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<u>Chief Editor</u>
Dr. Prachi Beriwala
Associate Professor, SOM, Presidency University,
Bengaluru, Karnataka, India

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Chapter - 1

Impact of Foreign Direct Investment on the Economic Growth of India

Dr. R. Magesh Kumar
Assistant Professor, School of Management, Presidency University, Bangalore, Karnataka, India

Manoj Reddy
Student, School of Management, Presidency University, Bangalore, Karnataka, India

Abstract

The present study tries to assess the determinants and impact of FDI in India at the macro – level. It documents the trends and patterns of FDI at world level, Asian level and Indian level. The present study differs from the early studies in many ways and enriches the existing literature in the following ways: Firstly, it has included variables other than the variables included by other scholars. Secondly, the present study documents the trends and patterns of FDI at World, Asian and Indian level. Thirdly, the present study tries to highlight the changing attitude of developing countries towards FDI and attitude change of developed countries towards developing countries in understanding their contribution in contemporary international relations and development process. Fourthly, the study presents the experiences of first and second generation of economic reforms on Indian economy.

Keywords: FDI, economic, industrial growth, international relations.

Introduction

Foreign investment plays a significant role in development of any economy as like India. Many countries provide many incentives for attracting the foreign direct investment (FDI). Need of FDI depends on saving and investment rate in any country. Foreign Direct investment act as a bridge to fulfill the gap between investment and saving. In the process of economic development foreign capital helps to cover the domestic saving constraint and provide access to the superior technology that promote efficiency and productivity of the existing production capacity and generate new production opportunity. The historic history of FDI in India may be traced lower back with the status quo of East India Company of Britain. British capital got here to India throughout the colonial technology of Britain in India. After Second World War, Japanese agencies entered Indian marketplace and better their exchange with India, but U.K. remained the maximum dominant investor in India. Further, after Independence troubles referring to overseas capital, operations of MNCs, received interest of the coverage makers. Keeping in thoughts the countrywide pastimes the coverage makers designed the FDI coverage which ambitions FDI as a medium for obtaining superior generation and to mobilize forex resources. With time and as in step with monetary and political regimes there had been modifications with inside the FDI coverage too. The business coverage of 1965, allowed MNCs to assignment via technical collaboration in India. Therefore, the authorities followed a liberal mindset through permitting greater common equity. In the vital face of Indian economic system, the authorities of India with the assist of World Bank and IMF added the macro-monetary stabilization and structural adjustment program. As an end result of those reforms India open its door to FDI inflows and followed a greater liberal overseas coverage so as to repair the self-assurance of overseas investors.

Literature Review

Dunning, (2008), in their article it was highlighted that there is a spillover effect emerges the linkage between the FDI and the host country economic agents. The FDI has generated the industrial growth in the aspect of more investment in the emerging sector. Singh, Gupta (2013), in their study they discussed about the India's foreign capital policy and it was concluded that the policy framework in India has changed from various challenges affecting the Indian Foreign Trade policy from 1948 to 1966 and the selective restrictive policy 1967 to 1979. Only from 1991 the liberal investment climate has been created.

Lakshmana Rao and Ravikanth (2016), in their studies it is observed that the major motive behind the objective is to focus on heavy industrial units, public enterprises, generating the employment, etc. It is stated that the overseas investing company may invest in any of the subsidiary or associate foreign country. The company may invest at divergent sectors for the acquisition of shares and the title. The FDI-growth nexus is evidently identified by the neoclassical growth models. The neoclassical growth model considers technological progress and labour force as exogenous, and thus argues that FDI increases level of income only while it has no long run growth effect if it does not expand technology. Long run growth can only be increased through technological and population growth and if FDI positively influences technology, then it will be growth advancing.

Somwaru nikhil (2004) indicate that according to recent endogenous growth theory, FDI can be growth advancing if it results in increasing returns in production through spillover and technological transfers via diffusion processes. Easterly *et al.* (1995) argue that technology transfer depends on the diffusion process and that can take place through four modes: transfer of new technologies and ideas; high technology imports; foreign technology adoption; and level of human capital. Hsiao and Hsiao (2007) assert that exports increase FDI by paving the way for FDI by gathering information of the host country that helps to reduce investors. Transaction costs. Also FDI may reduce exports by serving foreign markets through establishment of production facilities there.

Balasubramanyam *et al.* (1998) tested the hypothesis that exports promoting (EP) FDI in countries like India confer greater benefit than FDI in other sectors. They have used production function approach in which FDI is treated as an independent factor input in addition to domestic capital and Labour. As FDI is a source of human capital accumulation and development of new technology for developing countries, FDI captures such externalities as learning by watching and/or doing and various spillover effects. Exports are also used as an additional factor input in this production function. Once FDI enters a country, some of the erstwhile imports become domestic products. Hence, their output becomes a part of GDP which needs consideration as a part of output or growth effect of FDI. In their model, real GDP depends on labour, domestic capital stock, foreign capital stock, exports, and technical progress through time. Time is an all-inclusive proxy variable which captures the influence of all factors, including changing technology, that are impounded under the assumption of ceteris paribus. This is why time is defined as the parameter of functional shift. Thus, it is erroneous to interpret the coefficient of T as representing change in technology alone. However, it has become a customary to treat time as a representative of technological change.

Borensztein *et al*. (1999) examine absorptive capacity of recipient country, which is measured by stock of human capital required for technological progress; it takes place through 'capital deepening' associated with new capital goods brought into an economy by FDI. It has been found out that the fructification of growth effect of FDI requires adequate infrastructure as a pre-requisite.

Research Methodology

The present study is based on the objectives like how much amount of foreign investment is required for India’s economic growth and to analysis the trend of FDI & FIIs for economic development and how the status of economy has improved after economic reforms. To fulfill all above said objectives data has been gathered from secondary sources like reports and publication of Govt. and RBI relating to foreign Investment, economic journals, books, magazines and internet etc.

This study is based on secondary data. The required data have been collected from various sources i.e. Interviews Reports, interviews and focus groups, various Bulletins of Reserve Bank of India, publications from Ministry of Commerce, Govt. of India, Economic and Social Survey of Asia and the Pacific, United Nations, Asian Development Outlook, Country Reports on Economic Policy and Trade Practice Bureau of Economic and Business Affairs, U.S. Department of State and from websites of World Bank, IMF, WTO, RBI, etc. It is a time series data and the relevant data have been collected for the period 1991 to 2008.

Findings

There is a considerable decrease in the tariff rates on various importable goods. Table –1 shows FDI inflows in India from 1948 – 2010.FDI inflows during 1991-92 to March 2010 in India increased manifold as compared to during mid-1948 to march 1990 (Chart-1.1). The measures introduced by the government to liberalize provisions relating to FDI in 1991 lure investors from every corner of the world.

Table 1:

Amountof FDI	March 1948	March 1964	March 1974	March 1980	March 1990	March 2000	March 2010
In crores	257	565	91	933.2	2709	18486	1,23,987

Table 2: Country wise

Years/ Countries	1990-95	96	97	98	99	2000	2001	2002	2003	2004	2005	2006	2007
World FDI	225.3	386.1	478.1	694.5	1088.3	1492	735.1	716.1	632.6	648.1	958.7	1411	1833.3
Developed Economies share in world FDI	64.4	57.1	56	69.7	77.1	82.2	68.4	76.5	69.9	58.6	63.8	66.7	68
Developing Economies share in world FDI	33	39.5	39.9	27	20.7	15.9	27.9	21.7	26.3	36	33	29.3	27.3

However, the share during 1998 to 2003 fell considerably but rose in 2004, again in 2006 and 2007 it reduces to 29% to 27% due to global economic meltdown. Specifically, developing Asia received 16 %, Latin America and the Caribbean 8.7 %, and Africa 2 %. On the other hand, developed economies show an increasing upward trend of FDI inflows, while developing economies show a downward trend of FDI inflows after 1995.

Table 3: Share of India in World FDI (Amount in US $ Billion)

Years/ Countries	1990-95	96	97	98	99	2000	2001	2002	2003	2004	2005	2006	2007
WorldFDI	225.3	386.1	478.1	694.5	1088	1492	735	716.1	632.6	648.1	958.7	1411	1833.3
India’s share in world FDI	0.3	0.7	0.8	0.4	0.2	0.2	0.5	0.5	0.7	0.8	0.8	1.4	1.3

Table-3 reveals that during the period under review FDI inflow in India has increasedfrom 11% to 69%. But when it is compared with China, India’s FDI inflows stand nowhere. And when it is compared with rest of the major emerging destinations of global FDI India is found at the bottom of the ladder Table-3.

Table 4: Emerging Economies of Asia (Amount in US $ Billion)

COUNTRY	**1990-1999**	**2000-2007**
China	188	483.1
Singapore	43.3	108
India	12	63.3
South Korea	21	41.5
Malaysia	25	33.1
Phillippines	6.1	13.3
Thailand	17	37.2
All DevelopingCountries	831	2227.1
India's Share (%)	1.4	2.8
China's Share (%)	22.6	21.7

In 2000-2007 while China’s share was 22.6% in 1991-99 and 21.7 per cent in 2000-07. When the shares of these two countries are compared it is found that China’s share is 21.7% in the present decade while India’s share is miniscule (i.e. 2.8%).

- During the period under study it is found that India’s GDP crossed one trillion dollar mark in 2007. Its domestic saving ratio to GDP also increases from 29.8 percent in 2004-05 to 37 percent in 2007-08.

- FDI in India has increased manifold since 1991. FDI inflows in India haveincreased from US$ 144.45 million in 1991to US$ 33029.32 million in 2008.

- An analysis of last eighteen years of trends in FDI inflows in India shows that initially the inflows were low but there is a sharp rise in investment flows from 2005 onwards.
- Although there has been a generous flow of FDI in India but the pace of FDI inflows has been slower in India when it is compared with China, Russian federation, Brazil and Singapore.
- The study reveals that there is a huge gap (almost 40%) between the amount of FDI approved & its realization into actual disbursement in India. It is also found that investors in India are inclined toward having more financial collaborations rather than technical ones.
- Among sectors, Services sector tops the chart of FDI inflows in India in 2008.Nearly, 41% of FDI inflows are in high priority areas like services, electrical equipments, telecommunication etc.

Conclusion

India’s Foreign Direct Investment (FDI) policy has been gradually liberalised to make the market more investor friendly. The results have been encouraging. These days, the country is consistently ranked among the top three global investment destinations by all international bodies, including the World Bank, according to a United Nations (UN) report. For Indian economy which has tremendous potential, FDI has had a positive impact. FDI inflow supplements domestic capital, as well as technology and skills of existing companies. It also helps to establish new companies. All of these contribute to economic growth of the Indian Economy.

Suggestions for Future Research

It is suggested that the policymakers should ensure optimum utilization of funds and timely implementation of projects. It is also observed that the realization of approved FDI into actual disbursement is quite low. It is also suggested that the government while pursuing prudent policies must also exercise strict control over the inefficient bureaucracy, red-tapes’, and rampant corruption so that investors’ confidence can be maintained for attracting moreFDI inflows to India. Last but not least, the study suggests that the government ensures FDI quality rather than its magnitude.

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Chapter - 2

Comparison of Marketing Strategies between LIC & Bajaj Allianz Life Insurance

Dr. Mohamad Imrozuddin
Associate Professor, School of Management, Presidency University, Bangalore, Karnataka, India

Harshita Kumari
Student, School of Management, Presidency University, Bangalore, Karnataka, India

Abstract

Life is uncertain and full of risks, some risks are avoidable and others are inevitable and as human beings we always seek protection from such risks. But premature death and specially in case when you are the only bread-winner of your family and have dependents it could have devastating impact for them in terms of emotional and financial term as well. The need of the paper is to analyse the marketing strategy of public and private insurance company in India. Selling which include promotion, advertising for financial products and services such as insurance policy and schemes are far more complex than selling any consumer goods such as electronics, automobiles, packaged food etc.

Keywords: Marketing strategies, financial, resources, consumer.

Introduction

Life is uncertain and full of risks, some risks are avoidable and others are inevitable and as human beings we always seek protection from such risks. But premature death and specially in case when you are the only bread-winner of your family and have dependents it could have devastating impact for them in terms of emotional and financial term as well. Buying life insurance is the answer and one of the most important financial decisions that can secure the financial future of the loved ones and family in that unfortunate and untimely demise of the bread-winner. It is the most secure ways to protect the family or any dependents against financial contingency. It is based on the concept that people who are exposed to similar kind of risks join together, pool their resources to meet the financial loss and consequences of the unfortunate ones that's the basic purpose of it. Life insurance plans offer coverage against unfortunate events like death or disability of the policyholder. Under this plan insurer assures to the policyholder's family or the nominee to pay certain amount of money during policy term. It is an agreement between an insurance company and the policy-holder which promises the policyholder to provide certain amount of money to the nominee in case of any unfortunate event happen to the policyholder. They can get the other benefits if the contract mention contingencies such as terminal illness or critical illness even the funeral expense if it is defined in the contract. Besides, all these benefits life insurance scheme under Section 80C Income Tax Act, 1961 provides several tax benefits to the policyholder.

Survey of Existing Literature:

Andreson & Brown (2005) point out the concept of pooling of resources by the population who are exposed to same kind of risk to help the few unfortunate ones. So to help the insurer financially from calamities and unpredictable death the insurance industry has grown enormously while providing various types of insurance schemes and policies to the customer.

Research Methodology

Primary Data collection: In the study survey method was used to collect the primary data. Through structured questionnaire the primary data was collected**.**

Secondary Source of Data Collection

The secondary source of data collected through various case study, journals, publications, newspapers and selective websites which was already done by other individuals and researchers.

Findings

Table 1: Insurance companies that the respondents prefer

Insurance Company	**Respondents**	**Percentage**
LIC	35	35
Bajaj Allianz	28	28
ICICI Prudential	25	25
HDFC	12	12
Total	100	100

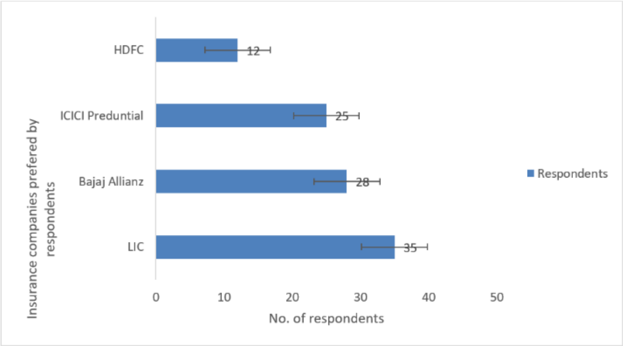

Fig 1: Insurance companies that the respondent prefer

Inference

35% of the respondents would like to invest in LIC.

28% of the respondents would like to invest in Bajaj Allianz.

25% of the respondents would like to invest in ICICI.

12% of the respondents would like to invest in HDFC.

Table 2: Media through which respondents became aware about the insurance companies

Media	Respondents	Percentages
Newspaper	22	22
Television	55	55
Radio	14	14
Hoardings	09	09
Total	100	100

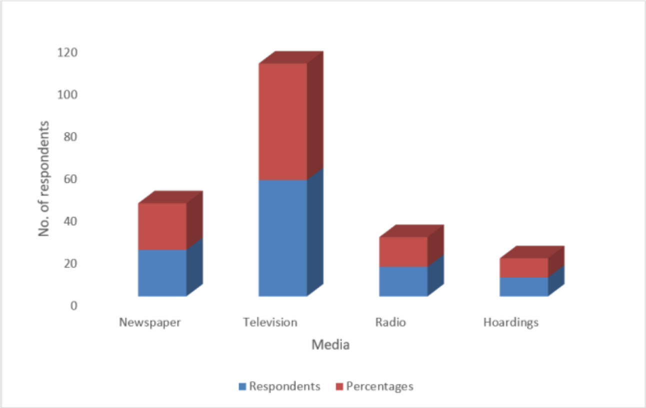

Fig 2: Media through which respondents became aware about the insurance companies

Inference

22% of the respondents are aware through newspaper.

55% of the respondents are aware through television.

14% of the respondents are aware through radio.

09% of the respondents are aware through hoardings.

Table 3: Forms through which respondents came to know about various insurance plans

Sources	Respondents	Percentages
Insurance Consultants	34	34
Friends & Relatives	16	16
Advertisement	26	26
Newspaper	19	19
Others	05	05
Total	100	100

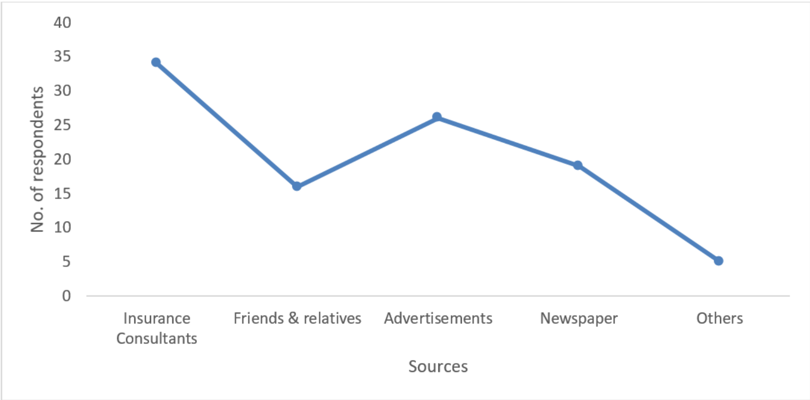

Fig 3: Forms through which respondents came to know about various insurance plans

Inference

34% of the respondents came to know about various plans through insurance consultants.

16% of the respondents came to know about different plans through friends and relatives.

26% of the respondents came to know about various plans through advertisements.

19% of the respondents came to know about plans through newspaper.

05% of the respondents came to know about plans through others sources.

Conclusion

The study has helped to understand and analyse 7ps of the life insurance companies that's main aim to lead customer satisfaction. Keeping this in mind the public (LIC) and private (Bajaj Allianz Life Insurance) marketing strategies has been compared. The study concludes that among the customers the product awareness differs between LIC and Bajaj Allianz. The promotional and distribution strategies of both the companies are almost same. But for motive behind purchasing decision and the factors that influence it are different for both LIC and Bajaj Allianz subscribers.

Suggestions for further Research

Further research can be focussed on the areas such as distribution of products and customer satisfaction that will ultimately leads to meet the organizational objectives.

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Chapter - 3

The Impact of CSR on Financial Performance of Indian Companies

Dr. R. Magesh Kumar
Assistant Professor, School of Management, Presidency University, Bangalore, Karnataka, India

Krithi Mukkamala
Student, School of Management, Presidency University, Bangalore, Karnataka, India

Abstract

Corporate social responsibility (CSR) is a company's commitment to managing the social, environmental, and economic effects of its operations responsibly and in linewith public expectations. The present study objective is to examine the impact of CSR on financial performance of top companies in India. The study also revealed the relationship between ESG with ROE, ROA, and ROCE. The study considered financial data of the Indian companies for the year 2014 to 2020. Correlation techniques had been used to examine the relationship of CSR and the financial parameters. CSR is generally understood to be the way a company balances the economic, environmental and social aspects of its operations, addressing the expectations of its stakeholders. This study examines the effect of Corporate Social Responsibility (CSR) on stock prices and financial performance of Indian listed companies. This study will give the answer to whether there is a positive or negative or no correlation between CSR and stock price and financial performance in the Indian context. This study is also used to suggest if the company is able to get enough returns from their CSR spending.

Keywords: Financial performance, CSR, corporate, stock prices.

Introduction

Corporate social responsibility is a self-regulating model that helps companies become socially accountable. It enables them to be conscious of the impact they are having on society. It defines how a company should conduct its business in a socially acceptable way and that it is accountable for its effects on all its stakeholders, including the environment. In India, this has been mandated under Schedule VII, Section 135 of Companies Act, 2013 and The Company (CSR Policy) Rules, 2014 by the Ministry of Corporate Affairs (MCA), which direct businesses to ensure spending 2% of their net profits on Corporate Social Responsibility (CSR). Giving CSR a high priority for any company is no longer considered as an ineffective cost or resource burden, but rather as a means of boosting the company's reputation and credibility among stakeholders – something on which success or even survival may be contingent. Corporate Social Responsibility improves corporate governance, transparency and accountability to stakeholders and helps in the Nation building process. Though, India is growing faster socially and economically still problems like poverty, illiteracy, lack of healthcare etc., are the biggest challenges but present conditions seem to be changing as many leading companies are involved in CSR activities in the areas like education, healthcare, skill development and empowerment of weaker sections of society which results in inclusive development of our society. One of the widely recognized measures to proxy CSR is the Environmental, Social, and Governance (ESG) score. ESG scores help investors to make a more rational and informed decisions.

The study aims to determine the impact of Corporate Social Responsibility on the financial performance of Indian Companies. The results are then interpreted and analyzed and at last, the results of the study and what they conclude are given in the conclusion. While C.S.R. is high in rich countries that are growing economically, it is less of a problem in developing countries. India has been one of the most forward-thinking emerging markets in terms of CSR initiatives. The C.S.R. indicators for Indian businesses have risen quickly. Furthermore, given the amazing rise of emerging economies such as India, managers, investors, and scholars need to grasp the relationship between C.S.R. and financial performance.

