pairs at NSE
50	Apr. 2010	Financial derivatives exchange award of the year by Asian Banker to NSE
51	Jul-10	Commencement trading of S&P CNX Nifty futures on CME at NSE
52	Oct. 2010	Introduction of European style stock option at NSE
53	Oct. 2010	Introduction of Currency options on USD INR by NSE
54	Jul-11	Commencement of 91 day GOI trading Bill futures by NSE
55	Aug. 2011	Launch of derivative on Global Indices at NSE
56	Sep. 2011	Launch of derivative on CNX PSE & CNX infrastructure Indices at NSE
57	30th March 2012	BSE launched trading in BRICSMART indices derivatives
58	29th Nov 2013	BSE launched currency derivative segment

Source: Compiled from BSE & NSE website

REGULATION OF DERIVATIVES TRADING IN INDIA

The regulatory frame work in India is based on L.C. Gupta Committee report and J.R. Varma Committee report. Derivatives trading commenced in India in June 2000 after SEBI granted the final approval to this effect in May 2001 on the recommendation of L. C Gupta committee. It is mostly consistent with the international organization of securities commission (IUSCO). The L.C. Gupta Committee report provides a perspective on division of regulatory responsibility between the exchange and SEBI. It recommends that SEBI‟s role should be restricted to approving rules, bye laws and regulations of a derivatives exchange as also to approving the proposed derivatives contracts before commencement of their trading. It emphasizes the supervisory and advisory role of SEBI. It also suggests establishment of a separate clearing corporation.

DERIVATIVES MARKET IN INDIA

In India, there are two major markets namely National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) along with other Exchanges of India are the market for derivatives. Here we may discuss the performance of derivatives products in Indian market.

DERIVATIVE PRODUCTS TRADED AT BSE

The BSE started derivatives trading on June 9, 2000 when it launched "Equity derivatives (Index futures-sensex) first time. It was followed by launching various products which are shown in table no.2. They are index options, stock options, single stock futures, weekly options, stocks for: Satyam, SBI, Reliance Industries, Tata Steel, Chhota (Mini) Sensex, Currency futures, US dollar-rupee future and BRICSMART indices derivatives. The table No.2 summarily specifies the derivative products and their date of introduction at BSE.

TABLE 2: DERIVATIVE PRODUCTS OF BSE

Sl. No.	Introduction date	Derivative Products
1	9th June 2000	Equity derivatives (Index futures -Sensex)
2	1st June 2001	Index options launched (Index options –sensex)
3	9th July 2001	Stock options launched (Stock option on 109 stocks)
4	9th Nov. 2002	Stock futures launched (Stock futures on 109 Stocks)
5	13th Sep. 2004	Weekly options on 4 Stocks
6	1st Jan. 2008	Chhota (mini) sensex
7	NA	Futures options on sectoral indices (namely BSE TECK, BSE FMCG, BSE metal, BSE Bankex & BSE oil & gas)
8	1st Oct. 2008	Currency derivative introduced (currency futures on US Dollar)
9	30th March 2012	Launched BRICSMART indices derivatives

Source: Compiled from BSE website

DERIVATIVE PRODUCTS TRADED AT NSE

The NSE started derivatives trading on June 12, 2000 when it launched "Index Futures S &P CNX Nifty" first time. It was followed by launching various derivative product which are shown in table no.3. They are index options, stock options, stock future, interest rate, future CNX IT future and options, Bank Nifty futures and options, CNX Nifty Junior futures and options, CNX100 futures and options, Nifty Mid Cap-50 future and options, Mini index futures and options, Long term options. Currency futures on USD-rupee, Defty future and options, interest rate futures, S&P CNX Nifty futures on CME, European style stock options, currency options on USD INR, 91 days GOI T.B. futures, and derivative an global indices and infrastructures indices. The table no.3 presents a description of the types of derivative product traded at NSE and their data of introduction at NSE.

