INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

IJRCM

IJRCM

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

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar, Open J-Gage, India [link of the same is duly available at Inflibnet of University Grants Commission (U.G.C.)], Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than **5709 Cities** in **192 countries/territories** are visiting our journal on regular basis.

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

http://ijrcm.org.in/

CONTENTS

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications;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

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

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION**:

DATED: _____________

THE EDITOR

IJRCM

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

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled '____' for likely publication in one of your journals.

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

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

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

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

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation **etc.** ***The qualification of author is not acceptable for the purpose***.

NOTES:

a) The whole manuscript has to be in ***ONE MS WORD FILE*** only, which will start from the covering letter, inside the manuscript. ***pdf. version is liable to be rejected without any consideration***.

b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail**:

New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.

d) The total size of the file containing the manuscript is expected to be below **1000 KB**.

e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.

f) ***The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours*** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.

g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.

2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters**, **centered** and **fully capitalised**.

3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name**, **designation**, **affiliation** (s), **address**, **mobile/landline number** (s), and **email/alternate email address** should be given underneath the title.

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

5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150** to **300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. ***Abbreviations must be mentioned in full***.

6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.

7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.

8. **MANUSCRIPT:** Manuscript must be in ***BRITISH ENGLISH*** prepared on a standard A4 size ***PORTRAIT SETTING PAPER***. *It should be free from any errors i.e.* ***grammatical, spelling*** *or* ***punctuation.*** *It must be thoroughly edited at your end*.

9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.

10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.

11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:

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

The manuscript should preferably be in ***2000 to 5000 WORDS***, But the limits can vary depending on the nature of the manuscript.

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

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

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

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

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

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

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

CONTRIBUTIONS TO BOOKS

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

JOURNAL AND OTHER ARTICLES

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

CONFERENCE PAPERS

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

UNPUBLISHED DISSERTATIONS

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

ONLINE RESOURCES

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

WEBSITES

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

AN ANALYSIS OF DEVELOPMENT EXPENDITURE DURING THE PRE REFORM AND POST REFORM PERIOD IN INDIA

Dr. P. NATARAJAN
ASST. PROFESSOR
DEPARTMENT OF ECONOMICS
RAJAH SERFOJI GOVERNMENT COLLEGE
THANJAVUR

S. RAJARAJESWARI
ASST. PROFESSOR OF ECONOMICS (FIP)
RAJAH SERFOJI GOVERNMENT COLLEGE
THANJAVUR

ABSTRACT

Economic planning in India is different from that of the socialist countries in its approach as well as coverage. India has opted for a mixed economy, implying the co-existence of the public and the private sectors. The initiative of the state in such a social system is restricted to sectors, which fail to develop, either due to the inabilities or due to the indifference on the part of the private sector. Thus the State was accorded a very high important place in India for the development of the infrastructure under the plans. The development of the roads and the railways, the construction of the canals, the production and distribution of energy and the like have created a conducive environment for rapid economic development in India. The multi-dimensional development of the social overhead capital by the State had induced the incentive of the private sector also to increase production and to raise the output. This strategy had worked well in respect of the consumer goods industries. The state, however, could not rely for the development of the basic industries on the response of the private sector alone for the growth of the social overhead capital. Massive allocation of funds to these industries had resulted in their rapid and speedy development, which had considerably strengthened the country's basic industrial structure. The public revenue should be increased to meet the growing public expenditure. It has been suggested that the subsidies should also be reduced to meet the growing public expenditure of the country. The public revenue should be mobilized to a greater extent to meet the continuously increasing public expenditure.

KEYWORDS

India, development expenditure.

INTRODUCTION

Most of the operations of public finance resolve themselves into a series of transfers of purchasing power. Purchasing power is transferred from the people to the Government in the form of taxes, fees, fines, special assessments and the like. The same purchasing power is re-transferred to the people when the government spends its income in various forms. How these transfers of purchasing power affect the entire economy is the subject matter of the positive science of public finance. However, public finance is not considered as a positive science because of its practical applications. It has its own normative aspects as well. Thus writers on public finance are inclined to set a series of norms for the transfers of purchasing power involved in the public finance operations. The paramount aim of the developing economics is economic development and everything else is subservient to this main aim.

It is worth noting that there is an appreciable difference in the role of public expenditure in advanced industrialized countries and developing countries, like India. In the developed economies, the role of public expenditure consists in preventing cyclical fluctuations, counteracting a secular tendency towards stagnation and improving income distribution. Also public expenditure can be used as a lever to raise the level of income and employment; it can also influence the allocation of resources and affect the composition of Gross Domestic product. But the role of public expenditure in developing economies has a special significance.