Literature Review

According to the literature, researchers have used a variety of terminologies that canbe widely related to or classed as ESG factors. Socially responsible investment, for example, Sparkes and Cowton (2004), Friedman and Miles (2001); Sustainability practices, for example, Alshehhi *et al*. (2018), Ameer and Othman (2012); Ethical investment, for example, Sparkes (2001); Michelson *et al*. (2004); Social investment, for example, Dunfee (2003), Waddock (2003); Impact investing, for example, Hebb (2013); Responsible investment, for example, Dembin (2018), Thistlethwaite (2014) and Cuba's-Daz and Martnez Sedano (2014), for example (2018). According to Fulton *et al*. (2012), it became clear during their investigation that CSR had evolved into ESG. Several studies have looked at the impact of ESG elements on the financial performance of firms, either alone or in combination. In comparison to ESG components, Velte (2017) discovered that ESG had a favorable impact on ROA but no impact on Tobin's Q; a further study revealed that governance had the largest impact on financial performance. Using the slack resource theory, Fauzi *et al*. (2007) looked at the relationship between corporate social performance and corporate financial performance and found no link. In their research of Australian construction enterprises, Siew *et al*. (2013) discovered no clear positive link between ESG scores and financial performance. Carpenter and Wyman (2009) looked at 16 research studies that looked at the relationship between ESG characteristics and company performance. Past literature that analyzed the impact of all ESG factors comprehensively did not provide conclusive evidence of their effect on financial performance in the Indian context. There is a dearth of research exploring this correlation in emerging economies.

Research Methodology

The major issue with this study is that while there has been a lot of research done on the relationship between CSR and financial performance, the findings are not all consistent. Some findings indicate that they are positively related, while others indicate that they are negatively related, and a few indicate that they are unrelated. As a result, in order to make a conclusive statement on this topic, the topic has been chosen. The majority of the research has been done on industrialized countries, with only a few on emerging countries and even fewer on the Indian Stock Market, which has no conclusive findings, therefore the topic has been narrowed to the Indian Stock Exchange. In the country, there is no common CSR index, and there is no uniform means to assess a company's CSR. As a result, many characteristics that complement CSR expenditure are considered in this study. The annual ESG data of 90 Indian firms listed on the NSE 100 ESG Index database, covering the period from 2017 to 2021 has been considered for the study.

Findings

A correlation matrix is a table that displays the coefficients of correlation between variables. Thecorrelation between two variables is shown in each cell of the table. A correlation matrix can be used to summarize data, as an input to a more sophisticated study, or as a diagnostic tool for advanced analyses. There is a significant positive correlation observed between P/B, ROA, Leverage and ESG.The ESG scores are found to be negatively correlated with R and D and size.

Variable		ESG SCORE	P/B	R and D	ROA	SIZE	LEVERAGE
1. ESG SCORE	Pearson's r	—					
	p-value	—					
2. P/B	Pearson's r	0.042	—				
	p-value	0.375	—				
3. R and D	Pearson's r	−0.140	−0.022	—			
	p-value	0.003	0.646	—			
4. ROA	Pearson's r	0.058	0.035	−0.054	—		
	p-value	0.217	0.463	0.255	—		
5. SIZE	Pearson's r	−0.196	−0.036	−0.227	−0.338	—	
	p-value	< .001	0.439	< .001	< .001	—	
6. LEVERAGE	Pearson's r	0.010	0.991	−0.033	−0.031	0.056	—
	p-value	0.824	< .001	0.482	0.515	0.234	—

Regression Results

Model 1

ROAit = $Bo + B1ESGit + B2SIZEit + B3LEVit + B4R/Dit + e$

	Coefficient	***Std. Error***	***t-ratio***	***p-value***
Const	58.864	6.7	8.411	<.001
ESG score	-0.046	0.061	-0.744	0.457
Size	-3.769	0.466	-8.092	<.001
Leverage	-0.005	0.012	-0.370	0.712
R and D	-11.417	3.7	-3.086	0.002

Mean dependentvariable	15.30	**S.D.dependent variable**	15.749
Sum squared residual	97657.253	**Durbin- Watson**	0.736
R-squared	0.133	**Adjusted R- squared**	0.125
F statistic	17.221	**P-value(F)**	<.001

The model found that ESG and leverage has a significant impact on the ROA value which is evident from the p values. However, the lower values of R^2 and Adjusted R^2 value indicates thatthe independent variables only explain a very small portion of the dependent variables and indicates the need for finding more variables to contribute for the same.t variables and indicates the need for finding more variables to contribute for the same. However, since we are only checking the significance of a variable in the model rather than the fitness of the model, this seems insignificant. The R and D has also been found to not contribute towards ROA.

Model 2

P/Bit = $Bo + B1ESGit + B2SIZEit + B3LEVit + B4R/Dit + e$

	Coefficient	*Std. Error*	*t-ratio*	*p-value*
Const	9.962	3.817	12.081	<.001
ESG score	0.090	0.034	2.682	0.008
Size	-4.775	0.254	-18.799	<.001
Leverage	1.472	0.007	217.030	<.001
R and D	-2.974	2.018	-1.474	0.141

Mean dependentvariable	9.962	**S.D.dependent variable**	82.373
Sum squared residual	29052.192	**Durbin- Watson**	0.657
R-squared	0.991	**Adjusted R- squared**	0.990
F statistic	11816.492	**P-value(F)**	<.001

The second model found that ESG score and leverage has a significant impact on the P/B value which is evident from the p values. The R^2 and Adjusted R^2 values are also found to improve when compared to the 1st model.

Conclusion

First, the findings of this study show that CSR efforts are not only an expense, but also an investment and management strategy that can improve a company's performance and value. Second, this research reveals that contributions to social services are the most important determinant in improving short-term financial performance. These findings suggest that businesses should provide more support and investment in community services such as marginalized person protection, employment, charitable giving, and social welfare assistance.

Suggestions for Future Research

ESG reporting and indexation are still in their infancy, with a significant lack of uniformity across multiple platforms. The impact of ESG on business financial performance may not be reflected in three years; a longer period of research may be required. ESG scores may not accurately reflect a company's genuine ESG policies. The study's final drawback is the possibility that other factors such as the business environment or competition could have an impact on corporate financial performance. These topics could be investigated more in the future. Future research could look into the influence of each of the weighted subcomponents, such as ESG performance, on its own.

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Chapter - 4

Dynamic Causality among Gold, Silver and Aluminum Price in India

Dr. R. Magesh Kumar
Assistant Professor, School of Management, Presidency University, Bangalore, Karnataka, India

R. Kavya
Student, School of Management, Presidency University, Bangalore, Karnataka, India

Abstract

This paper explores the dynamic causal relationship between the returns of gold, silver and aluminum in Indian market using daily data. A time series X is said to Granger-cause Y if it can be shown, usually through a series of t-tests and F-tests on lagged values of X (and with lagged values of Y also included), that those X values provide statistically significant information about future values of Y. Our results demonstrate the existence of significant time-varying negative from gold to silver while the reverse is not true. The time varying causality results also commensurate with the macro-economy conditions and diverse monetary and fiscal policies.

Keywords: Macro-economy, fiscal policies, Indian market.

Introduction

Trading commodities goes back to the dawn of human civilization as tribal clans and newly established kingdoms would barter and trade with one another for food, supplies, and other items. Trading commodities indeed predates that of stocks and bonds by many centuries. The rise of empires such as ancient Greece and Rome can be directly linked to their ability to create complex trading systems and facilitate the exchange of commodities across vast swaths via routes like the famous Silk Road that linked Europe to the Far East.12 Today, commodities are still exchanged throughout the world and on a massive scale. Things have also become more sophisticated with the advent of exchanges and derivatives markets, Exchanges regulate and standardized commodity trading, allowing for liquid and efficient markets. Perhaps the most influential modern commodities market is the Chicago Board of Trade

(CBOT), established in 1848, where it originally traded only agricultural commodities such as wheat, corn, and soybeans in order to help farmers and commodity consumers manage risks by removing price uncertainty from those agricultural products.3 Today, it lists options and futures contracts on a wide range of products including gold, silver, U.S. Treasury bonds, and energy products. The Chicago Mercantile Exchange (CME) Group merged with the Chicago Board of Trade (CBOT) in 2007, adding interest rates and equity index products to the group's existing product agricultural offerings. Some commodities exchanges have merged or gone out of business in recent years. The majority of exchanges carry a few different commodities, although some specialize in a single group. In the U.S., the Chicago Mercantile Exchange (CME) acquired three other commodity exchanges in the mid-2000s. First, CME acquired the Chicago Board of Trade (CBOT) in 2007 and then in 2008, acquired the New York Mercantile Exchange (NYMEX) and the Commodity Exchange, Inc. (COMEX).56 All four exchanges make up the CME Group. Also in 2007, the New York Board of Trade merged with Intercontinental Exchange (ICE), forming ICE Futures U.S.78 Each exchange offers a wide range of global benchmarks across major asset classes.

Survey of Existing Literature

Several empirical studies have investigated the impact of investor sentiment on returns and price volatility in commodities markets, using a variety of sentiment indices derived from information and news, such as Google searches, text messages, Twitter, Facebook, wire messages, and frequent media reports. There are two types of empirical investigations in this collection. The impact of investor sentiment on the return and price volatility of specific commodities is the emphasis of one group, while the impact of investor sentiment on commodities futures markets is the focus of the other. Using the GSVI and Twitter search indexes, (Rao and Srivastava, 2013) argue that prior intermediate changes in investor sentiment have a large decreasing effect on crude oil and gold price returns. Ji and Guo (2015a) suggest that investor sentiment is negatively linked with commodity returns based on the co-movement of major commodities (crude oil, heating oil, corn, and gold) based on information gathered from the Internet. Ji and Guo (2015b) explore the impact of investor attitude on oil price volatility for four types of oil-related events using Google search query volume: hurricanes (supply-side shock), the global financial crisis, the Libyan war, and OPEC meetings. They concluded that price volatility in the oil markets reflects the sentiment surrounding these oil-related events.

According to Li *et al*. (2015), investor sentiment has a strong positive impact on crude oil price volatility and can be used to forecast crude oil prices in the short run. According to Basistha *et al*. (2015) and Han *et al*. (2007), investor sentiment influences oil price volatility. Investor sentiment has a more pronounced effect on price volatility in the gold market than on gold returns, according to Balcila *et al*. (2017), who also claimed that the sentiment effect is positively associated with volatility in gold returns. Li *et al*. (2019) use GSVI to study the relationship between investor interest and crude oil prices in the world's major crude oil markets. They discovered that the return on WTI futures crude oil is influenced by investor attentiveness. The impact of investor attention on the WTI crude oil return, on the other hand, was minimal. They also found that investor attention had a minor impact on oil returns in the Dubai spot, Daqing spot, WTI spot, and Brent future oil markets. Du and Zhao (2017) investigate whether financial investor mood can predict the boom/bust in oil prices between 2003 and 2008. They use the WTI and Brent crude oil price proxies. Du and Zhao (2017) believe that financial speculation had a large impact on the 2003–2008 boom/bust in oil prices, based on Baker and Wurgler's sentiment index (BWI).

Research Methodology

The data of the study is collected from secondary sources. Descriptive statistical analysis aids in the comprehension of data and is an essential component of Machine Learning. It is critical that we do a descriptive statistical analysis of our dataset. Many people skip this step and thus miss out on a lot of useful information about their data, which often leads to erroneous conclusions.

Findings

Descriptive statistics are used to describe, present, summarize, and organize data using numerical computations, graphs, and tables. The central tendency and the variability of the dataset are two common descriptive statistics metrics.

Descriptive Statistics

	DGOLD	DSILVER	DALUMINIUM
Mean	0.001251	0.001752	0.004753
Median	0.000261	0.000679	0.002897
Maximum	0.045959	0.056737	0.055989
Minimum	-0.031331	-0.045478	-0.077424
Std. Dev.	0.010102	0.0159	0.02283
Skewness	1.460812	0.340928	-0.640326
Kurtosis	10.8277	5.585735	5.352783
Jarque-Bera	168.7044	17.28148	17.34118
Probability	0	0.000177	0.000172

Table: Granger causality tests for Dgold, DSilver, DAluminium

	Obs	F-Statistic	Prob.
DSILVER does not Granger Cause DGOLD	56	1.56058	0.2199
DGOLD does not Granger Cause DSILVER		1.0058	0.3729
DALUMINIUM does not Granger Cause DGOLD	56	1.15586	0.3229
DGOLD does not Granger Cause DALUMINIUM		0.8836	0.4195
DALUMINIUM does not Granger Cause DSILVER	56	1.04565	0.3589

Null Hypothesis	Obs	F-Statistics	Prob.	Relation
DSILVER does not Granger Cause DGOLD	56	1.56058	0.2199	Independent
DGOLD does not Granger Cause DSILVER		1.0058	0.3729	Independent
DALUMINIUM does not Granger Cause DGOLD	56	1.15586	0.3229	Independent
DGOLD does not Granger Cause DALUMINIUM		0.8836	0.4195	Independent
DALUMINIUM does not Granger Cause DSILVER	56	1.04565	0.3589	Independent
DSILVER does not Granger Cause DALUMINIUM		0.48605	0.6179	Independent

The structures of the causal relationships between variables were analyzed through the Granger causality approach. The Granger causality test is a statistical hypothesis test for determining whether one time series is useful in forecasting another. If the probability value is less than any α level, then the hypothesis would be rejected at that level. Granger developed a widely used definition of causality that is frequently employed by political scientists interested in the intertemporal flow of effects between two variables X and Y. Y is said to ―Granger cause‖ X if information about the history of Y improves one's ability to predict the behavior of X, above what can be achieved when only information about the history of X is used for this purpose. Thus, if Y does not Granger Cause X, Y is strictly exogenous to X.

Estimating the model and performing a block F test for the joint significance of the Y's tests if Y Granger causes X. It is important to recognize that Granger causality tests are tests for strong, not weak, exogeneity. Granger causality tests are thus not helpful in deciding if it is permissible to draw inferences about the parameters in a single-equation model. However, Granger causality tests are useful for deciding if a single equation model of Y where X is a right-hand-side variable will be useful for forecasting purposes. If Y does Granger cause X, then this needs to be taken into account. The intuition here is that the single-equation model for Y does not take account of the feedback from Y to X revealed by test results indicating that the former variable Granger causes the latter.

Conclusion

The present paper examined the causal relation among the three commodities (Gold, Silver and Aluminum) in the Indian commodity markets through Granger causality test. Causality is closely related to the idea of cause-and-effect, although it isn't exactly the same. A variable X is causal to variable Y if X is the cause of Y or Y is the cause of X. From the results, the Null hypothesis is accepted. It means, Gold, silver and Aluminum does not granger causes each other. Thus, among the commodities such as Gold, silver and Aluminum there exists no unilateral/bilateral relation. Hence all the commodities act independently and one-time series cannot be predicted by the other.

The findings of this study have important implications to investors and portfolio managers who are interested in developing effective trading and hedging strategies between the MCX spot and futures markets. Besides, the findings are useful to regulators to formulate policy and implement control measures to enhance the integrity and stability of the MCX. Whenever there is high volatility in stock market it will affect the futures market. An investor who is trading in commodity futures market should always watch out for volatility in the commodity spot market. From regulators' point of view, whenever there is unexpected volatility in spot market, he should take necessary steps to curb the volatility. Otherwise the excess volatility in the spot market will spill over to futures market, thereby making the futures market unstable.

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Chapter - 5

Impact of FDI on Asian Economies

Dr. Deepika Krishnan
Assistant Professor, School of Management, Presidency University,
Bangalore, Karnataka, India

Niti Waghela
Student, School of Management, Presidency University,
Bangalore, Karnataka, India

Abstract

The service sector of India has been known for achieving fast development previously barely any years, and its constituents are monetary administrations, Information Technology (IT) based administrations, local area administrations and media communications (Bhushan and Mittal, 2015). The commitment of FDI in the movement of the Indian assistance area has been considered as the best because of which, numerous scientists have been directed to investigate something very similar. Furthermore, the all-encompassing commitment of FDI in driving the worldwide economies has to a great extent impacted the conduction of this review. It in addition to the fact that assistance in recognizing would the positive ramifications of FDI on Indian economy yet additionally the negative ones that can additionally affect or upset the progression of capacities and activities that happens in the associations of the help area.

Keywords: FDI, Asian Economies, information technology, development.

1. Introduction

The predictable variations and changes that are presented by peculiarities like globalization, urbanization and industrialization have introduced a changed number of chances to the public and worldwide associations to support their deals and development. Aside from this, it has likewise permitted various nations furthermore, their administration to work on the economy and GDP by supporting exchange and speculations (Chaudhuri and Mukhopadhyay, 2014). Foreign Direct Investment (FDI) is one of the key cycles that is to a great extent urged by nations because of the reality that it drives the development and improvement of economies. Unfamiliar Direct

Investment is an interaction wherein associations or an individual working in a particular country make an interest into the financial matter that is arranged in a host country. The cycle of FDI happens or begins just when a financial backer comprises unfamiliar business activities or buy unfamiliar business resources in a host country. It viewed as one of the urgent parts of an economy as it will in general make a positive sway on the development and advancement of creating as well as evolved nations. It has been distinguished that FDI assumes a significant part in driving the development and improvement in various economies as it will in general upgrade the capacities and activities that occur in various areas working inside the economies. One of the key advantages that are presented by FDI is, giving productive subsidizing to the nations, with the assistance of which monetary turn of events, monetary improvement, information and innovation move can be supported inside it (Razin and Sadka, 2012). In this unique circumstance, the principle focal point of this examination is on distinguishing the effect of FDI on Indian economy with a unique spotlight on the nation's administration area. Separated from this, the concentrate additionally means to investigate the general and relevant data with respect to job of FDI in driving the development of various parts of administration area for example, innovation move, business, banking capacities and activities and framework. It has been recognized that in 2017, the emerging nations gained $694 billion of in general worldwide FDI, which considers 58% of worldwide FDI (Amadeo, 2019). Creating nations are considered as the key job players of FDI because of the way that their inclusion in unfamiliar trades regarding money and farming assets and speculation are most noteworthy to help its economy and to gain the objective of turning into a created country. One such agricultural nation that has to a great extent been affected by the FDI is India, whose administration has been reliably putting endeavours to invite most of worldwide speculations to settle its economy. The inflow of capital that happens because of FDI has helped the Indian economy in reinforcing its foundation, help business open doors and increment the degree of creation (Liu (2008). It straight forwardly affects unique businesses or areas that wins in India like guard, farming and development (Saini, Madan and Batra, 2014). One such area of Indian economy, which is the focal point of this examination is the help area as its commitment in its economy is indeed. The Indian assistance area is viewed as one of the significant areas in the Gross Homegrown Product (GDP) of Indian economy as it has drawn in a huge sum of unfamiliar venture inflows, assumed a critical part in driving the work level what's more, has been a benefactor of a greater part of commodities that has happened in India. FDI has to a great extent added to invigorating homegrown speculation, upgrading the development of human resources and advancing the exchange of innovation in the assistance area (Bhushan and Mittal, 2015). Considering the above contentions, the exploration is engaged on recognizing the effect of FDI on the assistance area of the Indian economy. It has recognized every one of the commitments that have been made by FDI in driving the Indian economy and principally the development and advancements in the assistance area.

2. Review of Literature

Foreign Direct Investment (FDI) in the job of speculation is treated as one of the most critical supporters of the monetary development of the country. Previously century, with the progression of FDI, there is a general turn of events and noteworthy development in the nations. This is on the grounds that FDI has been treated as the pivotal and critical component by the nations as the essential partnership for the generally monetary advancement. FDI helps with the capital funding as well as furnishes with the positive effects inside the country through the reception of cutting edge unfamiliar innovation for the accomplishment of the development boundaries of the nation (Kukaj and Ahmeti, 2016). The general conversation is centered around introducing the writing on the idea of FDI, its importance and the job of FDI in driving the economy towards development. Also, the job of FDI in the advancement of the immature, created and agricultural nations are talked about alongside the commitment made by FDI in the help area of the Indian economy to make sense of the ramifications and commitments made by FDI in India. Besides, a basic investigation has been introduced portraying the effect of FDI on the administrations area of India by considering four huge boundaries, which incorporate the Technology, business, banking area and foundation.

Devajit (2012) made sense of the idea of Foreign direct investment (FDI) as a stream of asset between nations in the design of inflows and surges, with the assistance of which one nation can make benefits structure the venture done while the other nation can use the amazing chances to increment efficiency and find a better position through the presentation. The association and viability rely on the view of the financial backers, on the off chance that the venture is finished with a drawn-out reason then, at that point, the economy acquires benefits and assuming the speculation is made with a present moment reason, just to create a gain then it will be less critical. FDI can be a doable and alluring choice relying upon the area and business type. Along these lines, any venture or choice is made in view of a coordinated arrangement of appraisals which incorporate examination of the market, the assumption for the market, intensity in the market and assessment of inside assets.

As per Zhang and Daly (2011), (FDI) is the venture performed by the association of one nation to the association or gathering of another country. The present circumstance wherein financial backers contribute in the unfamiliar business by opening an auxiliary, extend the business activity, open fabricating units and secure neighbourhood association comes in the classification of FDI. Beam (2012) characterized that, FDI is a sort of interest where the residents of one country (the host country) acquire the ownership of property to oversee assembling, conveyance and other such exercises in different nations (Ray, 2012). Alfaro and Charlton (2009) have expressed that FDI is recognized in two primary classes, like flat and vertical FDI. The level FDI is characterized as the process in which the association moves its area of assembling unit to another country to take them close to the clients and save the expense of transportation and cross country charges. In addition, Alfaro and Charlton (2009) have expressed that the upward FDI is named as the procedures used by the association in request to take benefits of cross-line factors like minimal expense of work, accessibility of assets and simple arrangements of exchange and assembling in another country.

As indicated by Ray (2012), one of the amazing qualities of the world in ongoing times has been the development of private capital in agricultural nations in the construction of FDI, particularly in agricultural nations since the 1990s. States from everywhere the world-both created and emerging nations, have been advancing Multi-National Corporations (MNCs) to come to their country with the FDI they have. The perspective of Liu (2008), FDI turns into a fundamental part of the technique of improvement among the creating and less created nations. The public authority of various nations' gives different sorts of advantages, for example, diminished paces of the duty, gives charge occasions and foundation to the auxiliaries to the association to take a lot of speculation from that associations. Liu (2008) has additionally expressed that how much FDI in low evolved nations become significantly increased in the time span of 1990 to 2001. In 1991 how much FDI was 2.6 billion USD that expanded and became 9 billion USD in 2001. The measure of FDI in nations of center pay was 21 billion USD that expanded and became 162 billion USD in the year 2001.