TABLE 3: DERIVATIVE PRODUCTS OF NSE

S. No.	Introduction date	Derivative Products
1	12th June 2000	Index futures –S&P CNX Nifty
2	4th June 2001	Index Options –S&P CNX Nifty
3	2nd July 2001	Stock options –on 233 stocks
4	9th Nov. 2001	Stock futures on 233 stocks
5	23rd June 2003	Interest rate futures –T. Bills & 10 years Bond
6	29th Aug. 2003	CNX IT futures & options
7	13th June 2005	Bank Nifty futures & options
8	1st June 2007	CNX Nifty Junior Futures & Options
9	1st June 2007	CNX 100 futures & options
10	5th Oct. 2007	Nifty midcap –50 futures & options
11	1st Jan. 2008	Mini index futures & options –S&P CNX Nifty Index
12	3rd March 2008	Long term options contracts on –S&P CNX Nifty Index
13	29th Aug. 2008	Currency futures on US Dollar Rupee
14	10th Dec. 2008	S&P CNX Defty Futures & options
15	Aug. 2009	Launch of Interest rate futures
16	Feb. 2009	Launch of currency futures on additional currency pair
17	July 2010	S&P CNX Nifty futures on CME
18	Oct. 2010	Introduction of European style stock options
19	Oct. 2010	Introduction of Currency options on USD INR
20	July 2011 start	91 day GOI Treasury Bill-futures
21	Aug. 2011	Launch of derivatives on global indices
22	Sep. 2011	Launch of derivatives on CNX PSE & CNX Infrastructure indices

Source: Compiled from NSE website.

GROWTH OF INDIAN DERIVATIVES MARKET

The NSE and BSE are two major Indian markets have shown a remarkable growth both in terms of volumes and numbers of traded contracts. Introduction of derivatives trading in 2000, in Indian markets was the starting of equity derivative market which has registered on explosive growth and is expected to continue the same in the years to come. NSE alone accounts 99% of the derivatives trading in Indian markets. Introduction of derivatives has been well received by stock market players. Derivatives trading gained popularity after its introduction in very short time.

If we compare the business growth of NSE and BSE in terms of number of contracts traded and volumes in all product categories with the help of table no.4, table no.5 and table no.12 which shows the NSE traded 730001863 total contracts whose total turnover is Rs.17082696.64 crores in the year 2015-16 in futures and options segment while in currency segment in 15,16,08,602 total contracts have traded whose total turnover is Rs. 9,82,871.84 Crores in same year.

In case of BSE the total numbers of contracts traded are 75,03,405 whose total turnover is Rs.1,94,21,854.8 Crores in the year 2013-14 for all segments. In the above case we can say that the performance of BSE is not encouraging both in terms of volumes and numbers of contracts traded in all product categories. The table no.4, table no.5 and table no.12 summarily specifies the updated figures since 2002-03 to 2015-16 about number of contracts traded and total volumes in all segments.

TABLE 4: BUSINESS GROWTH OF NSE IN FO (FUTURE AND OPTION) SEGMENT

Year	*Total No. of Contracts*	*Total Turnover (Rs. Cr.)*	*Average Daily Turnover (Rs. Cr.)*
2015-16	730001863	17082696.64	262810.72
2014-15	1837041131	55606453.39	228833.14
2013-14	1284424321	38211408.05	152236.69
2012-13	1131467418	31533003.96	126638.57
2011-12	1205045464	31349731.74	125902.54
2010-11	1034212062	29248221.09	115150.48
2009-10	679293922	17663664.57	72392.07
2008-09	657390497	11010482.2	45310.63
2007-08	425013200	13090477.75	52153.3
2006-07	216883573	7356242	29543
2005-06	157619271	4824174	19220
2004-05	77017185	2546982	10107
2003-04	56886776	2130610	8388
2002-03	16768909	439862	1752

Source: Compiled from NSE website.

TABLE 5: BUSINESS GROWTH OF NSE IN CD SEGMENT

Year	*Total No. of Contracts*	*Total Turnover (Rs. Cr.)*	Average Daily Turnover (Rs. Cr.)
2015-16	15,16,08,602	9,82,871.84	15357.37
2014-15	48,06,64,694	30,23,907.67	12,705.49
2013-14	66,01,92,530	40,12,513.45	16,444.73
2012-13	95,92,43,448	52,74,464.65	21,705.62
2011-12	973344132	4674989.91	19479.12
2010-11	749602075	3449787.72	13854.57
2009-10	378606983	1782608.04	7427.53
2008-09	32672768	162272.43	1167.43

Source : Compiled from NSE website.