In a developing economy, control of cyclical fluctuation is not as important as raising the level of income and employment and improving the distributional aspect of national income. It must also pay special attention to backward areas. Thus, role of public expenditure in a developing economy is three fold: viz

(i) Promoting economic growth,
(ii) Redistribution of Income, wealth and economic power and
(iii) Balanced regional development.

A policy of sustained economic development requires the application of large investment expenditure for the creation of social overhead capital which, in turn, will facilitate the development of both manufacturing industries and agriculture. If the rate of economic development of developing countries is to be accelerated, the main reliance has to be placed on the creation of external economies through the availability of social overhead capital. Moreover, in a developing socialist economy like that of India, the State wishes to expand the public sector with a view to gaining increasing control over the means of production with particular emphasis on the long neglected heavy and basic industries in the early phases of industrialization. The share of government in the total investment has, therefore, been going up from plan to plan and it now occupies the commanding heights of the economy.

NEED FOR THE STUDY

The classical economists have not analyzed in depth about public revenue and public expenditure. Throughout the nineteenth century, increases in public expenditure were very meager owing to the very restricted activities of the government. But now, the expenditures of the governments all over the world, including that of India had greatly increased, while the public revenue had not increased to the extent proportionately, and this is true more particularly, in the developing and the underdeveloped countries.

In developing countries, the public expenditure has an important role to play whereas in the developed industrialized countries, the basic problem, in the short run, is to ensure their economic stability and full employment levels and in the long run to ensure a steady rate of economic growth; that is growth without wide fluctuations. The developing countries like India are confronted with a more difficult problem of generating a high rate of economic growth so as to tackle the basic problems of poverty and unemployment. The public expenditure has to play a special role in promoting economic growth in the developing countries. Hence there is a need to study empirically the trend of public expenditure over period of time and its impact on the various sectors and also among the various sections of the community.

STATEMENT OF THE PROBLEM

A continuous increase in the public expenditure is not a desirable feature as it increases the deficits of the annual budgets; and if a reduction in the public expenditure should be allowed to fall below the critical minimum level, it might affect the growth of the economy. There it is very essential to maintain the public expenditure at an optimal level, so as to sustain and encourage the optimum level of economic growth. But in India, public expenditure had been growing at an alarming proportion, which had already drawn the attention of the policy makers. If the public expenditure is diverted towards development activities, it will certainly promote the process of development in the economy. While examining the nature of the public expenditure, it is very necessary to compare the growth of public expenditure with that of the Gross Domestic Product of the country. Governments in the modern era are actively participating in the allocation, distribution and stabilization processes of the economy. As a result of their active participation in the various economic activities, the government finances have begun to play a crucial role in the social and community development of the country.

In this context, the goals and objectives of the government have to be analyzed carefully. The quantity and the quality of the growth patterns differ from government to government, as these depend, among other things, upon the objectives of the respective governments. Also the efficiency with which the government services are provided, determines to a greater extent the quantity and the quality of the growth pattern. The pattern of expenditure however, is entirely a product of the pattern of public expenditure over a period of time, and it broadly gets reflected in the changing objectives of the government.

OBJECTIVE OF THE STUDY

To analyze the developmental expenditure of the Central Government of India during the pre-reform and post-reform period.

METHODOLOGY OF THE STUDY

Present paper has relied on secondary data, collected from India's Public Finance and Statistics, Government of India Report. Linear and Non Linear Models are used to analyze the data with the help of trend line for observing whether increasing trend or decreasing trend.

ANALYSIS OF THE DATA

The total developmental expenditure of the Central Government for the periods namely pre-reform period and post-reform period is presented in the following Table.

TABLE 1: DEVELOPMENT EXPENDITURE DURING THE PRE-REFORM PERIOD FROM 1980-81 TO 1990-91

Years	Development Expenditure (₹ In crores)	Index number of Development Expenditure
1980–81	8994	100
1981-82	10250	114
1982-83	11913	133
1983-84	14038	156
1984-85	16615	185
1985-86	19914	221
1986-87	22941	255
1987-88	24209	269
1988-89	26151	291
1989-90	27520	306
1990-91	34566	384

Source: Indian Public Finance and Statistics, Government of India, Various Issues.