Notwithstanding, Anwar and Nguyen (2010) have expressed that the nations that have created monetary market showed the inclination of getting more sum FDI and this demonstrate that the nations that are very much created market and financial position used it by and large and take advantage structure FDI. Furthermore, Anwar and Nguyen (2010) have additionally expressed that the less-created nations ought to make suitable systems and carry out changes their monetary framework to expand the degree of FDI in their country .According to the perspective of Ali, Fiess and MacDonald (2010) FDI gives the benefit of proprietorship to the association that puts resources into one more nation by lessening additional expense that is expected to works in market of unfamiliar country like expense of taking licenses, manage the organization, clients inclinations and assessment framework. Subsequent to exploiting proprietorship, the association takes benefit of internationalization by holding the resources in the host country rather than offering them or providing for rent (Ali, Fiess and MacDonald, 2010). Liu (2008) has included the conversation that the FDI give various advantages to the nation such as lessen the hole of monetary saving, keep a harmony between shortages all together to build the degree of expanding sends out and expanding the load of unfamiliar money in the country. Moreover, FDI additionally builds the degree of work also, adds to changing the approaches of the public authority in the field of business furthermore, increment the degree of income between different nations. According to Alfaro, Kalemli- Ozcan and Sayek (2009) FDI additionally helps in the move of innovation between the countries and increment the degree of development in the have country to make new items and cycles and contributes in giving better administrations to the clients .Liu (2008) has included the conversation that it likewise helps in the exchange of innovation between the two countries, as the association of host country work on itself by noticing the way of working of the association of another country. How much assets gave by the association of far off country adds to enhancements in the innovation of the host country.

As indicated by Sauli (2017), FDI is the critical angle in the race of creating nations as FDI is associated with the immediate exchange of the unfamiliar capital for the monetary development of the nations which draws in the information, understanding, and capital and raises the equilibrium instalments of the nations. FDI contributes in extending the foundation of the interest in the country for tackling the issues of joblessness by setting out work open doors for individuals and presenting progressed innovation in the state by aiding the cutting edge administration techniques, advertising what's more, correspondence which can pave the way to the public work in acquiring high experience and abilities .In help Chan, (2016), expressed that FDI is of incredible importance in the host nations as FDI renders explicit constructive outcomes which add to increasing of the venture rates through FDI streams. FDI likewise accommodates the equilibrium of instalments (BOP) through the unfamiliar capital streams and making it a brilliant hotspot for expanding actual capital and hard unfamiliar money in the separate host nations. FDI additionally adds generally to bring an improvement in the advertising valuable open doors which is arising quickly. Enhancements should be visible in the agricultural nations concerning valuable open doors and riches, while the nations that are created can profit from the expansion in benefits, advancement in the connections and an expansion in the impact of market. FDI has its more extensive importance in the advancement of individual commodity area which is the need of the non-industrial nations, and the expansion in the innovative work for the host nations alongside the commitment in expanding efficiency and creation which bring about the ascent of public pay, further per capita pay and at long last the expansion in GDP.

2.1 Analysis of role played by Foreign Direct Investment in driving the economy

In the perspectives on Beamish and Lupton (2016), the significant variables that are connected to the monetary development of a nation are business exchanges alongside unfamiliar direct speculations. The associations from created nations would create different systems, for example, creative items and the utilization of new innovation in request to go into the unfamiliar market. Subsequently, FDI helps these associations to go into emerging nations, which helps in expanding the productivity of both the associations as well as the country. FDI likewise helps in expanding the assets for homegrown ventures for the country alongside empowering the residents for new occupations, in this way giving new position open doors to them. In this way, FDI is useful in expanding the open positions for individuals in the country, alongside expanding the country's business rate (Beamish and Lupton, 2016). Iamsiraroj and Doucouliagos (2015) express that, FDI is a fundamental variable for speculation and development in nations, additionally the expansion in financial development draws in FDI to an ever increasing extent. An expansion in financial development flags that, there is a possible expansion in the size of the market which implies that the development in economies elevates unfamiliar firms to set up new activities in the non-industrial nations. Developing economies open up entryways for beneficial ventures which are FDIs and it will be centered primarily on the developing markets (Iamsiraroj and Doucouliagos, 2015). Be that as it may, according to the perspectives on Gilpin (2016), FDI assumes a fundamental part for the agricultural nations in improving their monetary development alongside giving an opportunity to the country for investigating new innovations in different areas. The agricultural nations consider FDI as a method for moving both information and innovation from the created nations, which has affected the financial execution of the nations. Besides, FDI likewise affects the gross fixed capital arrangement of the emerging nations, which influences the monetary development heading of the nation (Gilpin, 2016). Besides, Rodan (2016), has introduced confusing perspectives that FDI helps in lessening the holes between the capital that are expected as well as the public investment funds in this way upgrading the abilities of the associations in the agricultural nation to affect the country's financial development. The proportion of the exchange like import and trade additionally increments between the non-industrial nations and created nations, which straightforwardly affects the nation's economy. It likewise helps in investigating the prerequisites of the clients, alongside the practices and procedures that are followed by different associations to upgrade their deals. The unfamiliar associations additionally give better preparation to the representatives, which helps in expanding their execution, and they are likewise ready to acknowledge the practices that are utilized by unfamiliar organizations (Rodan, 2016). Nonetheless, in the perspectives on Sekaran and Bougie (2016), FDI is likewise valuable for the clients as it helps in expanding the opposition among the associations consequently diminishing the costs connected with items gave by the associations. Because of the decline in costs of items, the clients can purchase more items, which helps in expanding the deals alongside the economy of the nation (Sekaran and Bougie, 2016).

2.2 Analysis of service sector and its contribution to the Indian economy

In the perspective of Domazet, Stošić and Hanić (2016) the service secror is made out of the individual and organizations that give elusive items and administrations to the clients, for example, medical care, instruction, bookkeeping and neighbourliness. This area doesn't create items straightforwardly; all things being equal, it gives helps producing businesses to create items according to their economic situations. A portion of the exercises remembered for the assistance area are diversion, retail, social works and interchanges (Domazet, Stošić and Hanić, 2016). In any case, Alcock (2010) plays expressed that the part of the assistance area is indispensable in the development of the nation and think about it as a third part economy. It incorporates the area of friendliness, medical care administrations and training area. In addition, it likewise incorporates the revaluating of different administrations, for example, client care and fixing of electric parts. (Alcock, 2010). Critical analysis of impact of Foreign Direct Investment on the service sector of Indian economy .As indicated by the perspectives on Bende-Nabende (2018), FDI is fundamental for a country's unfamiliar development alongside supporting the country's monetary development. There are a few benefits that are presented by FDI to both creating as well as evolved nations that not just assistance in expanding the country's monetary development yet additionally helps in moving information, and innovation. It likewise helps in moving of abilities that are expected to improve work rate and exchange the country (Bende-Nabende, 2018). Moreover, in the perspectives on Weaving (2017), FDI affects the monetary states of the nation and furthermore has a social effect because of which it is fundamental for the country to foster suitable arrangements. It is likewise fundamental for the nations to foster systems for checking and to survey the financial patterns that are trailed by both creating as well as evolved nations (Weaving, 2017). Also, Bertrand and Capron (2015), has introduced dumbfounding perspectives that FDI is fundamental for improving the homegrown capital, efficiency as well as business rate of the nation (Bertrand and Capron, 2015). In this unique situation, the effect of foreign direct investment on the service sector of India concerning technology transfer, employment, banking area alongside infrastructure has been fundamentally investigated beneath.

2.3 Technology Transfer

In the perspectives on Tidd and Bessant (2018), innovation move can be characterized as the exchange of innovation from one nation, individual, or association to other as it would help in taking on new innovations or abilities that could be advantageous for development what's more, improvement in future. The practice of innovation move additionally affects the practices that are embraced by the different associations in different fields, which likewise helps in upgrading the efficiency, productivity and store network rehearses (Tidd also, Bessant, 2018). Also, according to the perspectives on Slimane, Huchet-Bourdon and Zitouna (2016), FDI is useful for innovation move as it works on the creation method that is taken on by the associations to increment there piece of the pie. The move of innovation through FDI gives a knowledge into the nations in regards to the innovations that are taken on by the created nations to improve the administrations (Slimane, Huchet-Bourdon and Zitouna, 2016). Be that as it may, in the perspectives of Wu et al. (2016), innovation move additionally helps in investigating the innovation holes between the non-industrial nations as well as the created nations as it helps in breaking down the systems that could be embraced to work on the innovation taken on by them. It likewise assists in investigating the capacity of the associations with regard to human resources that is accessible to take on new advancements that would likewise help in improving the place of the associations in the cutthroat market (Wu et al., 2016).

2.4 Employment

In the perspectives on Latif et al. (2018), the work rate is fundamental in a nation in request to upgrade its Gross Domestic Product alongside offering better types of assistance to the clients. FDI and business are straightforwardly reliant upon one another. In addition, there are modest works accessible in India in enormous proportion; in this way, FDI would increment the work rate in India in various areas. FDI helps in expanding the proportion of absolute work rate by giving work to individuals in various areas (Latif *et al*., 2018). Furthermore, in the perspectives on McKenzie (2017), there are a few associations that grow their organizations in India as the nation gives modest work, which is gainful decreasing the costs connected with work for the association alongside expanding the work rate in the country. Due to the expanded business rate, the everyday environments of residents of India would likewise be upgraded, in this manner working on their personal satisfaction. The expansion in the representatives' proportion in the associations would help in expanding efficiency as well as the proficiency of the associations to deliver imaginative items (McKenzie, 2017).

3. Research Methodology

The determination of a reasonable examination strategy is a critical piece of the exploration systemic decisions. In research, research strategies, for example, subjective, quantitative and blended research technique, anybody can be consolidated to gather significant information on the exploration subject. As to the current examination study, the subjective technique has been utilized in the examination study, utilizing which subjective strategy has been utilized in the examination study (Oliver, 2010). The reasoning of utilizing it in the current examination study is to coordinate abstract thinking to the research discoveries, which assists with social affair complete data on the effect of FDI on the Indian service sector. Arrangement of the exploration issue and to keep off the issue of separation in the determination cycle (Bell, Bryman and Harley, 2018).

3.1 Data Collection Method

In subjective examination, the meeting technique is decided to accumulate point by point and more than adequate information of FDI in India and its commitment to the development of the help area. Open conversation on the examination subject in the meeting technique is the justification behind its choice that offers the chance to explain ambiguities in the event of indistinct information (Ary *et al*., 2018; Bell, Bryan and Harley, 2018). Interview plan with the respondents is the chosen instrument for a meeting that lead to improve top to bottom information on FDI in India.

3.2 Data Analysis Technique

Subject based investigation, which is the really subjective examination method, is utilized for investigating interview (subjective) information. Topical makes it simple to decipher exhaustive information under a specific topic in the arrangement of the exploration targets and question (Guest, MacQueen and Namey, 2011). This technique is powerful to introduce enormous example information in a justifiable structure to track down understanding what's more, conflict with the exploration issue (Wilson, 2014).

3.3 Ethical Considerations

Essential information is gathered in this examination study, and consequently, moral contemplations connected with this information assortment strategy are followed including admittance to members' assent, the secrecy of information, obscurity and genuine show of data. A data sheet is shipped off the monetary specialists and business analysts to make them mindful of the motivation behind the exploration study and its worth in right now (Pajo 2017). Assent of the members is taken by an appropriately marked structure that uncovers they are deliberate taken part in the meeting to impart their encounters and insights (Mill operator et al., 2012). Interview reactions are saved in a secret word safeguarded framework to restrict access of information by the outsider. Obscurity is additionally continued in this exploration concentrate as a significant moral thought to get their own character. Data from interview are really introduced on the side of the writing proof to keep up with accuracy and validity of the data. In unambiguous of the auxiliary information, this exploration study is followed moral thought of believability by including appropriate subtleties of the researchers' examinations (Oliver, 2010).

3.4 Research Limitations

The examination of the data from the blended strategies may be troublesome due to the absence of compatibility in the perspectives on monetary specialists and business analysts. This may raise the issue in deducing normal data to arrive at a resolution whether there is a positive effect of FDI on the assistance area in the Indian economy or the other way around. One more limit of this exploration is the restricted concentration to the Indian economy and consequently, it would restrict the extent of a broad hunt to data in the connection of the similar based information. In any case, this examination study incorporates proof from various examinations to help the realness of the data. The incorporation of measurable proof to show the effect of FDI in India on the help area prompts reach at the legitimate data, to address the examination question.

3.5 Summary

The blended technique is applied to investigate about FDI in India and its impact on administration area development in view of social event more extensive and complete information. Under this technique, subjective realities will be deciphered to decide the degree FDI thrive administration area in India. Interviews with financial specialists are led to investigate the effect of FDI from their master and experience based sees. Morals are given significance in the exploration study to keep results credibility, legitimacy, appropriateness and worth in the genuine and down to earth terms. The following section in following the assortment of information at this stage will be examination and conversation that spotlights on tending to the exploration issue.

4. Analysis and Interpretation

4.1 Thematic Analysis

4.1.1 Theme 1: Foreign Direct Investment and its Significance

With regards to the meaning of Foreign Direct Investment (FDI),

Respondent 1: expressed that "According to my perspective, the expanded inflow of FDI has positive relationship with the monetary development of India since it works with the infrastructural advancement, builds the business amazing open doors and drives an improvement in the degree of creation."

Respondent 2: expressed "As indicated by me, the progression of FDI straightforwardly impacts the ventures and areas both, like safeguard industry, horticultural area and development area, which are extremely basic to the development of economy."

Respondent 3: expressed "As I would see it, stream of FDI adds to feeling of interests in the homegrown area, which is the significant focal point of any nation's economy. The expanded ventures will prompt development of homegrown area and in this manner the development of Indian economy."

Respondent 4: gave his reaction according to the meaning of FDI by expressing that "As per me, FDI is emphatically corresponded to helping of human resources development in the country which further aides in improving efficiency and subsequently the development of economy."

4.1.2 Theme 2: Role of Foreign Direct Investment in Driving Economy and Development of Countries

Corresponding to the job of FDI in driving financial advancement of the nations,

Respondent 1: expressed "Indeed, as I would like to think the current inflow of FDI is adequate for accomplishing the monetary development in the country, as India is getting solid inflow of FDI in assembling, correspondence and monetary administrations, which is basic to any country's economy. Yes, I concur with the assertion as FDI advances innovation move which is being utilized by the association to acquire piece of the pie universally, yet inadequate FDI make the firm to run on the old innovation and accordingly have a lower piece of the pie."

Respondent 2: expressed that "Indeed, I concur with the specific assertion as India falls among the top nations as far as getting unfamiliar direct venture and its significant areas like assembling furthermore, monetary areas are getting enough FDI to develop also. Indeed, I really do concur with the explanation as India has a colossal populace of jobless individuals. With the expanded FDI, more populace gets the work an open door, hence the diminished pace of joblessness will at last effect the monetary development."

Respondent 3: believed "FDI in India isn't exactly adequate in accomplishing wanted monetary development. Henceforth it is prudent that there ought to be endeavours made to draw in the FDI to India, with the goal that the nation could benefit from it. Indeed, I really do concur with the assertion as generally seriousness of the economy relies exceptionally upon the progression of FDI in the economy. With an expanded inflow of FDI, the country's foundation can be fortified, greater work valuable open doors can be created and efficiency could likewise be upgraded""

Respondent 4: expressed "The nation's major FDI speculation is in the areas of assembling, correspondence and monetary administrations which are vital to the development of Indian economy, hence nation's current FDI is adequate for the economy. Indeed, the assertion is valid as the development of the country's economy is profoundly subject to its monetary establishments and FDI altogether affects the development of the monetary area, as it gives a benefit of further developed risk the board, innovation move, inventive items, business and monetary steadiness."

4.1.3 Theme 3: Contribution of Service Sector in the Indian Economy

With regards to the commitment of service sector in the Indian economy,

Respondent 1: "Indeed, FDI inflow has contributed well to the development of administration area. Expanded interest in FDI prompts further developed foundation, and monetary administrations uncommonly in financial area have seen huge development". Valuable chance to use immense limit of monetary area, accessibility of modest work and extent of progress in framework are the main factors that are adding to draw in the FDI in administration area of the country. Indeed, I concur that the expanded progression of FDI prompts expanded innovation move which will bring about taking on new advances and abilities that would assist the firm with taking upper hand over different firms both locally and worldwide."

Respondent 2: "Indeed, I really do concur with the assertion similarly as with the better inflow of FDI, joblessness rate is decreased and generally speaking efficiency of the nation is upgraded with a superior pace of innovation move and subsequently contributing altogether to the development of economy. India has exceptionally not well evolved foundation which has a gigantic extent of advancement and improvement. In any case, it is notable that framework is a significant element to draw in unfamiliar direct interest in the country. Indeed, increased inflow of FDI adds to expanded innovation move, which assists the association with giving worked on nature of administrations to the client and in this manner getting a better piece of the pie."

Respondent 3: "Indeed, FDI has added to the development of administration area of India. The variables relating to the critical development are helping mechanical exchange and further developed business open doors. Accessibility of modest work in overflow and non-used chances of monetary area of India are the main factors that contribute in drawing in the FDI to the help areas of the country. Indeed, I firmly concur with the assertion as the expanded innovation move will prompt advancement of creative items and administrations that would surely help in drawing in additional clients."

Respondent 4: "Indeed, development in help area is certainly affected by the progression of FDI. Worked on financial services and refreshed innovation are the variables that are very important to the development of economy. Utilization of old and obsolete innovation inside homegrown industry is perhaps the greatest element that pulled in FDI in country. Different elements can be modest accessibility of work and extent of progress of foundation. Indeed, expansion in the inflow of FDI contributes altogether to the expanded innovation move which will lead the assistance area to proficiently fulfill the requirements of their clients more".

5. Findings

The discoveries of the examination study demonstrate that unfamiliar direct venture is one of the critical variables that add to the improvement of foundation, increment the valuable open doors for business and expansion in the degree of creation in India. Also, it likewise works with the exchange of information and innovation among nations and speeds up the speed of improvement if the country. Observing the examination has been upheld by abstract discoveries, as FDI has a significant commitment to the exchange of innovation between various nations (Tidd and Bessant, 2018). Moreover, FDI additionally helps in the exchange of information between the organizations of two nations (Alfaro, Kalemli- Ozcan furthermore, Sayek, 2009). It has additionally been dissected from the examination discoveries that unfamiliar direct venture plays an urgent part to play in driving economy and improvement of the country. Finding of the exploration study has recommended that the inflow of FDI is enough for accomplishing an elevated degree of financial development in the country because of the explanation that India is getting a high measure of FDI in different areas like correspondence, fabricating and monetary administrations that are vital to the development of the country. This can be upheld by the scholarly discoveries that the progression of FDI is expanded in different areas of India and contributes to its development. For example, in the financial area, it adds to resolving issues confronted by the financial area, for example, further developed capitalization of banks and the improvement of new items and administrations (Pradhan, 2009). It likewise works with the development in innovation, increment capital stock and speed up the speed of administrative abilities move and give admittance to the worldwide market (Saleena, 2013). The review discoveries further mirrored the job of FDI in influencing the assistance area of the Indian economy, which is one of the agricultural nations. In any case, preceding the investigation of its job, the job of the assistance area in the Indian economy was recognized in this review. It was investigated that the Indian help area is an essential development angle for the nation's economy and the areas that can be considered as its huge parts incorporate medical care, cordiality and training. This can be upheld by the artistic discoveries, wherein it has been recognized that the Indian assistance area has been liable for changing the assembling system and exercises that occur in most of the enterprises. Aside from this, it has likewise assumed a significant part in helping the degree of worldwide capability and exchange exercises inside the Indian economy; subsequently emphatically influencing its generally speaking turn of events (Nayyar, 2012). As to the effect of FDI on the Indian help area, it was investigated that ascent in the FDI inflow has been liable for creating open positions in the help area and further more in working on the efficiency and abilities of the labour force. It has likewise had the option to offer the advantage of innovation move to the help area; henceforth giving Indian economy with an amazing chance to become self-subordinate by taking on and producing its own innovation based on gained abilities. It has been analyzed from the writing that the ascent in innovation move because of FDI has been answerable for getting to the next level the assembling system, functional proficiency and adequacy of directing strategic policies (Tidd and Bessant, 2018). On the opposite side, the review discoveries likewise mirrored the routes through, which the Indian government can upgrade the progression of FDI in the help area. It was recognized that disposal of hindrances, for example, rigid work regulation, need legitimate navigation and non-attendance of straightforward sectoral arrangements are the obstructions that need to tended to by the Indian government to help FDI inflow. Aside from this, top to bottom evaluation of the organization designs, legitimate and managerial hindrances and powerful usage of modest work and unused limit of Indian monetary area additionally should be directed by the Indian government to expand the FDI inflow in the help area (Malhotra, 2014).

Conclusion

This study targets examining the effect of FDI on the service sector in the Indian economy. For this reason, essential information has been accumulated with the utilization of meetings which have been led with financial analysts in India. The meeting information has been broke down utilizing topical information examination method to show up at the valuable; discoveries relating to the principle targets of the review. The critical indisputable discoveries of this exploration are given in this segment in arrangement the examination goals. The primary objective of this examination is worried about understanding the idea of unfamiliar direct speculation and its importance. In this specific circumstance, it tends to be reasoned that the idea of FDI is decidedly connected with the monetary development of a country.