SECTION-IV

STATISTICAL DATA (INFORMATION)

This section contains the statistical data or information about Indian derivatives markets namely: product wise turnover of FO segment at NSE, product wise turnover of CD segment at NSE, Number of contract traded at NSE in FO segment, number of contracts traded at NSE in CD segment, Average daily transaction at NSE in FO segment, average daily transactions at NSE in CD segment, Product wise turnover of futures at BSE, product wise turnover of options at BSE, number of contract traded at BSE in future segment, number of contract, traded at BSE in option segment and average daily transaction at BSE in all segments.

After analyzing the data given in table no.6, 7, 8, 9, 10, 11, 13, 14, 15, 16, and 17, we can say that they are encouraging growth and developing. Industry analyst feels that the derivatives market has not yet, realized its full potential in terms of growth and trading. Analyst points out that the equity derivative market on the NSE and BSE has been limited to only four product Index-futures, index options and individual stock future and options, which in turn are limited to certain select stock only. Although recently NSE and BSE has added some more products in their derivative segment but still it is far less than the depth and variety of product prevailing across many developed capital markets.

TABLE 6 : PRODUCT WISE TURNOVER OF FO (FUTURE AND OPTION) SEGMENT AT NSE

Year	Index Futures Turnover (cr.)	Stock Returns Turnover (cr.)	Index Options Notional Turnover (cr.)	Stock Options Notional Turnover (cr.)	Total Turnover (cr.)	Average Daily Turnover (cr.)
2015-16	1229547.17	2006849.17	13043817.92	802475.29	17082696.64	262810.72
2014-15	4107215.2	8291766.27	39922663.48	3282552.18	55606453.39	228833.14
2013-14	3083103.23	4949281.72	27767341.25	2409488.61	38211408.05	152236.69
2012-13	2527130.76	4223872.02	22781574.14	2000427.29	31533003.96	126638.57
2011-12	3577998.41	4074670.73	22720031.64	977031.13	31349731.74	125902.54
2010-11	4356754.53	5495756.7	18365365.76	1030344.21	29248221.09	115150.48
2009-10	3934388.67	5195246.64	8027964.2	506065.18	17663664.57	72392.07
2008-09	3570111.4	3479642.12	3731501.84	229226.81	11010482.2	45310.63
2007-08	3820667.27	7548563.23	1362110.88	359136.55	13090477.75	52153.3
2006-07	2539574	3830967	791906	193795	7356242	29543
2005-06	1513755	2791697	338469	180253	4824174	19220
2004-05	772147	1484056	121943	168836	2546982	10107
2003-04	554446	1305939	52816	217207	2130610	8388
2002-03	43952	286533	9246	100131	439862	1752

Source : Compiled from NSE website. upto June 2015.

TABLE 7: PRODUCT WISE TURNOVER OF CD SEGMENT AT NSE

Year	Currency Future Turnover (Rs. Cr.)	Currency Option Notional Turnover (Rs. Cr.)	Total Turnover (Rs. Cr.)	Average Daily Turnover (Rs. Cr.)
2015-16	6,65,843.90	3,17,027.94	9,82,871.84	15,357.37
2014-15	22,47,992.34	7,75,915.32	30,23,907.67	12,705.49
2013-14	29,40,885.92	10,71,627.54	40,12,513.45	16,444.73
2012-13	37,65,105.33	15,09,359.32	52,74,464.65	21,705.62
2011-12	33,78,488.92	12,96,500.98	4674989.91	19479.12
2010-11	32,79,002.13	1,70,785.59	3449787.72	13854.57
2009-10	17,82,608.04	-----	1782608.04	7427.53
2008-09	1,62,272.43	-----	162272.43	1167.43

Source : Compiled from NSE website.