It is found from the above Table that the total expenditure on developmental services of the Government of India has increased from ₹ 8994 crores in 1980-81 to ₹ . 19914 crores in 1985-86, and further to ₹ .34566 crores in 1990-91 during the pre-reform period. If the total developmental expenditure of the year 1980-81 is given index number of base 100, then the index number of developmental expenditure for 1985-86 works out to be 221; and for 1990-91 it is 384. Large amount of developmental expenditure, by itself, cannot be considered as a good feature. For deciding as to how far an increase in developmental expenditure could be justified, one must examine the purpose for which the expenditure has actually been incurred. The other related aspects which have to be taken into consideration are the priorities laid down for incurring the developmental expenditure, the allocation of financial resources to the various sectors, the observance of the various canons of public expenditure in incurring the expenditure and the amount of benefits that accrue to the society from out of the developmental expenditure.

The following table presents the total developmental expenditure of the central government incurred after the New Economic Policy that is, post reform period after 1991. The New Economic Policy which is shortly called as LPG was initiated in the year July 1991 by the then Finance Minister Dr. Manmohan Singh under the Prime Minister ship of P.V. Narasimha Rao.

TABLE 2: DEVELOPMENT EXPENDITURE DURING THE POST-REFORM PERIOD FROM 1991-92 TO 2014-15

Year	Development expenditure (₹ In crores)	Index Number
1991-92	35961	100
1992-93	36660	102
1993-94	43662	121
1994-95	47378	132
1995-96	46374	129
1996-97	53534	149
1997-98	59077	164
1998-99	66818	186
1999-00	76182	212
2000-01	91884	256
2001-02	101194	281
2002-03	117972	328
2003-04	134484	374
2004-05	143010	398
2005-06	174952	487
2006-07	219087	609
2007-08	304293	846
2008-09	383107	1065
2009-10	413852	1151
2010-11	525019	1460
2011-12	580897	1615
2012-13	602503	1675
2013-14	661141	1838
2014-15	737229	2050

Source: Indian Public Finance and statistics, Government of India, Various Issues.

It is observed from the above table that the developmental expenditure has risen from ₹.35961 crores in the year 1991-92 to ₹.91884 crores in 2000-01. Finally the amount of development expenditure has increased to ₹.737229 crores in the year 2014-15. Developmental expenditure is a crucial vote getter for the incumbent party as these expenditures are extremely visible and its benefactors are easily identifiable. It is clear that during the election years, the Governments have directed large amounts of the available resources towards development expenditures as they are more visible and are more likely to lure the votes to cast their votes in favour of the party, which had undertaken the exercise of increasing the development expenditure. If the total developmental expenditure of the year 1991-92 is given an index number of base 100, then the index number of developmental expenditure for 2000-01 works out to 256; and for 2014-15, it becomes 2050.

TREND ANALYSIS

The paper has analyzed the trend pattern of growth of the developmental expenditure of the Central Government during the period from 1980-81 to 2014-15 by fitting a trend for the given variables. To fit the trend, the following linear model had been used.

$Y = a+bt +U_t$

Where,
Y = Development Expenditure
t = Time trend variable,
a = Intercept term and
b = Regression co-efficient showing the annual growth or the declining rate in the concerned variable.

COMPOUND GROWTH RATE

In this model, the values of the independent variables were taken in log and the dependent variable in the non-log form. For this, the following type of model has been used.

$\text{Log } Y = a+bt +U_t$

Compound growth rate was calculated by: (Antilog b-1) x 100

The following table presents the computed trend coefficients and compound growth rate for pre-reform, post-reform and overall periods.

TABLE 3

Model	Period	Year	a	b	T	R^2	Absolute growth	CGR
Linear	Pre-reform	1980-81 to 1990-91	5210.70	2421.11*	19.062	0.98	2421	--
	Post-reform	1991-91 to 2014-15	-134181.40	29588.75*	10.451	0.83	29589	--
	Whole period	1980-81 to 2014-15	-148815.33	17590.35*	8.928	0.71	17590	--
Log linear model	Pre-reform	1980-81 to 1990-91	9.02	0.13*	20.796	0.98	--	14.04
	Post-reform	1991-91 to 2014-15	10.08	0.14*	33.52	0.98		15.51
	Whole period	1980-81 to 2014-15	8.93	0.13*	43.426	0.98		13.57

Source: Estimated by the Researcher.

Note: CGR – Compound Growth Rate.
Statistically significant at 5 per cent level.