The second objective of this study is cantered around the basic examination of the pretended by unfamiliar direct interest in driving the economy and improvement of nations. Comparable to this even handed, the examination has inferred that FDI is supported by the non-industrial nations as it is thought to be as a method for moving both information and innovation from the created nations, which decidedly affects the financial presentation of the nations. In expansion to this, FDI additionally affects the gross fixed capital arrangement of the agricultural nations, which impacts the monetary development heading of the country. Further, FDI helps in bringing the speculation up in the foundation.

The third objective of this research is worried about investigating the service sector furthermore, its commitment to the Indian economy. In this specific circumstance, the discoveries of this exploration have inferred that the main component which radically affects the achievement of administration area in India is nature of administration alongside the execution of advancement furthermore, inventiveness to offer great types of assistance to the clients. It has been presumed that the high development of the nation is reliant vigorously on the development of the administration area, all the more explicitly in the area of re-appropriating of the administrations. Notwithstanding this, administration area likewise works on the economy, however it prompts the decrease of the commitment of one more area in the Gross Domestic Product (GDP) of India.

The fourth objective of this research is worried about surveying the effect of FDI on the help area of the Indian economy. With regards to this exploration level headed, the discoveries of the review an affect the monetary states of the Indian economy and furthermore has a social effect because of which it is thought of huge for the country to foster suitable approaches. Likewise, FDI is fundamental for upgrading the homegrown capital, efficiency as well as work pace of the country. Further, it has been reasoned that FDI helps in expanding the proportion of aggregate work with the assistance of giving work to individuals in various areas. FDI moreover contributes essentially in the improvement of Indian economy as it helps in streamlining country's income by using every one of the assets in a powerful and productive way.

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Chapter - 6

A Study on Financial Performance Analysis at Hindustan Insecticides Limited, Udyogamandal

Dr. Deepika Krishnan
Assistant Professor, School of Management, Presidency University, Bangalore, Karnataka, India

Sriram
Student, School of Management, Presidency University, Bangalore, Karnataka, India

Abstract

The review was led on the theme "A Study on Financial Performance Analysis", and was attempted in HINDUSTAN INSECTICIDES LIMITED (A Government of India project), Udyogamandal, Cochin. HIL was picked because the organization got great' MOU rating for its execution for the money related year 2011-12. With growing world population, there is an increasing need for larger rate of production of food grain, and hence a need for quality pest control measures as well. Thus, the industry promises bright prospects in markets world-wide. HIL, a public sector enterprise.

Keywords: Financial performance, world population, production, industry.

1. Introduction

"Monetary finishing assessment is the way toward recognizing the wealth correlated quality and shortcoming of the dense by edifice up and surveying the connection amid the gear of positive quality report and promote and calamity account through proportions, near explanation and so forth". The unit was established in 1958, and over the years, the company has grown to produce a large variety of quality pesticides, insecticides and weedicides for farmers world-wide. The unit is controlled by an overall manager, under whom the departments of personnel and administration, finance, research and development, production, engineering, commercial, quality control and safety functions in a well-structured manner. The functioning of the departments, as facilitated by the recruits is owed to the standing orders adopted by the company. An analysis of the strengths, weaknesses opportunities and threats faced by the company are done. Being a public sector enterprise, the company is well backed by the rule of India. This promises the business to develop. Potential markets across the world are being tapped. With sustained government policies, the company has bright prospects.

2. Survey of Existing Literature

Donald P Cram (2004) in the article on environmental and financial performance state that we review the growing literature relating corporate environmental performance to financial performance. We seek to identify achievements and limitations of this literature and to highlight areas for further research. Our primary interest is to assess the adequacy of the literature in informing corporate managers how, when and where to make pro-environment investments that will pay off the with financial returns for long term shareholders to do so, we create law conceptual frame work that maps the influence of the regulator's public health scientists, environmental advocates consumers, employees and other interested parties upon corporative financial return"

Devang P Mehta (2007) in the journal of "industrial technology states that this paper is primarily based on Rogers's diffusion of innovation theory and Auger's empirical study an empirical research study was conducted to investigate the perceived the financial performance of commercial printing firms for conducting business to consumer (B2C) activities using web technology financial performance was measured using for financial indicators sales, cost, profit, and return on investment (ROI) the diffusion of innovations theory state that an innovation brings changes to company web technology is an innovation that effect company's performance this paper investigate the effect of web technology on commercial printing firms financial performance".

Philippe Jacquard and John Antonakis (2010) in the journal of "implication for financial performance corporate social responsibility state that in general need for power and responsibility disposition were positively predictive whereas need for achievement and affiliation were negatively predictive of customers contrary to previous corporate social responsibility had no link to financial performance".

E H Feroz (2014) in the journal of "operation research society states that ratio analysis is a commonly used analytical tool for verifying the performance of a firm while ratio are easy to compute which in part explains their wide appeal their interpretation is problematic especially when two or more ratios provide conflicting signals indeed ratio analysis is often criticized on the ground of subjectively that is the analyst must pick and choose ratio in order to assess the overall performance of a firm.

3. Research Methodology

Inquire about signifies "think about new things or looking for knowledge". To reality, research is an art of logical examination. Word reference meaning of research is n cautious Investigation or request particularly through scan for new actualities in any branch of learning. A few people consider look into as an advance front the branded to the ambiguous it is really a passage of revelation. As demonstrated by Clifford Woody research incorporates. "Describe and re-portraying issue, enumerating hypothesis or proposed course of action, social occasion, dealing with and evaluating data; making thinking and accomplishing conclusion; lastly intentionally testing the conclusion to choose on the off chance that they fit the characterizing hypothesis". To put it plainly, the inquiry of information through goals and efficient technique for discovering answer for an issue is research. For successful research we have to experience the accompanying strides.

3.1 Research Design

An examination configuration is a deliberate arrangement to concentrate a logical issue. The review is illustrative in nature. This is an endeavour to assess the execution of the organization through the money related proclamation investigation by the budgetary information, which are unveiled in bookkeeping strategies.

3.2 Research Method

The strategy utilized as a part of this exploration is factual technique. Measurable strategy is an arrangement of method and systems of examination connected to quantitative information. It comprises of an arrangement of procedures material to numerical information.

3.3 Data collection

3.3.1 Primary data

The primary data was calm through the not public interview and relations with employees in the club and also physical observation.

3.3.2 Secondary Data

The auxiliary information is gathered from data which is utilized by other. It is not immediate data. This data is as of now gathered and examination by other and that data is utilized by others. The optional information is gathered from organization's yearly reports, organization's site and different manuals accessible. The research instruments were the company records, balance sheet and annual report. The research period where from 2^{nd} Jan 2017 to 10^{th} March 2017.

4. Analysis and Interpretation

4.1 Solvency Ratios Analysis

4.1.1 Current ratio (Working Capital Ratio)

Current extent may be described as the association between current asset and current commitment. This extent, generally called working capital extent, is a measure of general commitment and is most comprehensively used to make the examination of a momentary money related position or liquidity of a firm. It is figured by isolating the total current assets by current liabilities.

Current ratio = Current assets / Current liabilities

Current proportion is the link among current resource and current risk. Self-assertive standard of liquidity of a firm is 2:1 if current proportion is palatable just if current resource will be more than current obligation. Higher the proportion or the more noteworthy will be the expertise of association to see its quick store commitment. It is for the most part expressed that the present proportion ought to be 2:1. It implies that for each one rupee of current risk, there ought to be two rupee of current resources. This further implies in the wake of paying off the present liabilities, there ought to be adequate merger of working capital. In the year 2011-12, the proportion was 1.70 yet it dunked into 1.57 in the year as a result of fall in the estimation of the considerable number of limitations in present resources. There is a slow ascent in the proportion which demonstrated a colossal increment to 1.81 in the year 2014, again current proportion dunked into 1.61 in 2015 and 1.34 in 2016 in view of diminished request adding to diminish in real money adjust. It is beneath the perfect current proportion

4.1.2 Quick Ratio (Acid Test or Liquid Ratio)

Lively extent generally called Acid Test extent or Liquid extent is a more intensive trial of liquidity than the present extent. The expression "liquidity" suggests the limit of the firm to pay its transitory duties as and when they twist up doubtlessly due. The two determinants of current extent, as the measure of liquidity, are available assets and current hazard. Current assets consolidate inventories and prepaid costs which are not successfully convertible into cash inside a short period. Lively extent may be portrayed as the association between fast/liquid assets and current/liquid liabilities.

Quick or Acid Test Ratio = Quick or Liquid Assets / Current Liability

The generally stated quick ratio is 1:1 which means each one rupee of present liability there should be one rupee of quick asset. If the ratio is more than 1:1, this means that the firm will not be bright to pay off its present liabilities when they become due in the year 2011-12. The ratio was 1.24 which is decreased in to 1.14 in 2012-13. Then it is increased to 1.185 in 2013-14. After it there were consistent quick ratio in and around 1.193 in the next year. It showed high gain in 2015-16 of 1.01. The snappy proportion expresses that the HIL can meet their current money related commitments with accessible speedy assets.

4.1.3 Absolute Liquid Ratio (Super Quick Ratio)

Despite the fact that receivables, account holders and bills receivables are by and large more fluid than inventories, yet there might be questions with respect to their acknowledgment into trade quickly or out time. Consequently, a few specialists are of the sentiment that without a doubt the fluid proportion ought to likewise be ascertained together with current proportion and analysis proportion in order to avoid even receivables from the present resource and discover unquestionably the fluid resources.

Absolute Liquid Ratio = absolute liquid asset/ current liabilities

Absolute liquid ratio is a pointer of organization's transient liquidity. It quantifies the capacity to utilize its quick resources (money, money reciprocals and attractive securities) to pay its present liabilities. A flat-out fluid proportion of 0.75:1 or more noteworthy is favored. In the year 2011- 12 the ratio is .057 then it was decreased in the year 2012-13 to.038 and it remain in the next years also. The company was in a bad position to use the cash and other marketable securities in 2013-14 and 2014-15. And it was again decreased in the last financial year also to .020. An increasing ratio is eliminating any unknown surroundings receivables. It means the firm is not liquid enough.

4.1.4 Fixed Asset Ratio

The proportion sets up the connection between settled resource and capital utilized. i.e. share capital in addition to stores, surplus and held income. Settled advantages for total assets is a proportion measuring the dissolvability of an organization. This proportion demonstrates the degree to which the proprietors' trade is solidified out the type of settled resources, for example, property, plant, and hardware, and the degree to which assets are accessible for the organization's operations (i.e. for working capital). This proportion demonstrates the degree to which the proprietors' trade is solidified out the type of settled resources, for example, property, plant, and gear, and the degree to which assets are accessible for the organization's operations (i.e. for working capital).

Fixed asset to net worth ratio = Fixed assets / capital employed

The fixed Asset Ratio measures the dissolvability of a firm. This proportion demonstrates the degree to which the proprietor's trade is solidified out the type of block and concrete and apparatus and the degree to which the assets are accessible for the organizations operations. In 2011-12 it was 0.31 and in increased to 0.37 in 2012-13and in the year 2013-14 it showed a large increase to 0.52 and 0.60 in 2014-15. In the last financial year it increased into 0.67. A proportion higher than 0.67 shows that the firm is intolerable to sudden occasions and changes in the business atmosphere and its optimal for the organization.

4.1.5 Ratio of Current Assets to Fixed assets

This proportion will contrast from industry to industry and subsequently no standard can be set down. A decline in the proportion may imply that exchanging is slack or more motorization has been put through. An expansion in the proportion may uncover that the inventories and account holders have unduly expanded or settled resources have been strongly utilized. An expansion in the proportion, joined by increment in benefit, demonstrates the business is growing.

Ratio of Current Assets to Fixed Assets = Current Assets/ Fixed Assets

From the ratio of Current assets to fixed assets the increase in ratio can be noticed. During the period of 2011-12 the ratio was 7.66, it states that the inventories and debtors are increased. In the next year there were decrease of 1.11. It ended up ratio to 6.55. In the next period current assets decreased and also the ratio. On the period of 2014-15 both current assets and fixed assets are increased. The ratio for the period was 5.39. In the previous period the ratio again decreased into 5.28. it indicates the trading is inefficient during the period of 5 years.

4.1.6 Gross Profit Ratio

The Gross Profit Ratio shows the degree to which offering cost of merchandise per unit may decay without bringing about misfortunes on operations of the firm. It mirrors the effectiveness with which a firm delivers its items. As the gross benefit is found by deducting expense of merchandise sold from the net deals, higher the gross benefit proportion will better the outcome. The gross benefit proportion ought to be satisfactory to cover settled costs, profits and working up of stores. A critical variable which will influence the proportion of gross benefit to deals is that of the act of expanding or lessening the deal cost of merchandise sold by "markups" and "markdowns".

Where this happens, administration ought to keep a record of markups and markdowns so that when the exchanging articulation is finished by real figures.

Gross Profit Ratio = Gross Profit/ Net Sales * 100

Net Profit measures an organization's assembling and dissemination proficiency amid the generation procedure. A high GP proportion is an indication of effective creation or buy administration. Then again, a low GP proportion is a risk flag. In the case of HIL, gross profit is showing a positive figure in many years. In 2011-12, gross profit ratio was 1.35 which dipped to a very low ratio of 1.09 in the next year due to decreased sales. Again it raised to 1.11 in the next year which was a moral sign of quality management. And it could maintain that positive gross profit ratio for the next two years also. But in 2015-16, the ratio went down to 0.63. it indicates difficulty in controlling production costs.

4.1.7 Operating Profit Ratio

Working benefit proportion builds up the connection between working benefit from one viewpoint and the net deal on the other. At the end of the day, it quantifies the proportion by isolating working benefit by deals. It for the most part spoke to as a rate. Cost of offers incorporates coordinate cost of products sold and also other working costs, organization, offering and circulation costs which have coordinating association with deals. It incorporate wage and costs which make little difference to generation and deals. Non-working earnings and costs as premium and profit got on speculation, premium paid on long haul credits and debentures, benefit or misfortune at a bargain of settled resources or long haul ventures.

Operating profit ratio = operating profit / net sales*100

The operating profit ratios of the business in earlier were displays a growing trend but it suddenly decreased in the last financial year because of decrease in sales. This proportion helps in deciding the capacity of the administration in maintaining the business. In the year 2011-12 the ratio is 1.35 and it remains same in the year 2012-13 also but it becomes started decreasing in the next years to 1.09 and 1.11. It was decreased largely in the last financial year to.63 because of decreasing sales. It is not worthy for the firm profit and indicates decreasing in operating margin. Higher or growing operating profit ratio is chosen because if the operating profit is growing the business is earning more profit from sales.

4.1.8 Net Profit Ratio

Net Profit Ratio establishes a connection between net benefit (after tax) and deals, and shows the proficiency of the administration in assembling, offering, regulatory and different exercises of the firm. The proportion is the general measure of the company's productivity. It clarifies per rupee benefit creating limit of offers. In the event that the cost of offers is lower, then the net benefit will be higher and afterward it isolated with the net deals, lower will be the business effectiveness. The worry must strive for accomplishing more prominent deals productivity for boosting the ROI. This proportion is exceptionally helpful to the proprietors and forthcoming financial specialists since it uncovers the general benefit of the concern.

Net Profit Ratio = Net Profit after tax / Net Sales*100

In 2011- 2012 the net profit ratio was 1.33%. In subsequent year showed a decreasing trend it become 0.64 in 2012-13. Then for the next year it increased to 1.06 but again decreased in 2015- 16. But all net profit ratios is much below the standard ratio. NP ratio is utilized to gauge the general productivity and consequently it is extremely helpful to proprietors. The perfect NP proportion is 5% to 10%. NP proportion additionally shows the association's ability to confront antagonistic monetary conditions, for example, value rivalry, low request, and so on. Clearly, higher the proportion the better is the benefit. In any case, while deciphering the proportion it ought to be remember that the execution of benefits additionally be found in connection to speculations or capital of the firm and not just in connection to deals.

4.1.9 Operating Profit Ratio

Operating profit ratio establishes the relationship between operating profit on the one hand and the net sale on the other. In other words, it trials the ratio by dividing operating profit by sales. It generally represented as a percentage. Cost of offers incorporates coordinate cost of products sold and also other working costs, organization, offering and dissemination costs which have coordinating association with deals. It incorporates wage and costs which make little difference to creation and deals. Non-working salaries and costs as premium and profit got on speculation, premium paid on long haul credits and debentures, benefit or misfortune marked down of settled resources or long-haul ventures.

Operating profit ratio = operating profit/ net sales*100

The operating income ratios of the business in earlier were displays an growing trend but it suddenly decreased in the last financial year because of decrease in sales. This proportion helps in deciding the capacity of the administration in maintaining the business. In the year 2011-12 the ratio is 1.35 and it remains same in the year 2012-13 also but it becomes started decreasing in the next years to 1.09 and 1.11. It was decreased largely in the last financial year to.63 because of decreasing sales. It indicates low or bad profitability. Higher or increasing operating profit ratio is chosen because if the operating profit is growing the company is getting more profit from sales.

4.1.10 Return on Capital Employed

This proportion is a marker of the procuring limit of the capital utilized in the business. It demonstrates the rate of profit for the aggregate capital utilized on the business. This proportion gives a thought of the general benefit of the firm, so it is known as general productivity proportion. It states whether resources employed in the business are being efficiently used or not. This ratio is known as master ratio because it indicates overall profitability of a firm and financial position of a company is also reflected as sound if a company has a sound capital structure. A good capital structure will give good profit on capital employed.

Return on Capital Employed = Operating Profit / Capital Employed *100

The Return on Capital Employed demonstrates the rate of profit for the aggregate capital utilized on the business. The return on capital employed during the period of 2011-12 was 2.30% which displays more effective use of money by the company. On the next period 2012-13 the return rises to 2.49%. After that the return percentage showed a declining trend during the years like 2.01 in 2013-14, 1.91 in 2014-15. It is mainly because the decrease that occurred in the operating profit of the firm. In the financial year 2015-16 the return percentage on capital employed decreased into 1.44%. Which is low and indicates inefficient use of capital.

5. Findings

This study reveals that the long-haul budgetary position of the firm is bad. Current liabilities of the firm are expanding step by step. It also states that the firm have a bad profitability because the profitability ratios like gross profit ratio, operating profit ratios and net profit ratio etc. shows a decreasing trend in last five years. Solvency ratios are satisfactory still it shows a decreasing trend. Absolute liquid ratios of the firm are not satisfactory. The operating profit ratio is decreasing in analyzed periods, it states that organization's valuing system and working proficiency is not sufficient enough. High or increasing operating margin is preferred. Company is proficient in utilizing a company's transient resources and liabilities to bolster deals. `The working capital in the year 2015-16 is dropped into all-time low when compared to previous 5 financial years.

6. Conclusions

The project entitled “Financial Performance Analysis, at Hindustan Insecticides Limited” has given me deep knowledge about the organization as well as its financial performance. If properly analyzed and interpreted, financial statements can provide valuable insight into a firm’s performance. The financial statements analyzing is helpful in assessing corporate excellence, judging credit worthiness, forecasting the profitability, forecasting financial crises and measuring market risks. The study is conducted in HIL, which covers nearly the whole territory of monetary operations secured by the organization. The review has been directed with the assistance of inspected money related records obtaining from the company’s annual report pertaining to last five years from 2011-12 to 2015-16. The study helps to analyze the overall financial performance of the organization in terms of financial wealth. The main aim of the study is to dissect the money related execution and evaluate the financial position of the company. Through the study period, the observations, experiences and the analysis of the facts and figures given showed a neutralizing image about the financial performance and monetary position of the company. Ratio analysis, comparative statements and trend analysis are used to find out the study objectives.

7. Suggestions

HIL must increase the present resources and lessening the present liabilities for making a standard current ratio. The company must increase the shareholders fund and it will help to improve the goodwill of the company. HIL must keep adequate funds for paying the short-term obligations. The firm should improve the long-term financial position. HIL must should increase the price of final product of decrease the cost of production for better profitability. Management should take necessary steps to monitor the constant increase in the current liabilities. The company should control heavy increase of manufacturing & administration expenses as it is impacting the net profit of company.

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Chapter - 7

A Study on "Impact of COVID-19 on Global Economy Growth with Special Reference to G-20 Countries"

Dr. Y. Venkata Rangaiah
Associate Professor, School of Management Presidency University,
Bangalore, Karnataka, India

Abstract

COVID -19 has high impact on Emerging markets, especially in G-20 Countries, have so far felt the worst effects of the virus outbreak. Many countries depend heavily on China and are also physically at greater risk of a more widespread outbreak. The study reveals that Prior to the widespread outbreak of the corona virus in the first quarter of 2020, growth of real gross domestic product (GDP) in the G20 area had already started to slow, falling to 0.6% in the fourth quarter of 2019, compared with 0.8% in the previous quarter, according to provisional estimates and G20 GDP growth slows to 0.6% in the fourth quarter of 2019.The study find that G-20 Countries GDP Growth percentage trend movement year wise for the last on decade.

1. Introduction

The pandemic brings with it the third and greatest economic, financial and social shock of the 21st Century, after 9/11 and the Global Financial Crisis of 2008. This shock brings a double whammy: a halt in production in affected countries, hitting supply chains across the world, and a steep drop in consumption together with a collapse in confidence. Stringent measures being applied, albeit essential to contain the virus, are thrusting our economies into an unprecedented "deep freeze" state, from which emergence will not be straightforward or automatic.

The most urgent priority is to minimize the loss of life and health. But the pandemic has also set in motion a major economic crisis that will burden our societies for years to come. In many places ambitious initial responses are underway, and this is commendable. But only a combined, coordinated international effort will meet the challenge.