TABLE 8: NUMBER OF CONTRACT TRADED AT NSE IN FO SEGMENT

Year	Index Future No.of Contracts	Stock Future	Index Option No.of Contracts	Stock Option No.of Contracts	Total No.of Contracts
2015-16	47668271	72323271	581936607	28073654	730001863
2014-15	129303044	237604741	1378642863	91479209	1837041131
2013-14	105252983	170414186	928565175	80174431	1284424321
2012-13	96100385	147711691	820877149	66778193	1131467418
2011-12	146188740	158344617	864017736	36494371	1205045464
2010-11	165023653	186041459	650638557	32508393	1034212062
2009-10	178306889	145591240	341379523	14016270	679293922
2008-09	210428103	221577980	212088444	13295970	657390497
2007-08	156598579	203587952	55366038	9460631	425013200
2006-07	81487424	104955401	25157438	5283310	216883573
2005-06	58537886	80905493	12935116	5240776	157619271
2004-05	21635449	47043066	3293558	5045112	77017185
2003-04	17191668	32368842	1732414	5583071	56886776
2002-03	2126763	10676843	442241	3523062	16768909

Source : Compiled from NSE website.

TABLE 9 : NUMBER OF CONTRACT TRADED AT NSE IN CD SEGMENT

Year	Currency Futures No.of Contracts	Currency Options No. of Contracts	Total No. of Contracts
2015-2016	10,21,65,723	4,94,42,879	15,16,08,602
2014-2015	35,55,88,963	12,50,75,731	48,06,64,694
2013-2014	47,83,01,579	18,18,90,951	66,01,92,530
2012-2013	68,41,59,263	27,50,84,185	95,92,43,448
2011-2012	70,13,71,974	27,19,72,158	97,33,44,132
2010-2011	71,21,81,928	3,74,20,147	74,96,02,075
2009-2010	37,86,06,983	-	37,86,06,983
2008-2009	3,26,72,768	-	3,26,72,768

Source : Compiled from NSE website.

TABLE 10: AVERAGE DAILY TRANSACTION AT NSE IN FO SEGMENT

Year	Total no. of Contracts	Total Turnover (Rs. Cr)	Average Daily turnover (Rs. Cr)
2015-16	730001863	17082696.64	262810.72
2014-15	1837041131	55606453.39	228833.14
2013-14	1284424321	38211408.05	152236.69
2012-13	1131467418	31533003.96	126638.57
2011-12	1205045464	31349731.74	125902.54
2010-11	1034212062	29248221.09	115150.48
2009-10	679293922	17663664.57	72392.07
2008-09	657390497	11010482.2	45310.63
2007-08	425013200	13090477.75	52153.3
2006-07	216883573	7356242	29543
2005-06	157619271	4824174	19220
2004-05	77017185	2546982	10107
2003-04	56886776	2130610	8388
2002-03	16768909	439862	1752

Source: Compiled from NSE website

TABLE 11: AVERAGE DAILY TRANSACTION AT NSE IN CD SEGMENT

Year	Total no. of Contracts	Total Turnover (Rs. Cr)	Average Daily turnover (Rs. Cr)
2015-2016	15,16,08,602	9,82,871.84	15,357.37
2014-2015	48,06,64,694	30,23,907.67	12,705.49
2013-2014	66,01,92,530	40,12,513.45	16,444.73
2012-2013	95,92,43,448	52,74,464.65	21,705.62
2011-2012	97,33,44,132	46,74,989.91	19,479.12
2010-2011	74,96,02,075	34,49,787.72	13,854.57
2009-2010	37,86,06,983	17,82,608.04	7,427.53
2008-2009	3,26,72,768	1,62,272.43	1,167.43

Source: Compiled from NSE website.

TABLE 12: BUSINESS GROWTH AT BSE IN ALL SEGMENTS

Year	Total Contracts	Total Turnover (Rs Cr)	Average Daily Turnover (Rs Cr)	Trading Days
2013-14	7503405	19421854.8	78630.99	247
2012-13	150068157	3884370.96	16117.72	241
2011-12	32222825	808475.99	3246.89	249
2010-11	5623	154.33	0.61	255
2009-10	9028	234.06	1.04	224
2008-09	496502	11774.83	48.46	243
2007-08	7453371	242308.41	965.37	251
2006-07	1781220	59006.62	259.94	227
2005-06	203	8.78	0.14	61
2004-05	531719	16112.32	77.09	209
2003-04	143224	5021.81	81.00	62