It is found from the above table that in the pre-reform period, the value of the slope co-efficient worked out to 2421.11. This reveals that on an average the amount of developmental expenditure has increased by ₹.2421 crores over the period of eleven years just before the structural changes that has taken place in India. The value of R^2 is 0.98, which means that about 98 per cent of the variations in the developmental expenditure variables has been explained by the independent variable. Regarding the log-linear model, the estimate of 'b' was found to be statistically significant and it is 0.13. The annual growth rate of developmental expenditure in the pre reform period is 13 per cent and the value of R^2 is 0.98. The compound Growth Rate is 14.04 per cent.

For the post-reform period, the slope co-efficient is 29588.75, which showed that on an average the developmental expenditure has increased by ₹.29589 crores annually. The value of R^2 is 0.83, which means that above 83 per cent of the variations in the developmental expenditure variables has been explained by the independent variable during the post-reform period. The growth model value of the slope co-efficient is 0.14 and the value of R^2 is 0.98. The government is seeking to undertake major investment outlays; yet it had accumulated huge cash balances with the Reserve Bank of India.

Over the study period the slope co-efficient is found to be 17590.35, which discloses the average annual absolute growth rate of development expenditure for the entire period of time. The R^2 value of 0.71 discloses that in the regression line, the independent variable explains for about 71 per cent of the variations in the developmental expenditure, which is the dependent variable. The t' test reveals the regression co-efficient to be significant at the 5 per cent level. In the semi-log model the value of "b" is 0.13 and the goodness of fit is 0.71 per cent. The compound growth rate of development expenditure is 13.57 per cent.

$$t = \frac{b_1 - b_2}{\sqrt{(S.E\ b_1)^2 + (S.E\ b_2)^2}}$$

$$= \frac{2421.11 - 29588.75}{\sqrt{(127.01)^2 + (2831.09)^2}}$$

$$= \frac{-27167.64}{2833.94}$$

$$= -9.59$$

Table value of 't' at 5 per cent level is 1.960.

Since the calculated value of 't' greater than the 'table value', there is a significant difference between the annual growth rates of development expenditure for the two sub-periods namely pre-reform period and post-reform period.

CONCLUSION

Economic planning in India is different from that of the socialist countries in its approach as well as coverage. India has opted for a mixed economy, implying the co-existence of the public and the private sectors. The initiative of the state in such a social system is restricted to sectors, which fail to develop, either due to the inabilities or due to the indifference on the part of the private sector. Thus the State was accorded a very high important place in India for the development of the infrastructure under the plans. The development of the roads and the railways, the construction of the canals, the production and distribution of energy and the like have created a conducive environment for rapid economic development in India. The multi-dimensional development of the social overhead capital by the State had induced the incentive of the private sector also to increase production and to raise the output. This strategy had worked well in respect of the consumer goods industries. The state, however, could not rely for the development of the basic industries on the response of the private sector alone for the growth of the social overhead capital. Massive allocation of funds to these industries had resulted in their rapid and speedy development, which had considerably strengthened the country's basic industrial structure. The public revenue should be increased to meet the growing public expenditure. It has been suggested that the subsidies should also be reduced to meet the growing public expenditure of the country. The public revenue should be mobilized to a greater extent to meet the continuously increasing public expenditure.

REFERENCES

1. **Fabricant S.,** The Trend of Government Activities in the U. S. ~inck 1900-~~a~~Bureau of Economic' Research Inc., New York, 1952, pp.112-139. 16.
2. **Glenn, W. Fisher,** "Determinants of State and Local Government Expenditure, A Preliminary Analysis", National Tax Journal, Vol.XIV, Dec, 1961, pp.349 - 355.
3. **Madalgi, S.S.,** "State Government Expenditure, 1951-52 to 1965-66", RBI Bulletin, June, 1966, p.624. 44. Thimmaiah, G. Centre-State Financial Relations, Gangatharaya, Mysore, India, 1968, p.162.
4. **Reddy, K.N.,** Growth of Public Expenditure India, 1872-1968 (A Secular and Time Pattern Analysis). Sterling Publishers, New Delhi, 1972, p.11.
5. **Reddy. K.N.,** "Trend of Government Activity in India Since Independence (A Research Report), M.S. University, Economic Series, Baroda, 1976, p.85.
6. **Sims, C.A.,** "Money, Income and Causality", American Economic Review, Vo1.62, pp.540-542.
7. **Vinod Kumar Singh,** Government Expenditure and Economic Development, Criterion Publication, New Delhi, 1986, p.19.
8. **Zahir, M.,** Public Expenditure and Income Distribution in India, Associated Publishing House, New Delhi, 1972, p. 92. 43.

REQUEST FOR FEEDBACK

Dear Readers

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

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

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

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

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-
Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

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

Our Other Journals