The sheer magnitude of the current shock introduces an unprecedented complexity to economic forecasting. We attempt to take stock of the likely impact of COVID-19 on global growth, but it now looks like we have already moved well beyond even the more severe scenario envisaged then. The behaviour of financial markets reflects the extraordinary uncertainty of the situation. It is looking increasingly likely that we will see sequential declines in global GDP--or regional GDPs-- in the current and next quarters of 2020. And while it is too early to tell how far-reaching an impact COVID19 will have on many developing countries, particularly those in sub-Saharan Africa, it is clear that even if they are fortunate enough to escape the brunt of the health crisis, they will suffer economically, just as they did after the 2008 crisis.

Compounding a global health crisis with a major economic and financial crisis will put large strains on our societies. Even after the worst of the health crisis has passed, people will be confronted with the jobs crisis that will ensue. Well before the outbreak, the global economy already exhibited a number of underlying vulnerabilities, which now risk worsening the downturn that COVID-19 has delivered. These include the high level of corporate debt and trade tensions between major economies. Another important vulnerability are the gaps in income, wealth and job stability in many countries, which threaten a large part of our populations. More than one third of households are financially insecure, meaning they would fall into poverty if they had to forgo three months of their income. As for the trade restrictions that have proliferated in the last few years, these may not only affect badly-needed medical supplies in some settings but also generate supply-chain disruptions in food or other essential goods and services. More broadly, they increase the risk of a more severe outbreak, as well as of a deeper and longer-lasting recession.

Now is the time for urgent and large-scale responses, to be taken at sub-national, national and international levels. They must be launched at once, taking into account different time horizons and imperatives: a) the immediate need to address the public health crisis; b) the subsequent need to get the economy up and running again; and c) the longer-term need for new policy approaches to repair the damage and ensure that we are better prepared for future shocks.

2. Methodology

Problem Statement

The COVID-19 pandemic economic shock undoubtedly calls for parallels with the 2008-09 global financial crisis. For some ways, these crises are close but in others, very different. As in 2008-09, policymakers once again interfered with monetary and fiscal policy to fight the downturn and provide enterprises and households with temporary income support. Yet mobility limits, and social distancing to slow the spread of the disease mean that labour supply, transport and travel are today directly affected in ways they were not during the financial crisis. Whole sectors of national economies have been shut down, including hotels, restaurants, non-essential retail trade, tourism and significant shares of manufacturing. Under these circumstances, Forecasting requires clear forward-looking assumptions.

Objective of the Study

- To study Impact of COVID-19 on Global Economy Growth
- To understand the world Business Scenario

Data Sources

The data collected for the present study secondary sources.

Statistical Tools For the study Mean, Variance and percentages.

Sample Size Sample size of G- 20 Country is selected for the study to make the study meaningful and relevant.

3. Data Analysis

Table 1: GDP Growth percentage of Argentina, Australia, Brazil, Canada and China for the following years

Year	Argentina	Australia	Brazil	Canada	China (People's Republic of)
2019	..	1.79	1.14	1.64	6.10
2018	-2.48	2.74	1.32	2.01	6.60
2017	2.67	2.52	1.32	3.17	6.80
2016	-2.08	2.76	-3.28	1.00	6.70
2015	2.73	2.29	-3.55	0.66	6.90
2014	-2.51	2.55	0.50	2.87	7.30
2013	2.41	2.10	3.00	2.33	7.80
2012	-1.03	3.93	1.92	1.76	7.90
2011	6.00	2.73	3.97	3.15	9.50
2010	10.13	2.45	7.53	3.09	10.60
2009	-5.92	1.89	-0.13	-2.93	9.40
Variance	22.44	0.33	9.63	3.10	2.09

Column 1: indicates that Argentina’s GDP growth percentage was registered high in 2010 and followed years were 2011, 2015, 2015, 2017, 2013, 2012, 2016, 2018, 2014 and 2009 with respectively GDP Growth

percentage follow as 10.13, 6.00, 2.73, 2.67, 2.41, -1.03, -2.08, -2.48, -2.51 and -5.92. The Argentina GDP Growth percentage variance was 22.44

Column 2: indicates that Australia's GDP growth percentage was registered high in 2012 and followed years were 2016, 2018, 2011, 2014, 2017, 2010, 2015, 2013, 2009 and 2019 with respectively GDP Growth percentage follow as 3.93, 2.76, 2.74, 2.73, 2.55, 2.52, 2.45, 2.29, 2.10, 1.89 and 1.79. The Australia GDP Growth percentage variance was 0.33.

Column 3: Represents that Brazil's GDP growth percentage was registered high in 2010 and followed years were 2011, 2013, 2012, 2017, 2018, 2019, 2014, 2009, 2016 and 2015 with respectively GDP Growth percentage follow as 7.53, 3.97, 3.00, 1.92, 1.32, 1.32, 1.14, 0.50, -0.13, -3.28 and -3.55. The Australia GDP Growth percentage variance was 9.63.

Column 4: Indicate that Candada's GDP growth percentage was registered high in 2017 and followed years were 2011, 2010, 2014, 2013, 2018, 2012, 2019, 2016, 2015 and 2009 with respectively GDP Growth percentage follow as 3.17, 3.15, 3.09, 2.87, 2.33, 2.01, 1.76, 1.64, 1.64, 1.00, 0.66 and -2.93. The Canada GDP Growth percentage variance was 3.10.

Column 5: shows that China's GDP growth percentage was registered high in 2010 and followed years were 2011, 2009, 2012, 2013, 2014, 2015, 2017, 2016, 2018 and 2019 with respectively GDP Growth percentage follow as 10.60, 9.50, 9.40, 7.90, 7.80, 7.30, 6.90, 6.80, 6.70, 6.60 and 6.10. The Australia GDP Growth percentage variance was 2.08.

Table 2: GDP Growth percentage of France, Germany, India, Indonesia and Italy for the following years

year	France	Germany	India	Indonesia	Italy
2019	1.32	0.56	5.27	5.02	0.30
2018	1.72	1.52	6.76	5.17	0.80
2017	2.26	2.47	6.55	5.07	1.67
2016	1.10	2.23	9.00	5.03	1.29
2015	1.11	1.74	7.48	4.88	0.78
2014	0.96	2.22	6.96	5.01	0.00
2013	0.58	0.43	6.13	5.56	-1.84
2012	0.31	0.43	4.93	6.03	-2.98
2011	2.19	3.91	7.87	6.17	0.71
2010	1.95	4.18	11.00	6.38	1.71
2009	-2.87	-5.69	5.04	4.70	-5.28
Variance	2.02	6.94	3.32	0.33	4.87

Column 1: indicates that France's GDP growth percentage was registered high in 2017 and followed years were 2011, 2010, 2018, 2019, 2015, 2016, 2014, 2013, 2012 and 2009 with respectively GDP Growth

percentage follow as 2.26, 2.19, 1.95, 1.72, 1.32, 1.11, 1.10, 0.96, 0.580.31 and -2.87. The Argentina GDP Growth percentage variance was 22.44

Column 2: indicates that German's GDP growth percentage was registered high in 2010 and followed years were 2011, 2016, 2017, 2016, 2014, 2015, 2018, 2019, 2013, 2012 and 2009 with respectively GDP Growth percentage follow as 4.18, 3.91, 2.47, 2.23, 2.22, 1.74, 1.52, 0.56, 0.0.43, 0.43 and -5.69 . The German GDP Growth percentage variance was 0.33

Column 3: Represents that India's GDP growth percentage was registered high in 2010 and followed years were 2016, 2011, 2015, 2014, 2018, 2017, 2013, 2019, 2009 and 2012 with respectively GDP Growth percentage follow as 11.00, 9.00, 7.87, 7.48, 6.96, 6.76, 6.55, 6.13, 5.27, 5.04, and 4.93. The Australia GDP Growth percentage variance was 9.63.

Column 4: Indicate that Indonesia's GDP growth percentage was registered high in 2010 and followed years were 2011, 2012, 2013, 2018, 2017, 2016, 2019, 2014, 2015 and 2009 with respectively GDP Growth percentage follow as 6.38, 6.17, 6.03, 5.56, 5.17, 5.07, 5.03, 5.02, 5.01, 4.88 and 4.70. The Indonesia's GDP Growth percentage variance was 3.10.

Column 5: shows that China's GDP growth percentage was registered high in 2010 and followed years were 2017, 2016, 2018, 2015, 2011, 2019, 2014, 2013, 2012, and 2009 with respectively GDP Growth percentage follow as 1.71, 1.67, 1.29, 0.80, 0.78, 0.71, 0.30, 0.00, -1.84, -2.98, and -5.28. The Australia GDP Growth percentage variance was 2.08.

Table 3: GDP Growth percentage of Japan, Korea, Mexico, Russia and Saudi Arabia for the following years

year	Japan	Korea	Mexico	Russia	Saudi Arabia
2019	0.65	2.03	-0.15	..	..
2018	0.32	2.66	2.14	2.25	2.43
2017	2.17	3.16	2.12	1.63	-0.74
2016	0.52	2.95	2.91	0.33	1.67
2015	1.22	2.81	3.29	-2.31	4.11
2014	0.37	3.20	2.80	0.74	3.65
2013	2.00	3.16	1.35	1.79	2.70
2012	1.50	2.40	3.64	3.66	5.41
2011	-0.12	3.69	3.66	3.14	10.00
2010	4.19	6.80	5.12	4.50	7.43
2009	-5.42	0.79	-5.29	-7.82	..
Variance	5.53	2.13	7.64	12.81	10.24

Column 1: indicates that Japan 's GDP growth percentage was

registered high in 2010 and followed years were 2017, 2013, 2012, 2015, 2019, 2016, 2014, 2018, 2011 and 2009 with respectively GDP Growth percentage follow as 10.00, 4.19, 2.17, 2.00, 1.50, 1.22, 0.65, 0.52, 0.37, 0.32, -0.12and -5.42. The Japan, s GDP Growth percentage variance was 5.52.

Column 2: indicates that Koria's GDP growth percentage was registered high in 2010 and followed years were 2011, 2014, 2013, 2017, 2016, 2015, 2018, 2012, 2019 and 2009 with respectively GDP Growth percentage follow as 6.80, 3.69, 3.20, 3.16, 3.16, 2.95, 2.81, 2.66, 2.40, 2.03 and 0.79. The Koria's GDP Growth percentage variance was 2.13.

Column 3: Represents that Mexico's GDP growth percentage was registered high in 2010 and followed years were 2011, 2012, 2015, 2016, 2014, 2018, 2017, 2013, 2019 and 2009 with respectively GDP Growth percentage follow as 5.12, 3.66, 3.64, 3.29, 2.91, 2.80, 2.14, 2.12, 1.35, -0.15and-5.29. The Mexico GDP Growth percentage variance was 7.64.

Column 4: Indicate that Russia's GDP growth percentage was registered high in 2010 and followed years were 2012, 2011, 2018, 2013, 2017, 2014, 2016, 2015, and 2009 with respectively GDP Growth percentage follow as 4.50, 3.66, 3.14, 2.25, 1.79, 1.63, 0.74, 0.33, -2.31, and -7.82. The Russia GDP Growth percentage variance was 12.81.

Column 5: shows that Saudi Arabia 's GDP growth percentage was registered high in 2011 and followed years were 2010, 2012, 2015, 2014, 2013, 2018, 2016, and 2017 with respectively GDP Growth percentage follow as 10.00, 7.43, 5.41, 4.11, 3.65, 2.70, 2.43, 1.67, and -0.74. The Saudi Arabia GDP Growth percentage variance was 10.23.

Table 4: GDP Growth percentage of South Africa, Turkey, United Kingdom, United State, European Union (28 Countries), Euro Area (19 Countries) for the following years

year	South Africa	Turkey	United Kingdom	United States	European Union (28 countries)	Euro area (19 countries)
2019	0.15	0.88	1.40	2.33	1.46	1.23
2018	0.79	2.83	1.34	2.93	2.02	1.91
2017	1.41	7.47	1.89	2.37	2.58	2.54
2016	0.40	3.18	1.92	1.64	2.04	1.92
2015	1.19	6.09	2.36	2.91	2.35	2.11
2014	1.85	5.17	2.61	2.53	1.75	1.40
2013	2.49	8.49	2.14	1.84	0.29	-0.25
2012	2.21	4.79	1.48	2.25	-0.42	-0.89

2011	3.28	11.11	1.54	1.55	1.79	1.69
2010	3.04	8.49	1.95	2.56	2.15	2.13
2009	-1.54	-4.70	-4.25	-2.54	-4.30	-4.50
Variance	1.99	18.81	3.56	2.33	3.97	4.24

Column 1: indicates that Turkey 's GDP growth percentage was registered high in 2011 and followed years were 2010, 2013, 2012, 2014, 2017, 2015, 2018, 2016, 2019 and 2009 with respectively GDP Growth percentage follow as 3.28, 3.04, 2.49, 2.21, 1.85, 1.41, 1.19, 0.79, 0.40, 0.15and -1.54. The Turkey's GDP Growth percentage variance was 1.98.

Column 2: indicates that Turkey 's GDP growth percentage was registered high in 2011 and followed years were 2013, 2010, 2017, 2015, 2014, 2012, 2016, 2018, 2019 and 2009 with respectively GDP Growth percentage follow as 12.11, 8.49, 8.49, 7.47, 6.09, 5.17, 4.79, 3.18, 2.83, 0.88and -4.70. The Turkey's GDP Growth percentage variance was 18.81

Column 3: indicates that UK's GDP growth percentage was registered high in 2019 and followed years were 2015, 2013, 2010, 2016, 2017, 2011, 2012, 2019, 2018 and 2009 with respectively GDP Growth percentage follow 2.61, 2.36, 2.14, 1.95, 1.92, 1.89, 1.54, 1.48, 1.40, 1.34, and -4.21. The Koria's GDP Growth percentage variance was 3.55.

Column 4: Represents that US's GDP growth percentage was registered high in 2018 and followed years were 2015, 2010, 2014, 2017, 2019, 201, 2013, 2016, 2011 and 2009 with respectively GDP Growth percentage follow as 2.93, 4.91, 2.56, 2.53, 2.37, 2.33, 2.25, 1.84, 1.64, 1.55and-2.54. The US GDP Growth percentage variance was 2.32.

Column 5: Indicate that EU 28 Country's GDP growth percentage was registered high in 2017 and followed years were 2015, 2010, 2016, 2018, 2011, 2014, 2019, 2013, 2012 and 2009 with respectively GDP Growth percentage follow as 2.58, 2.35, 2.15, 2.04, 2.02, 1.79, 1.75, 1.46, 0.29, -0.42, -0.42, and -4.30. The EU 28 Country's GDP Growth percentage variance was 3.97.

Column 6: shows that EU 19 Country's GDP growth percentage was registered high in 2017 and followed years were 2010, 2015, 2016, 2018, 2011, 2014, 2019, 2013, 2012 and 2009 with respectively GDP Growth percentage follow as2.14, 2.13, 2.11, 1.92, 1.91, 1.69, 1.40, 1.23, -0.25, -0.89and -4.50. The Saudi EU 19 Country's GDP Growth percentage variance was 4.23.

Table 5: GDP Growth percentage of G-20 Countries for the following years and Quarterly wise

Year	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Korea	Mexico	Russia	Saudi Arabia	South Africa	Turkey	UK	Us	EU 28	Eu area 19
2009	-5.92	1.89	-0.13	-2.93	9.40	-2.87	-5.69	5.04	4.70	-5.28	-5.42	0.79	-5.29	-7.82	..	-1.54	-4.70	-4.25	-2.54	-4.30	-4.50
2010	10.13	2.45	7.53	3.09	10.60	1.95	4.18	11.00	6.38	1.71	4.19	6.80	5.12	4.50	7.43	3.04	8.49	1.95	2.56	2.15	2.13
2011	6.00	2.73	3.97	3.15	9.50	2.19	3.91	7.87	6.17	0.71	-0.12	3.69	3.66	3.14	10.00	3.28	11.11	1.54	1.55	1.79	1.69
2012	-1.03	3.93	1.92	1.76	7.90	0.31	0.43	4.93	6.03	-2.98	1.50	2.40	3.64	3.66	5.41	2.21	4.79	1.48	2.25	-0.42	-0.89
2013	2.41	2.10	3.00	2.33	7.80	0.58	0.43	6.13	5.56	-1.84	2.00	3.16	1.35	1.79	2.70	2.49	8.49	2.14	1.84	0.29	-0.25
2014	-2.51	2.55	0.50	2.87	7.30	0.96	2.22	6.96	5.01	0.00	0.37	3.20	2.80	0.74	3.65	1.85	5.17	2.61	2.53	1.75	1.40
2015	2.73	2.29	-3.55	0.66	6.90	1.11	1.74	7.48	4.88	0.78	1.22	2.81	3.29	-2.31	4.11	1.19	6.09	2.36	2.91	2.35	2.11
2016	-2.08	2.76	-3.28	1.00	6.70	1.10	2.23	9.00	5.03	1.29	0.52	2.95	2.91	0.33	1.67	0.40	3.18	1.92	1.64	2.04	1.92
2017	2.67	2.52	1.32	3.17	6.80	2.26	2.47	6.55	5.07	1.67	2.17	3.16	2.12	1.63	-0.74	1.41	7.47	1.89	2.37	2.58	2.54
2018	-2.48	2.74	1.32	2.01	6.60	1.72	1.52	6.76	5.17	0.80	0.32	2.66	2.14	2.25	2.43	0.79	2.83	1.34	2.93	2.02	1.91
2019	..	1.79	1.14	1.64	6.10	1.32	0.56	5.27	5.02	0.30	0.65	2.03	-0.15	..	..	0.15	0.88	1.40	2.33	1.46	1.23
Q1-2019	-0.05	0.50	0.00	0.24	1.40	0.34	0.48	1.36	1.21	0.23	0.55	-0.37	-0.13	-0.27	-1.89	-0.80	1.97	0.64	0.77	0.51	0.46
Q2-2019	-0.74	0.60	0.52	0.85	1.60	0.36	-0.24	1.17	1.25	0.11	0.56	1.04	-0.10	0.69	-0.71	0.82	1.14	-0.11	0.50	0.17	0.15
Q3-2019	0.94	0.55	0.62	0.28	1.40	0.26	0.20	1.12	1.21	0.06	0.03	0.41	-0.08	0.83	..	-0.21	0.76	0.49	0.52	0.39	0.31
Q4-2019	..	0.53	0.51	0.09	1.50	-0.05	0.03	1.10	1.18	-0.30	-1.81	1.26	-0.14	..	..	-0.36	1.94	0.02	0.52	0.14	0.11

Critical Analysis of COVID-19 Impact on World Economy Growth:

- G20 GDP growth slows to 0.6% in the fourth quarter of 2019
- Prior to the widespread outbreak of the coronavirus in the first quarter of 2020, growth of real gross domestic product (GDP) in the **G20 area** had already started to slow, falling to 0.6% in the fourth quarter of 2019, compared with 0.8% in the previous quarter, according to provisional estimates.
- GDP contracted sharply in **Japan** (by minus 1.8%, following October's increase in consumption tax). It also contracted in **South Africa** (by minus 0.4%), **Italy** (by minus 0.3%) and, (by minus 0.1%), in **France** and **Mexico**.
- GDP growth slowed significantly in the **United Kingdom** (to zero, following growth of 0.5% in the previous quarter). It slowed more moderately in the **European Union** (to 0.1%, from 0.4%), **Canada** (to 0.1%, from 0.3%), **Germany** (to zero, from 0.2%), and, marginally, (to 0.5%, from 0.6%), in **Australia** and **Brazil**.
- On the other hand, GDP growth picked up significantly in **Turkey** (to 1.9%, from 0.8%) and **Korea** (to 1.3%, from 0.4%), and more moderately in **China** (to 1.5%, from 1.4%). Growth was stable in **Indonesia**, **India** and in the **United States** (at 1.2%, 1.1% and 0.5%, respectively).
- For 2019 as a whole, real GDP growth in the **G20 area** slowed to 2.9% (from 3.7% in 2018), with **China** recording the highest growth (6.1%) and **Mexico** the lowest (minus 0.1%). Annual growth also slowed in the **OECD area**, to 1.7% in 2019 (from 2.3% in 2018), with **Ireland** recording the highest growth (5.5%) and **Mexico** the lowest (minus 0.1%).

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Chapter - 8

Cryptocurrency: An Overview

Dr. Arabinda Bhandari
Associate Professor, School of Management, Presidency University, Bangalore, Karnataka, India

Vijeth Hegde
Student, School of Management, Presidency University, Bangalore, Karnataka, India

Abstract

With the rapid development of information and information technology, many activities in our daily life can be integrated online, making it easier and more efficient. The significant increase in the number of online users has led to the concept of visual terms and the creation of a new business entity called crypto currency, making it easier to conduct financial transactions such as buying, selling and trading. Crypto currency is a valuable and invisible electronic tool for a wide variety of applications and networks, including online social networks, online social games, virtual worlds and peer-to-peer networks. In recent years, obvious costs have spread to various programs. This paper examines the expectations of crypto currency users for the future. It examines users' reliance on crypto currency when virtual currency is fully controlled and out of control. Furthermore, the paper seeks to determine the prevalence of crypto currency use to provide a clear picture with an active perspective. The magazine also examines how 21 different countries have reacted to crypto currency in terms of policies and regulations to create a clearer picture of its impact on the regulation of various laws in India.

Keywords: Cryptocurrency, technology, financial, laws.