Source: Compiled from BSE Website

TABLE 13: PRODUCT WISE TURNOVER OF FUTURES AT BSE

Year	Index Futures Turnover (Rs Cr)	Equity Futures Turnover (Rs. Cr.)	Trading Days
2013-14	215647.78	32560.8	247
2012-13	194188.65	21390.6	241
2011-12	178448.83	10215.7	249
2010-11	154.08	0	255
2009-10	96.00	0.3	224
2008-09	11757.22	8.49	243
2007-08	234660.16	7609.24	251
2006-07	55490.86	3515.5	227
2005-06	5.00	0.49	61
2004-05	13599.66	212.85	209
2003-04	3082.63	1680.34	62

Source: Compiled from BSE Website

TABLE 14: PRODUCT WISE TURNOVER OF OPTION AT BSE

Year	Index option Call Turnover (Rs. Cr.)	Index Option Put Turnover (Rs. Cr.)	Equity Option Call Turnover (Rs. Cr.)	Equity option Put Turnover (Rs. Cr.)	Trading days
2013-14	17680872.23	9063791.85	1487.98	298.54	247
2012-13	1967091.23	1812758.37	1367.87	245.32	241
2011-12	200089.57	418252.79	1277.27	191.82	249
2010-11	0	0.25	0	0	255
2009-10	137.76	0	0	0	224
2008-09	6.11	3.01	0	0	243
2007-08	31	7.66	0.21	0.14	251
2006-07	0.06	0	0.16	0.04	227
2005-06	3.2	0	0.09	0	61
2004-05	1470.61	826.62	2.08	0.5	209
2003-04	0	0	139.07	119.77	62

Source: Compiled from BSE Website

TABLE 15: NUMBER OF CONTRACTS TRADED AT BSE IN FUTURE SEGMENT

Year	Index Futures Contracts	Equity Futures Contracts	Trading Days
2013-14	42440004	1958052	247
2012-13	14146668	652684	241
2011-12	7073334	326342	249
2010-11	5613	0	255
2009-10	3744	8	224
2008-09	495830	299	243
2007-08	7157078	295117	251
2006-07	1638779	142433	227
2005-06	89	12	61
2004-05	44630	6725	209
2003-04	103777	33437	62

Source: Compiled from BSE Website

TABLE 16: NUMBER OF CONTRACTS TRADED AT BSE IN OPTIONS SEGMENT

Year	Index Options Call Contracts	Index Options Put Contracts	Equity Options Call Contracts	Equity Options Put Contracts	Trading Days
2013-14	28387467	278474689	5425	39584	247
2012-13	14413028	143044388	3498	15314	241
2011-12	7206514	17569130	39848	7657	249
2010-11	0	10	0	0	255
2009-10	5276	0	0	0	224
2008-09	251	122	0	0	243
2007-08	951	210	9	6	251
2006-07	2	0	5	1	227
2005-06	100	0	2	0	61
2004-05	48065	27210	72	17	209
2003-04	0	0	3466	2544	62

Source: Compiled from BSE Website

TABLE 17: AVERAGE DAILY TURNOVER AT BSE IN ALL SEGMENT

Year	Total Contracts	Total Turnover (Rs. Cr.)	Average Daily Turnover (Rs. Cr.)	Trading Days
2013-14	698497492	127464748	128344.6	247
2012-13	300067817	6884370.9	60828.43	241
2011-12	32222825	808475.99	3246.89	249
2010-11	5623	154.33	0.61	255
2009-10	9028	234.06	1.04	224
2008-09	496502	11774.83	48.46	243
2007-08	7453371	242308.41	965.37	251
2006-07	1781220	59006.62	259.94	227
2005-06	203	8.78	0.14	61
2004-05	531719	16112.32	77.09	209
2003-04	143224	5021.81	81.00	62

Source: Compiled from BSE Website

SECTION – V

SUMMARY AND CONCLUSION

Derivatives are tools for managing risk. Derivatives provide an opportunity to transfer risk, from the one who wish to avoid it; to one, who wish to accept it. India's experience with the launch of equity derivatives market has been extremely encouraging and successful. Financial derivatives have earned a well deserved and extremely significant place among all the financial instruments (products), due to innovation and has revolutionized the landscape. The growth of derivatives in the recent years has surpassed the growth of its counterpart globally.

The total contracts of derivatives and the total turnover of NSE increased from 16768909 and Rs.439862 in 2002-2003 to 730001863 and Rs.17082696.64 crores in the year 2015-16 in futures and options segment. Meanwhile, in the currency segment, it was 32672768 and Rs.162272.43 in 2008-09 to 15,16,08,602 total contracts and total turnover of Rs. 9,82,871.84 Crores in 2015-16. In the case of BSE, the total number of contracts traded increased from 143224 contracts with a total turnover of 5021.81 in 2003-04 to 75,03,405 contracts with turnover of Rs. 1,94,21,854.8 Crores in the year 2013-14 for all segments. It shows the growth of Indian derivative markets and its development in NSE & BSE. There is an increasing sense that the equity derivatives market is playing a major role in shaping price discovery.

India is one of the most successful developing country in terms of a vibrant market for exchange-traded derivatives. Factors like increased volatility in financial asset price, integration of financial markets on an international basis, sophisticated risk management tools, innovations in financial engineering and choices at risk management strategies have been driving the growth of financial derivatives worldwide, and have also fuelled the growth of derivatives here, in India. Finally, we can say that the derivatives play a very significant role in the financial system.

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GENDER BUDGETING: A DESCRIPTIVE STUDY

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ABSTRACT
Gender budget acts as an instrument for holding the government accountable to its gender equality commitments. Like other problems (poverty, unemployment etc.) inequalities exist between women and men in the society, but women are the most affected in reality. Budgets are not gender neutral, rather they are "Gender-Blind", as it ignores the differing effects on women and men and hence, women are marginalized. Currently, the gender disparity is in the forefront. Steps are being taken now to this issue particularly. One such measure is gender budgeting. Gender budgeting is seen as a socio-economic tool for ensuring gender equity. In India, the impact of gender budgeting in development and planning is yet to be fully researched. Gender Cells must be started at the State level, both at the planning and budget department as well as in every Department\Ministry of the State and monitor the formulation and implementation of gender budgeting at various levels and the progress of Women Component Plan in the State.

KEYWORDS
gender budgeting, gender equity.

INTRODUCTION
Gender Budgeting is of recent origin. This was introduced two decades ago. Government's while making policies consider about the gender and allocate the budgets, to implement the policies. Gender budget moves or marches towards a more gender equal society. Gender budget is known by different names like:
- women's budget,
- gender-sensitive budgets,
- gender responsive budgets,
- mainstreaming gender perspectives into budgets,
- applied gender budget analyses.

DEFINITION AND CONCEPTS
Gender budgeting looks at the government budget from a gender perspective to assess how it addresses the needs of women in specific areas like, health, education, employment, etc. Gender budgets are not separate budgets for men and women and boys and girls. Gender budget initiatives are the exercises that help the country to move toward in the direction of achieving gender equality.

Ministry of Finance, Government of India, defined it as: "A presentation of budgetary data in a manner so that the gender sensitivities of the budgetary allocations are clearly highlighted. It envisages highlighting the budgetary allocation not only to women-specific programmes, but also to quantify pro-women allocations in the composite or gender-neutral programmes of various programmes under various departments. Gender budgeting also involves carrying out an impact analysis of Government programmes and its budgetary allocations on the overall socio-economic status of women in the country. The ultimate aim of gender analysis of national budgets is to incorporate gender variables into the models on which planning and budgeting is based" (Government of India, Ministry of Finance, 2004).

According to United Nations Platform for Action (UNPAC), "Gender budgeting do not look at whether or not the same is spent on men and women, but rather at what the impact of the spending is on men and women and whether or not the budgets respond to the needs of men and women adequately" (UN platform for Action Committee, 2010). Thus, gender budgeting refers to the process of conceiving, planning, approving, executing, monitoring, analyzing and auditing budgets in a gender-sensitive way; involves analysis of the impact of actual expenditure and revenue on women and girls as compared to men and boys; helps governments to decide how policies need to be made, adjusted and reprioritized; and it is a tool for effective policy implementation where one can check if the allocations are in line with policy commitments and are having the desired impact (Government of India, Ministry of Women and Child Department, 2007).