Introduction

There is no doubt that years of knowledge and communication technology have created many opportunities for gold. Beneficiaries of this technology and online connectivity include the financial and business sectors. Internet users activated the growing global concept, which led to the emergence of a new business unit. As a result, new forms of trade, transactions and finance emerged. Crypto is one of the most popular financial forms that has emerged in recent years. Crypto is defined as any type of currency other than real-world currency that can be used in a variety of financial transactions, whether real or virtual. Cryptos are important and intuitive objects that are used in electronic or almost all types of applications and networks, including online social networks, online social games, virtual worlds and peer-to-peer networks. "Can crypto currency become the next financial platform?" This paper examines many aspects of crypto currency platforms in an attempt to answer key research questions such as: Is it safe to use a virtual currency platform? It explores various crypto currency platforms to provide a full understanding of the use, management, withdrawal, cost and exchange processes of crypto currency, leading to the useful and efficient separation of crypto currencies. This paper examines existing crypto currency systems and platforms to identify concerns, issues, problems and challenges. It examines the relationship between real-world laws and crypto usage with the aim of exposing the significant effects of the concept of crypto currency on the real world economy, business industry, crime rates and other real-world issues. Criminal. Payment method

Many research shown the interest in digital financial platforms and the importance of controlling the use of digital currency for all affected people. Those affected include governments, operators and consumers. These explorations are to awaken providers and providers of clear funding to enforce and enforce strict laws, policies and regulations for the management of sound economies.

Survey of Existing Literature

- Benjamin W. (2014). Crypto currency is a developing nation, and among them the fastest growing is Bitcoins. Never in the growth of the world. Many features are seen to be associated with the Bitcoins device, certainly one of them is low transaction costs and peers to look for technologies that guarantee one's privacy. As a result — it is a database that has established and ensured privacy attracting people as a new electronic brand. Many different types of people are accepting Bitcoins that include many retailers, and on-line stores are gaining worldwide acceptance.

- Sushilkumar (2014). The author compares virtual currency exposure with fiat forex, e.g., paper currency and crypto currencies associated with Cryptocurrensets. At present, Cryptocurrencies are at a single stage of development, yet they maintain a bright future despite lack of a criminal tender.

- Anooja (2014). This article informs you about money laundering and how we help other illegal commerce like drugs, human trafficking, smuggling and terrorism. India has taken steps to protect the takeover of the currency through the law of excessive spending and has introduced KYC for banks and investment guidelines provided for its use. The RBI has been taking steps against banks that have failed to implement KYC procedures, and this has been a deterrent.
- Vasudha (2014). This paper is about E-Commerce and its various types including Business to Business (B2B), Business to Customer (B2C), Customer to Business (C2B) and Customer to Customer (C2C) and payment methods, in this case, payments made by Bitcoins assisted trading business. That Bitcoins represent a non-public and safe exchange of price ranges. The developer mentioned how Bitcoins helped E-Commerce grow.
- R Subramanian (2015). It makes a specialty of Cryptocurrencies records and how they appear and Bitcoins, a form of Cryptocurrency has grown from strength to strength. It describes how the transaction takes place in this calculation and how safe or risky the transfer is and the view of future challenges.
- S Sundarakani (2015). Currency is used in many industries to cover black money and to convert equity into white money with the onset of similarity within the machine using multiple layers. One of the ways in which black money or illicit money is transformed into a list of legitimate or smooth real estate industry. The provision of illegal laundry is comparable.
- Yash Yadav (2015). This paper discusses how online growth has opened up a new market where one can buy and promote by having a store and without the local barrier. The net has made the stadium another destination, and the concept of virtual reality has taken a seat once again. This is called E Commerce, and the robustness of E-commerce depends on the power culture system. Bitcoins are designed for secure and secure online currency exchange and consequently facilitated E-Commerce expansion. Bitcoins are seen as a bad opportunity to pay off credit card debt as they have a reduced exchange rate and help the unpaid.
- Ragini Nair (2015). The paper is on the extent to which a financial institution invests in infrastructure to grow. As such, they should also spend money on infrastructure to look at clocks in savings operations

through the use of multiple clock rules. The author determines that foreseeable forecasts should be made an integral part of financial planning to convey the constraints created by the financial downturn.

- Vikash Gupta (2015). The author draws a distinction between fiat forex and Digital forex and brings in synergy with Cryptocurrencies' ability to weigh more than finances. However, according to the author Cryptocurrencies are widely used to play with various other activities as it is considered anonymous currency and for this reason protects the identity of badges. Aditya Prabhu (2016). The paper is set up for Cryptocurrencies and the peer-to-peer approach to the transaction will remove financial institutions. Transactions are encrypted using hash security values. The direct users of those wallets are first-party buyers, and the disadvantages of first-party investors are overcome by the help of using external servers that maintain statistical reliability. The efficiency of the channel has been a significant success.
- Robert (2012). The observers have analyzed the risk posed by cryptocurrencies and how they assist in the assessment of the currency. Although Cryptocurrensets are used to generate cash, they cannot be used for large sums of money. In addition it checks whether the similarity is covered under the money laundering act.
- Vandana Kumar (2012). The author has gotten into the idea of extorting money due to the illegal conversion of money into certain methods and ways of spending money. Revenue from illegal and illegal sources affects the country's economy within the long term, and as a result there is a need to reduce the same. Since the illegal exchange is international, the assistance of other international destinations should, and consequently, all countries must come together to mitigate this threat.
- Diana (2015). The present day paper designer is trying to find a link between money laundering and the use of Cryptocurrency that aids terrorism and other illegal games. Cryptocurrensets are a new form of payment, however anonymity is the main function of Cryptocurrency, far from the worst of globalization to fight against the possibility of money laundering and terrorism financing.
- M Gupta (2016). Black money is a major problem in India and abroad. It starts with the generation of that money and is then transferred and deposited at various tax havens and offshore financial institutions where the money can be imported from the official

channels back to you. S. A. as a valid amount. Current surveys show that there are various criminal and illegal activities that lead to the generation of black money. Look at this conclusion that some dummy groups are used most effectively in the black money era. This is achieved through the interaction of many entrepreneurs and politicians alike. Both businessmen and politicians are interested in converting their ill-gotten black money into white money. Most of the dummy groups may have no dealings, and the business is most efficient with the filing of documents to turn black money into legal money. Most of those dummy companies do not make any returns and do not pay taxes. They have played a major role in making illegal games such as fines and fines or faux fines. Some companies use the techniques of floating, tax evasion, banking fraud and then prioritizing fraud or bankruptcy and deceiving various markets by combining inventory markets or commodity markets with the help of a network or circular purchase. The expansion of the black financial system is huge and fast growing 12 months to 12 months. Estimates show that it is as big as the global economy system and create the same economy that deals with legitimate and tax-efficient economies in government. This trend has been observed in India and various other developing countries alike.

- E Engle (2016). Bitcoins and other Cryptocurrencies are cryptographic currencies, and the most popular crypto cryptocurrency is Bitcoins. The most important reason for the initial increase and demand for Bitcoins is the tendency of anonymity and the fact that it was present in all the areas of the world connected to the Internet. Cryptocurrencies are mines, i.e., they are generated and their transactions are validated by a system that uses an extreme algorithm. In addition, transactions made through Cryptocurrencies are not distributed to any banks or credit card organizations that can monitor and manage music through the recipient and the foreign currency sender. Cryptocurrencies operate on a peer-to-peer basis, i.e., only the recipient and sender of the same information and may or may not recognize the correct personal identifier. Mining is done with the help of volunteers who depend on the level of Cryptography that has gone completely to ensure the accuracy and credibility of the transaction and are rewarded with new forex technology. In fact, Bitcoins are not something that is a series of signatures, which are stored on top of one another and stored on the site, which is seen as a sequence of signatures called blockchain.

Research Methodology

Now it is the time to articulate the research work with ideas gathered in above steps by adopting the below suitable approaches:

In April 2021, a pilot study was conducted to collect data on various aspects of cryptocurrency. Research has attempted to quantify the increase in cryptocurrency use to provide a clearer picture of the active scenario. Check out what cryptocurrency participants are using, how often they use it and how they use it. In addition, the study examined participants' confidence in working with cryptocurrencies at a time when virtual currency was completely and utterly unregulated. The study also looked at participants' expectations about the future of cryptocurrency. The study questionnaire consists of 20 questions that need to be answered in a short time to save participants time and encourage them to participate. I distribute surveys online using social media networks and cryptocurrency forum websites. The Quiz tab is also used to collect data on some websites. Some participants also received a list of questions via email. I collected data from 44 international internet users, most of whom are Indians. I analyzed them and found that 30 surveys were valid for analysis and were rejected due to some errors. Most participants were between the ages of 20 and 31, and 61 percent participated. Participants aged 31–61 accounted for 32 percent of the total, while those over the age of 41 made up only 6 percent. More than half of the participants were students, 76 percent of the total participants, and the rest were participants. The following sections shed light on the main results and indicate how important the research questions are in terms of the research results and our analyzes. A. The widespread use of virtual currencies the popularity of virtual currency varies by platform. According to my research, reliable points of real money are very common. Then there is real money on social media, real money on social networks and finally real money on peer-to-peer networks. The widespread use of real money in our driving study is shown below: Loyalty: According to the study results, approximately 85 percent of participants used loyalty scores. In Loyalty Points programs, they range from regular to extraordinary customers. The reason for this high percentage is that many loyalty point programs were launched many years ago and have been very popular with customers and consumers ever since. Another reason is that consumers benefit from collecting points and credits for everyday items such as shopping and getting more money back. Additionally, loyalty points can be used by users of different ages, including children, youth, adults and the elderly. The film depicts the membership of participants in various obedience programs. Crypto in games According to research, 71 percent of participants spent a significant amount on social media, while 30 percent did not. The questionnaire includes many social games such as Second Life, Farmville, Cityville, Farmhouse and Travian, all of which cost a considerable amount of money for their gameplay. Many more tested participants who spent real money on social media showed greater amounts of real money trading in online games, as well as the huge impact of using VC on online games. There is no denying that the use of real money on social media is on the rise. Other reports and texts from the books also contribute to this growth. For example, more than 200 Chinese people use the Q Coin, donated by the sports company Tencent. In addition, about 8 million active players in Warcraft's social game world use WO gold. According to reports, the game auction will complete 3 million transactions per day. P2 Pilo Crypto: In peer-to-peer networks, real money is at the bottom of the list for distribution, but it is higher in terms of performance and control. Tested internet users were asked if they had ever heard of such a clear currency, especially bitcoin. Only 10 percent have heard of Bitcoin or any other peer-to-peer currency, and 91 percent have never heard of that amount. Some of the causes are demonstrated in our experimental study on low visibility and low-cost levels. At the time of the study, some limited peer-to-peer still potential projects. In addition, many VC types of counterparts are not widely sold and some vendors accept such payment as a payment method. However, due to the recent publication of the concept of real money and the growth of retailers accepting this type of currency, awareness and awareness levels are likely to increase during this period. Crypto usage as explained in the second part of this paper, there are many ways to earn and spend real money. Our research has looked at some of these ways consumers can transform their apparent wealth. One of the most interesting results is that many participants in social sports earn considerable money from game knowledge such as defeating monsters, winning races and completing levels. They make up 63 percent of all social media users using cryptocurrency. About 20 percent of voters who spend clear money do so by selling clear items in the game. Most community sports allow players to sell items made in the spirit of the game, such as food on the farm, buildings, modified cars, and restaurants. A very small percentage, 13 percent, of players who use real money buy for real money. It is clear that many players in this game are leading the CC. This may be due to a number of factors, including the census of survey participants, most of whom are students with adequate funding to purchase clear funds. Another reason is that they are not interested in earning virtual currency initially so they can earn by playing the game for a long time. We asked if it was exciting for participants in social games that use virtual currency. 6 per cent of them reported that using virtual currency within games was exciting, while 13 per cent said it did not affect the game experience as they did not want to improve their game experience. 8% of those polled said that using virtual currency would negatively affect their gaming experience. The most likely reason for this approach is that earning virtual currency in social games usually requires more effort and time or the need to pay real money. As a result, the enjoyment of their game is compromised. Belief in the use of virtual currency According to our research, the use of explicit funds in various programs is increasing day by day, i.e. the reliance on cost is also increasing. According to Greenwood, many European countries, such as Greece, Italy and Spain, are converting their real currency to cryptocurrency, especially bitcoin due to European financial problems. This indicates that trust in real money has reached a level that can be used to protect consumer savings. In addition, real-money trading on multiple social media platforms, such as Wow Gold in World of Warcraft, Linden Dollars in Second Life, and QQ Coin on the Tencent Network, demonstrates a high level of confidence and trust in real money. “If bitcoin is stable, people will be more likely to rely on bitcoin money than major banks,” said Professor Bernardson, Head of Governance at the Netherlands Bank and Professor of Financial Infrastructure and Systems at Tilburg University. Research results show how to use a VC with a high level of confidence. We asked participants if they thought it was safer to spend real money than to spend real money. More than 48% of people believe that real money is trustworthy and that it is more secure than real money. Participants reporting passive responses accounted for 39 percent of the participants. This population may not be interested in spending real money that has real money. For this reason, they do not care whether material wealth is protected from real wealth. The total number of participants who did not agree with the comparative question was 13 percent. The future of using virtual currency Based on the growth of current money and targets that provide real money, as well as large amounts of real money trading we can predict the future of clear wealth. Many developers of social media, social networks and applications use real money to make money through their programs. According to the forms it will be in the language of future financial transactions. In contrast, 23 percent of participants were indifferent, and 18 percent opposed the substantial amount spent on future financial transactions. Scale, who is a video game designer, is the original fun of game design, but now the main focus is funding. “We are now building games at a time when people have the mentality of being willing to spend money,” he explained. As we become poorer communities, it is becoming clear that many of us are using credit cards, bank cards and online banking to complete financial transactions. This implies that we will accept and consolidate the explicit cost sooner or later. According to the study, more than 58 percent of those who voted agreed that the money was in various forms. With the increasing use of real money, many problems must be solved in order to maintain control over such an economy. The lack of strong and clear laws and policies exacerbates the risks and problems facing the real money industry. Strict rules and laws must be enforced to regulate and maintain this new digital age. According to Forbes ed Spurling, cryptocurrency is not real money, but lawmakers do not need to take it seriously. This statement summarizes the need for specific rules and procedures governing transactions with real money.

Data Importing In this section, we are going to import the dataset for further analysis. We will be using the pandas csv() function to read the CSV file. The data is stored in the Pandas data frame. We will be reading datasets separately for different cryptocurrencies like Bitcoin, Dogecoin, etc. Bitcoin Data We are reading the BitCoin Data by using the pandas _csv() function to read the CSV file. Setting the parse_dates as Date and index_col as Date. After reading the data, use that Pandas tail() function to get the last 5 rows of the dataset. To get the highest value of BitCoin in the dataset, use the below command. The highest value comes out to be 63503.4593 on 2021-04-13. axValue=btc[btc['Close']==max(btc.Close)] print("Highiest value of bitcoin") maxValue btc. describe() DogeCoin Data We are reading the DogeCoin Data by using the pandas _csv() function to read the CSV file. Setting the parese_dates as Date and insex_col as Date. After reading the data, use that Pandas tail() function to get the last 5 rows of the dataset. Bit connect Data we are reading the Bit connect Data by using the pandas _csv () function to read the CSV file. Setting the parese_dates as Date and insex_col as Date. After reading the data, use that Pandas tail () function to get the last 5 rows of the dataset. Ethereum Data we are reading the Ethereum Data by using the pandas csv() function to read the CSV file. Setting the parese_dates as Date and insex_col as Date. After reading the data, use that Pandas tail () function to get the last 5 rows of the dataset. Data Visualization In this section, we are going to draw some important visuals using matplotlib, seaborne, and portly to get some useful insights from the data. We will compare how the different crypto currency prices vary year to year, Volume comparison, the percentage change in price, and many more. So let’s get started without any further delay. Crypto currency prices in 2018 vs. 2020 in this part, we will draw the line plots using the seaborne library to compare closing prices of different crypto currencies in 2018 vs 2020. We are going to draw line plots for Bitcoin, Ethereum, and Bit Connect and compare their value in 2018 vs 2020. For line plots, we need to pass data, x-axis value, and yaxis value. Check the below code for more information on how to draw line plots for closing prices year to year.

Findings

Other financial issues and security concerns exist in the form of cryptocurrency assets. We have explored several studies and cryptocurrency platforms, as well as other digital currency trading platforms, to investigate the challenges and challenges that exist in that context. Key problems and the consequences of digital money can include: Threats: Hackers and malicious users can make as much money as they want if they break down the system and understand how to make clear money. It allows you to steal virtual currency by creating non-existent virtual currency or by changing account ratings. For example, selling game items and real money is against World Warcraft game policies. As a result, many consumers visit websites that sell gold and buy clear gold to pay for the physical goods they need. Many websites that sell gold are unreliable and hacked, and many consumers complain that they paid real money for free or actually counterfeit money. Concerns about cryptocurrency system failure: The unlimited distribution of apparent wealth to different taxonomic groups creates economic problems because it does not depend on demand and supply. Some providers, such as Second Life, may issue unlimited linden dollars and raise their apparent asset prices to maximize real-world revenues. On the other hand, it will have to deal with inflation and financial problems, which will lead to the collapse of the monetary system. Impact on real-world monetary systems: Because some obvious economies are tied to real world economies, they affect real world currency demand and supply. For example, allowing consumers to purchase real-time goods and services on certain platforms can reduce the need for real money. Consumers no longer rely on real money to buy what they want, but spend real money. On the other hand, some platforms allow consumers to exchange virtual currency with virtual currency, thereby increasing the demand for real world currency. These fluctuations affect real world economies. The dangers of gold mining: The term "gold farming" is widely used in China and other developing countries. Gold farmers who played social games like World of Warcraft to make real money of the game, and then sold it for real money. Target users are those who do not have enough time to play and compete for real money. In fact, most of the cash flow goes through the gold farming process, which is erratic and volatile. This increases the risk of fraud and money laundering in situations where exchanging virtual currency for real money in an unreliable environment. The value of a virtual currency fluctuates: According to a Chou & Goo study, when a scene's popularity declines, its apparent revenue value decreases. For example, users with 10,000 units of virtual currency can choose from a selection of 1000 items. If the provider of that real money fails, consumers can only buy 100 items with their