From the study of various definitions it is clear that, Gender budgeting is not an end in itself. It is a tool or means for achieving gender equality and women's empowerment. Gender budgeting does not mean separate budgets for men and women; it is not about dividing the budget on 50-50 basis between male and female; it does not always imply an increase in the allocations for women, it is about prioritizing as well; and it is not only for the government budgets but also for public and private sector units, institutions, civil society organizations and non-governmental organizations.

GENDER BUDGETING: A GLOBAL SCENARIO
Australia is the first country to develop Gender Sensitive Budget with Federal Government in 1984. In 1995, South African parliamentarians with non- Government organization started working on gender sensitive analysis, followed by Central African Government in 1997. Later on, many other countries in common wealth and in Developing countries followed these budget exercises like Rwanda, UK and others (Budlender, 2001).

Gender budgeting is still in the making in many parts of the world. In 1990's, the importance changed the institutionalization of gender issues in development policy and planning by mainstreaming gender in overall policy planning and budgetary processes. In 1995, the Fourth World Conference of Women which was held in Beijing insisted the need for a gender perspective in all macroeconomic policies of Government (Social Watch, Tamil Nadu, 2008). In 2000, the 23rd special Session of United Nations General Assembly, called for the attention, to the goal of gender equality in budgetary process at national, regional and international levels; the 2000 United Nations Millennium Development Goals had gender equality as one of its 8 goals; in 2001, United Nations Development Fund for Women (UNIFEM) launched a 20 country programme, created a momentum among government's, Civil Society and Parliamentarians to be gender perspective while budgeting; and in 2005, the 2nd phase of UNIFEM aimed at the application of Gender Analysis to Government Budgets, focusing on the use of Gender-Responsive Budgeting as a tool to increase accountability, participation budgeting (Pilot, 2006).

GENDER BUDGETING IN INDIA
In India, gender budget initiative had its beginning from VIII plan [1992-1997]. Karnataka takes the credit of being the pioneer in gender budgeting of public expenditures. Kerala and Tamil Nadu have achieved a high degree of progress in gender related programmes.

The Department of Women and Child Development, Ministry of Human Resource Development, Government of India in collaboration with UNIFEM has taken an initiative in gender analysis of budget allocations in India and a study was entrusted to the National Institute of Public Finance and Policy. The section on 'Gender Inequality', which contained in the Economic Survey, 2000-2001, was based on the Interim Report on Gender Budgeting done by National Institute of public Finance and Policy. A consensus was arrived at the United Nations Regional Conference on Gender Budgeting, 2001 in deepening the process of gender budgeting in India to the state level and also in extending the gender budgeting initiative to other countries in South Asia. As a result, a gender perspective was integrated in policy and budget processes, especially as part of the country's Five Year Plan (Pooja, 2013).

In budget 2005-06, the Union Government for the first time included a statement on gender budgeting, which presented the magnitude of allocations for various programmes/schemes under the 10 demands for grants that were expected to benefit women. With budget 2006-07, the gender budgeting exercise has been expanded to cover 24 demands for grants under 18 Ministries/Departments of the Union Government and five Union Territories. The statement was extended in the budget of 2007-08, to include 33 demands for grants of 27 Ministries/Departments. The gender budget statement indicates in two parts, Part A presents schemes in which 100% provision is for women. Part B presents schemes where the allocations for women constitute at least 30% of the provision. Both the tools as explained in the Guidance series sheets are being used in the Indian context and it reflects a serious commitment on the part of the government to strengthen the gender budgeting initiative in Indian milieu (Mishra, 2006). At present, the budgets of 22 states of India are implementing gender budgeting initiatives. 56 Ministries/Departments have set up gender budget cell and a number of Ministries/Departments have reflected allocation for women in the gender budget statement of the Union Budget (Parveen, 2010) .