1000 units because failure leads to fewer goods and services, especially in close-minded communities. Laundering of funds: The use of VC increases the risk of money laundering, especially with platforms where customers can exchange virtual currency with real money. In a separate case, in 2010, police arrested a group of 20 people for kidnapping for $ 40 million. The group transferred $ 40 million from Korea to a paper company in China to pay for the purchases of members of the gold mining industry. Fraud identity: Since most virtual currency platforms like social media and social media do not require authenticity, financial transactions cannot be examined very closely. Game players and users can create multiple dummy account accounts and use them to handle illegal transactions. There is no way to determine who created or released the original fund. Transactions are difficult to detect if there is an illegal suspicion of money. In addition, criminals can pay for their crimes anonymously in real time. Crypto currency black market: Some financial game platforms, such as Second Life and World of Warcraft, are mature enough to support the black market to buy and sell virtual currency. The growing popularity of online virtual currency has led to a growing black market for real money trading. Other cases of fraud have been discussed among users on several social media platforms. For example, if a player decides to leave the game, he may want to sell the clear money he collects by sending it to the stadiums. The payment method is risky because many malicious users may fail to complete the payment or dispute it after it is done. In this case, they will be reimbursed for the extra income. CRYPTO & LAW Aside from the concerns and challenges facing current financial systems, I have investigated legal issues that could affect the use of cryptocurrency. In addition, our analysis includes a number of cases and real world laws that could be created in the real money industry. Governments' Stance on Cryptos around the World In the e-commerce and e-commerce industries, real money exchange is the talk of the town. Digital currency trading is illegal and banned in some countries and is legal or unconstitutional. If 2017 is the year of the initial coin proposal, 2018 could be the year of legal accounting. Things are already heating up as countries around the world are struggling with cryptocurrencies and trying to figure out how to manage them. Some are sociable, others are cautious. And some countries are clearly hostile. I have assigned a friendly, neutral or hostile standard to every government. According to my research, 15 out of 21 registered governments handle digital currency in a friendly manner. Four of the 21 governments are neutral. Two enemies in 21 governments. Overall, the cryptocurrency hopes to find an opportunity to trade in a formal international organization. The following are some examples of these cases: USA (F): The United States has adopted a new approach to blockchain and cryptocurrency innovation and development to protect investors from serious risks and scams. The Securities and Exchange Commission and the Commodity Futures Trading Commission said on February 6, 2018 that "we owe this new generation a thoughtful and balanced response rather than taking away our enthusiasm to be honored with real money." "The SEC stated in December 2017 that initial coin submissions (ICOs) are subject to U.S. security regulations, meaning that only authorized investors can participate in ICOs registered with the SEC. Inclusion of holding cryptocurrency projects. In February 2018, the Senate of Arizona passed a law allowing citizens to pay income tax using bitcoin and other cryptocurrencies known to the government. Trading and digital currency trading are all tax-free events that place a moderate tax burden on digital currency trading. Canada (F): The Canadian Financial Consumer Agency publishes information about digital and cryptocurrency on its website. The FCA discusses risks associated with regional power distribution, peer-to-peer transactions, digital wallets, fund security and the use of digital currency. He noted that the digital currency was not a legal tender and that the benefit was taxable under Canada's Income Tax Act. Digital goods and services exchanged for digital currency must be reported as income for tax purposes and digital transactions must be reported as property transactions. China (H): China is known for building the largest bitcoin mines in the world. China banned crypto currency trading and illegal ICO revenue collection in Chinese trade in 2017, reducing market demand and causing a sharp decline in crypto currency markets. Instead, many Chinese citizens have resorted to foreign exchange trading in crypto currency. There are rumors that the People's Bank of China may now block all access to China for domestic and foreign currency exchange and ICO websites. At the moment, it is unknown at this time what he will do after leaving the post. The People's Republic of China appears to be the strongest crypto currency regulator in major economies. This is a very rare fact, because in 2017 China’s bitcoin miners accounted for more than half of the world’s mining population and crypto currency purchases in China grew faster than other countries. Despite China's critical situation regarding private crypto currency trading, the PBC is investigating whether it can release its own state - owned fund. South Korea (N): The growth of the crypto currency markets ended quickly in January 2018, with the result that South Korea expressed concern that it could block crypto currency trading similar to China. News organizations have published false news claiming that Korea is trading in large numbers and disrupting the crypto currency market. Later that month, South Korea enacted new laws to ban illegal trade and impose fines on those who did not comply. South Korean legislatures have put pressure on exchanges to pay corporate and local taxes. Foreigners were also barred from trading on South Korean stock exchanges. In February 2018, South Korea began to reduce its stance on the digital currency business. Government representatives have expressed their support for crypto currency-controlled trade. South Korea is making progress in regulating crypto currency trading. Japan (F): Currently, the Japanese yen reports over 36% of bitcoin trading volumes, higher than other currencies. USD is in second place, accounting for more than 31% of the market. The Regulated Regulatory Framework supports Japan's high demand for crypto currency, which supports investor confidence and industry knowledge of crypto currency security trading. The Japanese Payment Services Act established the first national registration system for crypto currency exchange. Smugglers, one of 36 exchanges in Japan, stole 34,534 million from a NEM check in January 2018 for a coin. The Japan Financial Services Agency is seeking financial recognition for its financial audit. The FSA has warned Coin Check that its cyber security is inadequate and needs to be improved. Financial research has announced that 30 to 430 million will be reimbursed to 260 to 000 million affected customers. In response to security concerns, the Japanese currency exchange in Japan will create a single regulatory body with accredited agencies in an effort to restore public confidence. The Governing Body works to eliminate deficiencies and to develop fair trade rules and regulations. The company liaises with the government on crypto currency policy and law and makes policies related to internal trade, advertising and security. Members of the governing body who do not follow the policies face penalties. Singapore (F): Singapore is considered one of the most popular governments for crypto currency. The Monetary Authority of Singapore (MAS) released a detailed paper on crypto currency regulation in October 2017. According to the document, Jana does not directly control crypto currency, but controls fraudulent and dangerous financial activities such as money laundering and terrorism. To protect investors, Mass must also classify ICOs as compliant according to security regulations; However, ICOs that are not classified as security are only included in anti-fraud and anti-terrorism laws. Singapore’s salmon regulations and tax laws have made it a standard to kill ICOs in the country. In November 2017, Mass announced that it would launch a project called Ubin in partnership with Black chain Technology and R3, a project that pays banks to block black chain technology. Is. The Ubin project has created a payment prototype software between banks and residential areas that have savings policies. Both demolition projects are advertised through examples. The first is an SGX-led project aimed at accelerating the cycle of sustainable business and security through delivery technology (DLT) cycles. The second step is to focus on ways to make border payments using central bank money. Thailand (N): Thailand hopes to clarify its position on digital currency regulation in the coming months. The government wants to take advantage of block chain technology to protect itself from fraudulent activities and fraudulent investments. The Central Bank of Thailand prohibits five activities related to crypto currency: investing or trading in crypto currencies, exchanging crypto currencies, creating crypto currency trading platforms, making crypto currencies to purchase credit cards and Vietnam (N/H): The Vietnamese are working hard to draft the report of the Ministry of Justice and the State Bank of Vietnam Council of Ministers. The scope of the terms is currently unknown. Vietnamese tax authorities lost a court case against a local citizen in 2017 for making huge profits through the bitcoin business. The court ruled that since Bitcoin was not considered an asset under Vietnamese law, those officials did not tax it for its profits. SBV issued a decision in late 2017 restricting its supply and use in the market, saying that cryptocurrency was not an official payment method. Violations of the law can result in fines of up to 200 million dong ($ 9,000). In January 2018, the Vietnam State Security Commission requested Vietnam security trading companies to stop providing services related to cryptocurrency. Iran (F): According to the latest statements of Iran's largest bank, the country operates state crypto currencies. On February 21, 2018, the Board of Directors of the Central Bank of Iran Will discuss crypto currency and block chain. He said it was decided to release the country’s first cloud-based currency with the help of top Iranian groups. In November 2017, the Supreme Council of Iran stated that it would accept bitcoin and cryptocurrency trading under the terms of cyberspace. Russia (F): The Ministry of Finance of Russia wrote a law in January 2018 to officially register "digital financial assets" stored in blockchain networks as electronic security. The bill sets out the scope of cryptocurrency laws without a commercial license. The bill also defines bitcoin mining as a business activity that Russian bitcoin miners must register with the government. It can also set a limit of 50,000 rubles ($ 900) on ICO funding for residents who are not registered as ineligible investors. Sberbank, Russia's largest state bank, has announced plans to launch cryptocurrency exchange with its Swiss branch in Europe in late January 2018. Sberbank is currently upgrading its commercial infrastructure and aims to limit its services to legitimate investors. In February 2018, Russia met with Venezuela to discuss government cooperation on the new Venezuelan state-owned cryptocurrency, Petro. Switzerland (F): The Swiss ICO raised approximately $ 50,550 million in 2017, accounting for 14 percent of the $ 4 billion global market. Consequently, on February 16, 2018, the Swiss Financial Markets Supervisory Authority (FINMA) issued guidelines to ICOs against Swiss laws against money laundering and security. With a few exceptions, Switzerland considers most ICOs safe. The guidelines divide tokens into three types: payment tokens, utility tokens and property tokens. Payment tokens and tokens used to access existing blockchain platforms are not considered secure. Most tokens are subject to applicable Swiss tax laws, which provide an important requirement for blockchain companies to support their ICOs in Switzerland. Britain (N): On February 22, 2018, the United Kingdom Treasurer announced that he would begin an investigation into cryptocurrency and blockchain technology issues. The Treasury Committee examines potential cryptocurrency risks, such as price fluctuations, money laundering and cybercrime. The Treasury Committee examines the technical and economic benefits of cryptocurrency and how it opens up new possibilities and damages the traditional economy. France (N): In January 2018, French Finance Minister Bruno Le Meyer announced that he was setting up a group to formulate cryptocurrency regulations. The team maintains policies and regulations to combat tax evasion, money laundering, financial crimes and terrorist activities. “We need a stable economy,” Le Myre said. We reject the losses of Ullan Haganah and the financial implications associated with Bitcoin. Germany (F/N): Joachim Warmling, director of the German central bank (Bundesbank), wants to regulate bitcoin and cryptocurrency through international law rather than national law. They believe that cryptocurrency is difficult to control in a particular region or country. Germany and France aim to propose regulations and analyze the risks associated with bitcoin and cryptocurrencies at the G20 summit in March. In Germany cryptocurrency is not classified as an asset, share or currency. Private money is also divided in the same way as foreign currency. Therefore, cryptocurrency trading in Germany is tax-free on short-term profits of less than 600 euros and tax-free on long-term profit gains during the year. Italy (F): The Italian Ministry of Finance and Economic Affairs (MEF) has recently concluded a public consultation on the new cryptocurrency regulations in Italy. MEF works to strengthen anti-money laundering laws by preventing illegal money laundering and money laundering and liability exchanges. MEF also sees cryptocurrency as a separate exchange of official tenders for the purchase of goods and services that can be issued by the government or the central bank. In addition to the recently proposed MEF regulations, Italy has little control over cryptocurrency. Most of the benefits of cryptocurrency and holding are tax free. However, the Italian Parliament introduced a new law seeking the ownership of all companies involved in cryptocurrency transactions. Poland (F/N): Poland promotes cryptocurrency and blockchain technology. Poland has partnered with a Polish blockchain technology accelerator sponsored by the Department of Technology to develop the national cryptocurrency digital PLN. The Central Bank of Poland and the National Polish Bank recently agreed to pay thousands of dollars to YouTubers to discourage Polish citizens from trading in cryptocurrencies. The NPB called it an "educational campaign." Venezuela (F): In December 2017, the Venezuelan government announced an oil-based government token as the official tender for the payment of taxes, fees and public utilities. On February 20, 2018, cryptocurrency entered the pre-sale phase. The first million petrochemicals worth $ 8 billion will be released. The Venezuelan government allows Peter to exchange strong currencies (through massive inflation) and cryptocurrency, but not Venezuela's bolivar. U.S. lawmakers believe Venezuela could use petro to avoid U.S. sanctions. Brazil (H): Brazil established a commission in May 2017 to discuss cryptocurrency regulation. Since then, it has held seven public hearings. Brazil announced in December that it would ban the issuance of digital currency in the national sphere, as well as its trade, mediation, and adoption as a means of payment and debt repayment. According to CVM and the Central Bank of Brazil, "Bitcoin is a non-ballast financial asset that people buy because they believe it will inform you." That's an example of a typical gun or pyramid. Central Bank does not care about bumps or illegal payments. "The Brazilian Securities and Exchange Commission (CVM) announced in January 2018 that cryptocurrency is not considered a financial asset, limiting investment in direct investment. The Brazilian state of So Paulo is rumored to be investigating the use of digital currency to help resolve infrastructure issues "We like to innovate in So Paulo, and blockchains and cryptocurrensets are being followed as exciting new strategies that we should have started trying out," said Hélcio Tokeshi, So Paulo's Finance Secretary. Mexico (F): Mexico is a leader in the cryptocurrency exchange business in Latin America and one of the largest fintech markets in the region. Mexico hopes to pass legislation regulating the fintech and cryptocurrency markets in the coming weeks. The bill sets out rules that classify cryptocurrency as an illegal tender, but uses it to pay for goods and services. Under the bill, financial institutions are allowed to operate on clear assets and to invest in fintech companies with ITFs (both joint ventures and electronic fund companies). The bill is expected to drastically change Mexico's economic situation. ITF will soon be considered as a bank and all commercial financial institutions will soon be able to use ITF. Bank of Mexico (BoM), Mexico's largest bank, aims to strengthen the economy by regulating and supporting new technology. In order to obtain a BOM license, cryptocurrencies must be exchanged and fined for non-compliance. South Africa (F): In 2017, the Reserve Bank of South Africa hired a black chain company called Bank Moon to test digital currency orders. This project has helped SARB to effectively manage cryptocurrency. In February 2018, SARB announced that it would begin testing the Ethereum ban on smart contracts. UBU, South Africa's first monetization project, was recently launched. UBU is a project aimed at reducing poverty in Africa through the distribution of digital electricity to the poor. Projects like UBU can provide digital funding and the National Hyperinflationary Fund to invest and raise money in countries suffering from persistent poverty. Australia (F): The Australian Taxation Office views financial gains from cryptocurrency trading as taxable assets. “Any financial gain from bitcoin transactions is generally subject to income tax and should be reported,” a spokesman said. However, according to reports, the policy is currently in court. Cryptocurrency is not strictly regulated by the government. Due to salmon laws, Australian banks have chosen to trade in crypto. One of Australia's most popular crypto exchanges, says banks are not cooperating in trading, imposing strict restrictions on accounts and closing them regularly. According to analysts, high demand for cryptocurrencies will soon bring Australian authorities under industry control. The impact of real world laws on crypto the issue of levying cryptocurrencies in India has gained prominence and necessity as the tax department has issued tax notices to nearly five million expensive bitcoin operators. According to reports, the Center hopes to include the cryptocurrency regulatory framework in the forthcoming Union Budget. This should remove any confusion over the legality of such digital currencies and how they are taxed. Meanwhile, see here how cryptocurrency transactions can be taxed under different circumstances. Laws governing gift cards: Some goals provide real cash growth. Customers and customers can purchase prepaid cards such as Facebook game cards to upload real money to their accounts. Since both are used for redemption and later use, this type of CC is similar to a plastic gift card. For this reason, gift card rules are likely to apply to cryptocurrencies sold as prepaid cards. For example, under the Payment and Settlement Systems Act, PPI issuers must establish an official, open customer complaint framework for resolving customer grievances / grievances, growth metrics and timeliness. Includes principal manager appointment. Swap for co-payment. All fees and charges associated with the use of the equipment, as well as the expiration date should be clearly and easily accessible. All PPIs issued in the country must have one year permission from the last day to upload or reload PPIs. Consequently, PPI laws in India may limit the operator’s ability to charge real users for expiring real money or using unused real money. When PPI guidelines are applied to prepaid cryptocurrency cards, the rights of consumers and consumers are protected. Gambling/lottery legislation: Some operators offer cash prizes as prizes in virtual lottery games.

Some customers are allowed to bet and gamble for real money. These types of games, as well as online gambling for cash can violate international gambling laws. For example, in India, based on the Public Gaming Act of 1867, it can be argued that the use of a gambling website is illegal in India in the context of this law, but it is very clear. The Information Technology Act 2000 regulates various offenses related to online activities, but there is no mention of illegal online gambling. However, it does give the Indian government the power to block foreign websites. The government has used this power to direct Internet service providers to prevent Internet service providers from accessing certain foreign betting and gaming websites, but we do not know how effective this will be with any blocked sites. At the government level, both states have introduced a law specifically to deal with online gambling. It is completely banned in Maharashtra and the Sikkim government now has the power to issue licenses to employees who want to provide online gambling services in the government. This is an important step in the Indian controlled gambling industry. Legislation governing the licensing of money transmitters: Spending money is on the rise and appears more and more in various apps and games. It encourages operators to form relationships with third parties, allowing users to use or exchange their cryptocurrency with goods and services offered by their third parties. In this case, customers must send their visible funds to a Third party. According to the definitions given in the Master Instructions on Issuance and Operation of Prepaid Payment Devices in RBI's Fourth Bi-Monthly Statement Policy Statement, such services are classified as semi-closed system PPIs which do not allow withdrawals. Huh. The guidelines issued by the Reserve Bank of Banking Regulation Division to find out about your customer / money laundering / counter-terrorism fund apply to all companies issuing PPIs and agents with necessary modifications. PPI issuers are required to keep a log of all transactions associated with PPIs for at least ten years. This data will be available for review from RBI or any other agency as per RBI advice. PPI issuers are required to submit suspicious transaction reports to Financial Intelligence-India. These types of regulations not only facilitate the cooperation of cryptocurrency providers, but also regulate the process of transferring virtual currency. CICRA: Some have argued that the Credit Information Companies Regulation Act, which came into force in India in 2005, is increasingly applicable to cryptocurrency. Cryptocurrency platforms become standard areas for many functions such as storing, sending, redeeming, selling and exchanging cryptocurrency values, and the requirements of the law are enforced. Under this Act, credit information of Indian citizens is to be collected in accordance with certain provisions specified in the Act. Financial record bodies can also be held liable under this

Act in case of unauthorized data leak. Offshore financial trading is very common on the internet today, and if you give it to a large number of participants, such actions can help protect personal information. Data privacy and security regulations: Some financial institutions collect data and data about their customers. Platforms that allow genuine credit card purchases should also consider these rules when storing credit card details. Such information must be maintained and maintained in accordance with strict privacy and security guidelines. Otherwise, the VC provider may violate privacy and data protection laws. For example, in India, the Information Technology (Appropriate Practices and Procedures and Sensitive Personal Information or Data) Act, as amended by the Information Technology Act 2011, requires strict guidelines for all those responsible for data usage. Is required. Follow Children's rights legislation: From many young online players, online gaming websites that offer VCs may be subject to child protection laws. These laws effectively protect the privacy of children. Article 16 of the Convention on the Rights of the Child, for example, enforces strict protection for children under 13 years of age. Thirteen. Operators are required to post explicit privacy policies on their website, including details on how to contact them, how to access child data, and whether information is available to third parties. In addition, in most cases operators must obtain parental consent before collecting child data or using it in articles. Tax: Tax laws in the real estate industry vary from country to country. In some countries tax revenue is generated from virtual transactions, while others see only tax laws. If the RBI introduces such a device, any business within it will be subject to the Foreign Exchange Management Act, 1999. If a cryptocurrency such as Bitcoin is purchased for investment purposes, it is classified as a capital asset. Any profit made through bitcoin transfer is taxed as the main benefit. However, if the taxpayer's transactions are large and frequent, it can be determined that the taxpayer is trading bitcoins and taking the income as business income under the Income Tax Act of 1961. Tracking VC transactions is also difficult, reducing tax usage.

Conclusion and Future Suggestion

Crypto provides a fast, secure and easy payment model that maximizes profits for companies and CEOs. It also offers payment methods other than real money, allowing customers to easily manage financial transactions such as purchases, sales, transfers and exchanges. Although crypto currency platforms offer a new type of currency with different methods and openings and open many digital financial transaction channels, they are not properly regulated and regulated. This study explored crypto currency platforms and identified several concerns and challenges that could jeopardize such economies. Anarchy is a major concern in crypto currency systems. My analysis and research of current digital financial books has provided an almost clear picture of the magnitude of digital spending. In addition to the fact that the driver has been studied with a small sample size, the results gave me a basic idea of its use, development, reliability in use, and future expectations of crypto currency. I now know of several clues that provide first answers to research questions. According to my analysis, crypto currency is likely to become the next financial platform due to the large amount of crypto currency flows in different systems, the huge increase and growth in crypto currency consumption and production and the opportunities that crypto currency systems offer. In addition, the level of confidence and confidence in the use of crypto currency is very high, as evidenced by the research results as well as the many cases mentioned in this paper. However, consumers are not yet fully aware of the dangers of using crypto currencies. In fact, many crypto currency forms do not yet qualify for that level of trust. As mentioned in the previous sections of this paper, there are many concerns, challenges and issues on many crypto currency platforms. Users should take extra precautionary measures when using crypto currency until it is well maintained and well maintained. The future of the crypto currency concept is bright as there are many opportunities for positive change and progress in the e-business and e-payment sectors. As technology advances rapidly, crypto currency development continues. From our study, advanced steps have been taken to develop and expand the concept of crypto currency. More and more retailers are accepting different types of digital currency as payment and more and more people are becoming aware of the opportunities and opportunities that CC offers. Recently, new currencies have emerged and spread around the world. M-Pesa, a type of secure payment CC, was introduced in Kenya in 2007 and has since expanded to Africa, Asia (including India) and many other countries in Europe, resulting in more popular payments. Happened. The crypto currency sector offers many research opportunities and more studies need to be done to provide scientific content. The relationship between actual financial laws and the legal status of using crypto currency platforms requires further research from various angles. In addition, acceptance and acceptance levels require further research and analysis through larger models. When using and trading crypto currency forms, trust and confidence are important, which requires further research. The scope of future research may be expanded to include the establishment of cases of use of crypto currency applications in various India.

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Chapter - 9

Impact on Money Market Instruments in Indian Economy

Dr. Prachi Beriwala
Associate Professor, SoM, Presidency University,
Bengaluru, Karnataka, India

Rakshitha V
Final year MBA student, SoM, Presidency Universirty,
Bengaluru, Karnataka, India

Abstract

Money market instruments is a set of institutions conventions and practice it is aim of which is to facilitate the lending and borrowing of money on a short term basis. Money market is a short term loans and its maturity is 1 year or less than 1 year example of money market is treasury bills certificate of deposit banker's acceptance commercial paper federal funds Euro currencies.

Literature review the key issue from the source that had been found is to estimate the effects monetary policy has on interest rate in the private money market using microstructure variables. Besides that is also examines the impact of policy announcement on this rates. The volatility of interest certificate of deposit fixed volume and the total volume reduce in the interbank money market rate beside that variable rate considered is insignificance of suggesting that it does not have an impact on market rate.

The elements are including monitory policy tools announcement of interest rate changes and the presence of the Jio in the market. After the observation Mr. Derek Leith proud that third day market is more directly affected by the monetary policy tools but overnight market is more directly affected by the j o g o j s presence in the market finally the segment that has the highest volatility While the segment volatility is the day segment while the segment that has the lowest violality is interbank segment there is no impact in the overnight money market if the quality of the market increase.

Keywords: Money market, Financial Instrument, Indian Economy, Financial market.

Introduction

The money market is a part of the larger financial market and consists of numerous smaller sub-markets like bill market, acceptance market, call money market, etc. Money market deals are not carried out in money / cash, but other instruments like trade bills, government papers, promissory notes, etc. Also, money market transactions cannot be done via brokers but have to be carried out via mediums like formal documentation, oral or written communication.

The term 'Money Market', according to the Reserve Bank of India, is used to define a market where short-term financial assets are traded. These assets are a near substitute for money and they aid in the money exchange carried out in the primary and secondary market. So, essentially, the money market is an apparatus which facilitates the lending and borrowing of short-term funds, which are usually for a duration of under a year. Short maturity period and high liquidity are two characteristic features of the instruments which are traded in the money market. Institutions like commercial banks, non-banking finance corporations (NBFCs) and acceptance houses are the components which make up the money market.

As the name suggests, Money Market Instruments are simply the instruments or tools which can help one operate in the money market. These instruments serve a dual purpose of not only allowing borrowers meet their short-term requirements but also provide easy liquidity to lenders. Some of the common money market instruments include Banker's Acceptance, Treasury Bills, Repurchase Agreements, Certificate of Deposits and Commercial Papers.

Money market instruments allow governments, financial organizations and businesses to finance their short-term cash requirements. Some of the notable characteristics of money market are as follows instruments.

The money market provides sufficient finance to trade and industry, as well as a platform for discounting bills of exchange for them. The money market allows the Reserve Bank of India (RBI) to implement monetary policy. It assists the government in financing its deficits through non-

A Financial instruments is defined as a contract between individuals /parties that holds a monetary value. They can either be created, traded, settled or modified as per the involved parties requirements In simple words, any assets traded in the market is referred to as a financial instrument. Some example of financial instruments are Cheques, shares, stocks, bonds, futures, and options contracts.

Financial instruments can be primarily classified into two type's derivatives instruments and cash instruments. Derivative instruments can be defined as instruments whose characteristics and value derived from its underlying entities such as interest rates, indices or assets among others. The value of such instruments can be linked to others securities such as bonds and shares/stocks.

Cash instruments on the other hand, are defined an instruments which can be transferred and valued readily in the market. Some of the most common example of cash instruments are deposits and loans where the lenders and borrowers are required to be agreed upon.