GENDER BUDGETING IN FIVE YEAR PLAN

The Planning Commission of India has always focused on women's issues as per the perceptions of their members on women's status within the economy. The First Five Year Plan (1951-1956) set up Central Social Welfare Board in 1953 to promote welfare work through philanthropic agencies. The Second Five Year Plan (1956-1961) supported development of Mahila Mandals for grass roots work among women. The Third, Fourth and Interim Plans (1961-74) made provision for women's education, prenatal and child health services, supplementary feeding for children, nursing and expectant mothers. The Fifth Five Year Plan (1974-1978) marked a major shift in the approach towards women, from welfare to development. The Sixth Five Year Plan (1980-85) accepted women's development as a separate economic agenda. The Multi-disciplinary approach with three pronged thrust on health, education and employment was initiated. The Sixth Five Years Plan onwards, the plan document has been including a separate chapter on women and children (Patel, 2007).

The Seventh Five Year Plan (1987-1992) declared as its objective to bring women into the mainstream of national development. During this period, the Department of Women and Child Development was established within the Ministry of Human Resource Development of Government of India. The Seventh Plan introduced the concept of monitoring of 27 beneficiary oriented schemes for women by Department of Women and Child Development. The exercise continues and number of schemes covered is being expanded.

The Eighth Five Year Plan (1992-1997) projected paradigm shift, from development to empowerment and promised to ensure flow of benefits to women in the core sectors of education, health and employment. Outlay for women rose from Rs. 4 crore in the First Plan to Rs. 2000 crore in the Eighth Plan. The Eighth Plan highlighted for the first time, a gender perspective and the need to ensure a definite flow of funds from the general developmental sectors to women. The plan document made an express statement that the benefits to development from different sectors should not by pass women and special programmes on women should complement the general development programmes. The later, in turn, should reflect great gender sensitivity.

The Ninth Five Year Plan (1997-2002) stated that Empowerment of Women was its strategic objective and adopted 'Women Component Plan' as one of the major strategies and directed both the Central and State Governments to ensure "not less than 30 per cent of the funds/benefits are earmarked in all the women-related sectors". Special vigil was advocated on the flow of the earmarked funds/benefits through an effective mechanism to ensure that the proposed strategy brings forth a holistic approach towards empowering women. The National Policy for Empowerment of Women 2001 of Government of India adopted during this period envisaged introduction of a gender perspective in the budgeting process as an operational strategy.

The Tenth Five Year Plan (2002-2009) suggested specific strategies, policies and programmes for Empowerment of Women. It appreciated efforts at ensuring gender-just and gender-sensitive budget and promised to continue the process of dissecting the government budget to establish its gender-differential impact and to translate gender commitments into budgetary commitments. It made provision of outlay of Rs. 13,780 crore. It accepted that women component plan & gender budget play complimentary role for effective convergence, proper utilization and monitoring of fund from various developmental sectors. The Ministry of Women and Child Development was established during this plan period.

The Eleventh Five Year Plan mentions that gender equity requires adequate provisions. Efforts were made in creation of enabling environment for Women to become economically, politically, and socially empowered on equal basis with men in all spheres, along with equal participation and decision making, healthcare, quality education, career and vocational guidance, employment, equal remuneration, occupational health and safety, social security, public office etc. to be made possible. The National Policy aims to bring about Social and Economic Empowerment to the Women to bring Gender Justice in all levels of the society and planning (Patel, 2007).

CONCLUSION

Gender budget acts as an instrument for holding the government accountable to its gender equality commitments. Like other problems (poverty, unemployment etc.) inequalities exist between women and men in the society, but women are the most affected in reality. Budgets are not gender neutral, rather they are "Gender-Blind", as it ignores the differing effects on women and men and hence, women are marginalized.

Currently, the gender disparity is in the forefront. Steps are being taken now to this issue particularly. One such measure is gender budgeting. Gender budgeting is seen as a socio-economic tool for ensuring gender equity. In India, the impact of gender budgeting in development and planning is yet to be fully researched. Gender Cells must be started at the State level, both at the planning and budget department as well as in every Department\Ministry of the State and monitor the formulation and implementation of gender budgeting at various levels and the progress of Women Component Plan in the State.

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