Types of Financial Instruments

1 Cash Instrument

2 Derivative Instruments

3 Debt-Based Financial Instruments

4 Equity-Based Financial Instruments.

Literature Review

Reuters (2009) Article: India call money ends near reverse repo rate, cash abundant. India overnight money rates brought down to the reverse repo rate of 3.25% on Wednesday these cash surplus in the system will help the banks meet their reserve needs comfortably. Cheaper money usable at the security borrowing and lending agreement (CBLO) also reduce the pressure on the inter-bank cash rates. On that day banks were guided to report their position to RBI once in two weeks. This alteration created an expectation on liquidity resistance. And some analysts said that the central bank may start rolling back the liquidity as early as on December 2009, as they already pressured the consumer prices could pose significant inflationary threat to the economy, in the thick of easy cash conditions Overnight rates are supported around the reverse repo rate because banks holding the surplus funds could also break up with the same central bank at that rate in its daily liquidity adjustment auctions.

Rastogi Nikhil Article (2008): Money Market Consolidation in India: A Series of Time Research According to the Indian financial markets have received a lot from the top the pre-liberation era. He points out that the main focus is on gain efficiency, which is a trademark of any developed financial market. This study the paper assesses the effectiveness and integration rate between financial markets considered at the end of the market. Prices are mainly taken for the purpose of researching, the market of integrated phones rate, CD rate (Deposit Certificate), CP rate (Trading Paper), 91-day T-bill rate (Treasury bill) and 3 month premium up front.

Rusty Sadananda (2007) Article: Effective market and financial markets integration in India in their work examined the impact of economic change on the integration of the various segments of the financial market in India during a series of period's tools during the period from March 2006 to March 2012. The main findings were:

(i) various sectors of the financial market in India have achieved market efficiency,

(ii) The Treasury's 91-day bill rate is a 'reasonable standard' for the financial sector India,

(iii) Financial markets in India are generally consolidated at the end of market, too

(iv) The long margin of the market is combined with the short end of the market. From the above monetary policy should be highly dependent on the interest rate and value of the asset inflation control measures.

Recommendations of the Three Committees: The issue of whether non-bank participants should be part of the call / notification / term the financial market can be tracked first in the Report of the Review Committee Implementation of the Financial System (Chairman: S. Chakravarty) in 1985. From there, Report of the Working Group on the Financial Market (Chair: N. Vague) at1987 and report by the Banking Sector Transformation Committee (Chairperson: M. Narasimha) in 1998 he also discussed the issue. It needs to appreciate that a specific set of recommendations from these three Committees should be considered in relation to the specific objectives these Committees had set for themselves constituted as well as the differing initial conditions reflecting the state of Indian financial market which were prevailing at that particular point of time.

Sukhamoy Chakravarty Committee (1982) Topics: Recommended call money market. An examination of the call money market of India was the first of its kind recommended by Sukhamoy Chakravarty. The committee was established in 1982 to review the performance of financial system. They feel that allowing more non-bank participants to enter the communications market will not reduce inflation regulated by the RBI, as resources from non-bank participants do not represent any additional resources for the entire program, and their participation in telephone funding the market will only mean the redistribution of available resources from a single participant to another. For this reason, the Chakravarty Committee recommended that it be added Non-bank participants may be allowed to participate in the call money market.

Vaghul Committee (1990) Topics: Introduction to the financial market instruments. Vaghul Committee (1990), while recommending the introduction of a number of financial market tools to expand and deepen the financial market, recommend that telephone markets should only be for banks. One participants can choose from new financial market tools, in short - time requirements. One of the reasons the committee said it was to hold the phone markets like pure bank markets were a distortion that can arise from an environment in which deposit rates were regulated, while telephone prices were marketable determined.

Narasimham Committee (1998) Documents: observation on call / money / term money the market evaluated the Narasimham II Committee (1998) which agrees with Vaghul the Committee also noted that the telephone / notification / term money market in India, as of this most developed markets, should be limited to banks only. However, she felt the exception should be made to the Main vendors (PDs) who worked as market makers in the telecommunications market and are officially treated as banks the purpose of their transactions between banks, therefore, should remain as part of call the money market.

With regard to non-banks, he expressed concern that these stakeholders “do not see subject to reserve requirements and the market is characterized by endless lenders and endless borrowers and there are heavy gyrations on the market ".allowing non-bank participants in the telecommunications market "did not lead to the development of a stable market with money and depth and the time has come for basic action reconstruction of the telecommunications market ". As the Vaghul Committee, it had suggested that non-banks should be given full access to the bill rebates, Commercial Papers (CP), Deposit Certificates (CDs), Treasury Loan (TBs) and Money Market Mutual Funds (MMMFs) for their short term us remnants.

Kotter and Mosser (2002) Articles: The Monetary Transmission Mechanism: Other Answers and Other Questions, check the effect of monetary policy it seems to be somewhat weaker than it was decades ago. Financial Establishment is one of the possible causes of this change but it is not the only asset developed the management and administration of the monetary policy itself. Thanks for the money innovations and institutional changes in housing finance the housing sector is long on the leading edge of the transmission system. However, the judgment from evidence presented by United. Kingdom, the role of real estate family balance sheets authorize further reading. It is not a combination of funds and a reduction in the volume of savings appears to be a major factor affecting revenue transfer at least not yet some loose ends and leftover lacunae, however first, although monetary policy seems to have kept its functioning, economic sensitivity to interest rates remains an open question.

Drs. Y.V. Reddy Article (2002): The Limits of Monetary Policy in India are tried focusing on monetary policy behavior and highlighting some of the current ones jobs. Where possible, there is an interest in theoretical and mathematical revision, especially in context of the role of monetary policy in reviving growth in India. Behavior of India's monetary policy will continue to include regular estimates of objectives in terms of shared value, tool selection and operational structures, as well as the search for improved understanding of economic performance and the mechanisms by which monetary policy applies.

Among the unattainable medium-term goals of changes in monetary policy, I most importantly the reduction of the prescribed CRR of banks to its legalization a minimum of 3.0 percent. Movements up to 3.0 percent can be designed three times possible ways, i.e., the most common way to predict a time reduction table in CRR; reduce CRR if opportunities arise as they occur recent years; and as a one-time reduction from the current level to 3.0 percent under the action packet. The Reserve Bank contributes to the day-to-day operations of the fund on the basis of LAF and uses this facility as a flexible and effective tool to smooth out interest rates.

Research Methodology

Data collection: Secondary data was collected from published source like IMF, WTO and RBI for the accounting year 2012.

Sample size: The sample size consist of weekly time series data of Mid rates of commercial paper(CPs)and certificate of deposit (CDs) weekly call money rates and 91 day treasury bills rates and weekly inflation rate in an economy this time series data include 51 observation ranging from 25th may 2012 to 10 June 2011.

Data analysis: Liabilities, financial instruments or other rights and obligations designed to be trade securities market, usually taking place in a systematic way in the trading system. ‘Trading system’1 means regulated market, international trading area (MTF) 2, organized internalize (SI) 3, market maker4 or other loan guarantee. Trading is done by securities firms that use a trading system. The client must usually contact a mortgage company to buy or sell financial instruments. There is also securities firms that transfer orders to other securities industries that use the trade system. Trading can also take place within the collateral firm, for example with strong involvement as a trading partner, or in trading with other clients of the company

Sample Unit: Determining the sample size is the process of selecting the number of respondents / appointments to be included in the statistical sample. It is an important factor a research study because on the basis of sample size data is collected and translated for presentation accurate and relevant results. The correct and appropriate sample size is said to give the most accurate results. Because for example, in a census, data is collected across the census. Therefore, the sample size is equal to the population of the country. Remembering the non-response rate once unavailability of respondents, sample size was made between 25 - 50 scientists' students of Mumbai University. It was a random sample method that was thought to be determine the sample size. Because the sample size is small there may be a small amount of data accuracy fixed by continuing reading.

Type of study: my research is based on descriptive research. It helps to know qualitative as well aspects of multidisciplinary research. It reads the features of the Indian Money Market as well see how we can bring more agencies to India. Used for this article being studies only to understand the concept and the problem it faces. However, mine research also researches Literature Review which serves as the basis for descriptive research

Sampling Objective: The objectives are designed to have a particular direction to the study like what aspect of the topic is going to be studied. A topic can be studied from various parameter, the objectives designed for a project gives an idea that in what manner the topic is studied, what is the flow of project, what are the variables selected for the project, etc. -To find out individual investors for the age group of 18-55 years

Sample size: Determining the sample size is the process of selecting the number of respondents / appointments to be included in the statistical sample. It is an important factor a research study because on the basis of sample size data is collected and translated for presentation accurate and relevant results. The correct and appropriate sample size is said to give the most accurate results. Because for example, in a census, data is collected across the census. Therefore, the sample size is equal to the population of the country. Remembering the non-response rate once unavailability of respondents, sample size was made between 25 - 50 scientists' students of Mumbai University. It was a random sample method that was thought to be determine the sample size. Because the sample size is small there may be a small amount of data accuracy fixed by continuing reading. (100 respondents).

Sample Design: The sample design used to represent the survey data is in the form of Pie-Charts and Bar Charts based on the 80 respondents of the survey. Probability sampling was used to collect responses.

Main Source of Data Collection: The primary source of data collection was the research method. The study was compiled through the Organized Questionnaire. A list of questions was prepared for the memory research objectives and factors that should be considered in the study. The questionnaire was prepared in such a way that it was easily understood by the authors respondents. The questionnaire that was created was one format to save time respondents.

Second Source of Data Collection: The second source of data collection is explored to gain information and knowledge about our research problem that may have been discussed by another researcher. The second refers to the knowledge that has been discussed and so on scope may be available for research. The second data is taken from selected websites and online publications of other researchers. The second data was useful in the literature review study. We can study the various aspects of different researchers which gave us an idea about the aforementioned features and the conclusions reached. And provide an understanding of what else can be researched to solve the research problem

Data Analysis: The application of statistical tools and techniques for the data collected by means of questionnaires is been classified tabulated analyzed and summarized with the help of statistical tool percentage method.

Limitation of the Study

- The study is based on limited scope of area.
- Whole market cannot be collected.

Objective of Study

- The objective of the project are as follows: - To study about INDIAN MONEY MARKET AND its related aspects like its types and the instruments.
- To study about the history, participant, organizational structure of INDIAN MONEY (MONETORY) MARKET

Findings of the Study

- Money Market is a financial market where short-term financial assets having liquidity of one year or less are traded on stock exchanges. The securities or trading bills are highly liquid. Also, these facilitate the participant’s short-term borrowing needs through trading bills.

- The participants in this financial market are usually banks, large institutional investors, and individual investors.
- There are a variety of instruments traded in the money market in both the stock exchanges, NSE and BSE. These include treasury bills, certificates of deposit, commercial paper, repurchase agreements, etc. Since the securities being traded are highly liquid in nature, the money market is considered as a safe place for investment.
- The Reserve Bank controls the interest rate of various instruments in the money market. The degree of risk is smaller in the money market.
- This is because most of the instruments have a maturity of one year or less. Hence, this gives minimal time for any default to occur. The money market thus can be defined as a market for financial assets that are near substitutes for money.
- Financial instruments with short term maturity up to 1 year, used as tools for raising capital by the issuer are known as money market instruments.
- These are debt securities that offer a fixed interest rate and are generally unsecured. There is no collateral backing up the security, and the risk of non-repayment is theoretically high.

Suggestion

- There should be a mechanism to make the call range bound which may reduce uncertainty and provide confidence to the bankers for lending/borrowing.
- In the context, it is emphasized that Repos and Reverse Repos conducted by RBI has the potential to set the floor and ceiling in the call money market. Besides, Repo mechanism, call money market, needs to be supplemented by Open Market Operation (OMO). OMO can influence interest rate as well as volumes in the market.
- Non-bank segment should be brought under the same regulation on par with the banks early as possible so that level playing field is created. Transparency should be ensured in money market transaction. There should be screen based trading with two-way quotes for each money market instruments.
- The lock-in period of CDs and CPs should be completely removed in a phase manner. Retailing of government papers should be encouraged. The primary dealers can play a role in this context. Currently

- FIIs are allowed in government dated securities in primary as well as secondary market. More FII participation could be encouraged. Money Market Mutual Funds should be set up by various banks and institutions. This would increase the retail participation in the market

Conclusion

- The withdrawal of non-bank entities from the inter-bank call-money market is linked to the improvement of settlement systems. Any time-bound plan for the evolution of a pure inter-bank call/notice money¬ market would be ineffective till the basic issue of settlements is addressed.
- In brief, various policy initiatives by the Reserve Bank have facilitated development of a wider range of instruments such as market repo, interest rate swaps, CDs and CPs. This approach has avoided market segmentation while meeting demand for¬ various products.
- These developments in money markets have enabled better liquidity management by the Reserve Bank. The money market specializes in debt securities that mature in less than one year¬ Money market securities are very liquid, and are considered very safe. As a result,¬ they offer a lower return than other securities. The easiest way for individuals to gain access to the money market is through¬ a money market mutual fund.

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Chapter - 10

A Study on Risk Management in Banking Sector

Srinivasan P
Associate Professor, School of Management, Presidency University,
Bengaluru, Karnataka, India

Pooja V
Post Graduate Student, School of Management, Presidency University,
Bengaluru, Karnataka, India

Abstract

The health of a country's banking industry is directly related to the health of its economy. Surveillance and oversight are critical to the health of the financial system. Surveillance and supervision's primary goal is to guarantee that banks have adequate capital to protect themselves from the dangers they face and to ensure that they function in a stable environment. The stability of a country's financial system depends critically on effective banking monitoring and oversight. It delivers the advantages of a free market and good macroeconomic policy execution. The Bank places a high priority on risk management as part of its overall strategy. In the case of a financial loss or expenditure or loss associated with a bank transaction or activity, there is the risk of a reduction in economic advantage. An adequate and effective internal audit, internal control, and risk management system, compatible with the bank's activities and structure, must be in place and operational to keep track of and control the risks the bank faces. This system must cover all branches and departments, and it must be reported to the board of directors by the principles established. Control and risk management under legal requirements, in the Bank and its subsidiaries that are subject to consolidation. To ensure that the risks incurred within established procedures and principles; define, measure, analyze, systematically and effectively monitor, audit, report, control, and review.

Keywords: Risk, Risk management, Bank, BASEL II.

1. Introduction

The banking industry plays a critical part in the growth of every economy. Economic development depends on it, and it plays a vital role in turning idle capital resources into the most productive use possible to achieve maximum production (Sharma, 2003). In reality, the health of the banking sector is directly related to the health of the economy as a whole. At the same time, banking is seen as a highly dangerous enterprise in India, where the banking sector is now quite strong. Institutions of finance must be willing to take risks, but they must do so with awareness (Carey, 2001). Banks, on the other hand, are very fragile organizations that rely on the confidence of their clients, the strength of their brand, and, most importantly, the use of risky leverage. Banks are vulnerable to failure, and the bankruptcy of even a single one may send shockwaves across the whole economy (Rajadhyaksha, 2004).

As a result, bank management must take great care in determining the nature and extent of the bank's risk exposure. The board must also set an example for bankers by treating risk management as a continuing and valuable effort. The more risk a bank is willing to accept; the more money it may anticipate earning. However, there is a bigger chance that the bank may lose a lot of money and go out of business as a result of increased risk. When it comes to banking in the modern world, a bank's two primary aims are generating a profit and staying in business (Marrison, 2005). To guarantee that their risk-taking is informed and reasonable, banks do so. As a result, risk management is all about balancing risk and reward. Banking risk management has a significant impact on the stability of the financial system. The Asian financial crisis of 1997-98 was an example of a financial catastrophe that was exacerbated by shoddy risk management techniques by banks.

Banking Sector in India

Banks and credit institutions in India are made up of 12 public and 22 private sector institutions; 44 foreign banks; 43 regional rural banking institutions; 1,484 urban cooperative banks and 96,000 rural cooperative banks. There were 213,570 ATMs in India as of August 2021. Credit from banks was Rs. 109.56 trillion (US$ 1.48 trillion) as of September 24, 2021, according to the Reserve Bank of India. At the end of September 2021, credit to non-food businesses was at Rs 155.95 trillion (2.11 trillion USD). There was 107.83 lakh crore (US$ 1.52 trillion) in public sector bank assets in FY20. There was a rise in the whole banking industry's assets to US$ 2.52 trillion in FY20, which included both the public and private sector and international banks. Integrated risk management is becoming more important to Indian banks. Commercial banks' NPAs (Non-Performing Assets) recovered Rs 400,000 crore (US$ 57.23 billion) in FY19, the most in the previous four years.

Public Credit Registry (PCR) has been established by the Reserve Bank of India (RBI) as an enormous database of credit information that is available to all parties. Banks are likely to benefit from the passage of the Insolvency and Bankruptcy Code Amendment Ordinance, 2017 Bill. An increase of 42% year-on-year in microfinance sector equity investment was recorded in 2018-19, reaching Rs. 14,206 crores (US$ 2.03 billion). Bank accounts established under the government's main financial inclusion program, PMJDY, reached 43.57 crores as of October 10, 2021, and deposits in Jan Dhan bank accounts were >Rs. 1.45 trillion (US$19.46 billion), according to official figures released on that day.

Rural regions are projected to see an increase in demand for financial services as a result of rising incomes.

In terms of Android-based mobile lending applications, India is the world's biggest market, accounting for around 82% of all online lenders globally. There are 887 active lending applications in India right now.

India's credit disbursement system will undergo a radical transformation as a result of the digital payments revolution. Post-demonetisation, India's most popular payment method has shifted from credit card use to debit card use. 3.65 billion Transactions worth Rs. 6.54 trillion (US$ 87.11 billion) were processed through the Unified Payments Interface (UPI) in September 2021.

Market Size:

A total of 12 public sector banks, 22 private banking institutions, 46 foreign banking institutions, 56 regional rural banks, 1485 urban cooperative banks, and 96,000 rural cooperative banks comprise the Indian banking system. There was a total of 213,145 ATMs in India by the end of September of this year. Bank assets grew in all sectors between FY18 and FY21. Bank assets, comprising those of both public and private institutions, climbed to $2.48 trillion in FY21, according to data from the Federal Reserve Board. Public and private banking sector assets were US$ 1,602.65 billion and US$ 878.56 billion, respectively, in FY21. Bank credit grew at a CAGR of 0.29 percent between FY16 and FY21. US$ 1,487.60 billion was lent out after the fiscal year of FY21, the highest amount ever. As of FY21, deposits have grown at a compound annual growth rate of 12.38%, totaling $2.06 trillion.

There was a total of 109.82 trillion rupees (USD 1.46 trillion) in non-food industry loans as of September 24, 2021, according to the Reserve Bank of India (RBI).

1.1 Importance of Study

Businesses must take risks if they want to make a profit since without risk, there is no profit. Shock absorber: Banking risks are a source of unexpected costs; thus, efficient risk management can stabilize revenues. Banking shares can only be strengthened if they are properly communicated to the financial markets and risk management programs are properly implemented. To begin, the article examines several broad features of risk management in the banking industry and risk management in general. We then present the findings of the quantitative research descriptive type, which had as its objective the analysis of the measures that need to be taken in banking management to better manage the risks that could lead to bankruptcy, and the opinions of the RBI on its responsibilities to monitor and control the banks in the system.

2. Literature Review:

Unexpected profits or losses resulting from fluctuations in exchange rates are a concern for any companies doing business in various currencies. As a result, several studies on financial risk management have been undertaken. After the financial crises of the 1990s, the body of knowledge on financial risk has expanded significantly. In light of recent crises, it's apparent that fluctuating exchange rates may have a considerable impact on the actual economy. There are several hypotheses as to why corporations manage risks, such as interest rate and currency exchange risk. As the foreign currency market has grown more volatile in recent years, managing risk has taken on new importance for managers. Various financial analysts and specialists have varied views on risk management in the financial sector. Research and studies based on these findings have recommended numerous ways in which multinational organisations might control their financial risk.

Comptroller’s Handbook (1997) defined If an instrument's value is largely dependent on the performance of the interest or foreign exchange rates, equities, or commodity prices, it is considered a derivative. A total of nine kinds of financial risk have been outlined in this article, along with a variety of methods for measuring and managing these risks. It is typical for dealer banks to utilize the value-at-risk (VAR) approach to measuring aggregate price risk. A VAR is an estimate of the possible decline in the value of a portfolio over a set holding time within a specified confidence range. Daily marked-to-market portfolios frequently convert VAR into a possible decrease in the bank's future profits. VAR is used in this way. Using VAR as a high-level management tool, a bank may condense its various pricing risks to a single figure or a few critical facts.

An empirical study by Shehzad L. Mian (1997) sheds light on the factors that influence company hedging choices. As a result of the restrictions put on anticipatory hedging by present financial reporting rules, he analyses the facts. Corporations face a wide range of pricing uncertainties. Hedging is a term used to describe the actions made by a company to lessen the effect of these risks on the company's value. From the 3,022 companies that filed annual reports in 1992, data on hedging may be gleaned. As a consequence, the non-response bias characteristic of survey samples is not present in this research, and the findings may thus be applied to a larger number of companies. Hedging decision models are examined in this paper. Also examined is whether the evidence is sensitive to the designation of all derivative users as hedgers. Out of 3,022 sample companies, 543 reveal that they hedge their risk or provide information relevant to their hedging activity. There are an additional 228 businesses that reveal their usage of derivatives but do not disclose that they participate in hedging operations, regardless of whether the 228 users of derivatives are hedgers or speculators, the findings on the drivers of hedging are consistent.

VARs were studied by Ghose. T.P. (1998) (Value at Risk). A two-step process is used to assess market risk: first, the Daily Earnings at Risk (DEAR) is calculated, and second, the VAR is calculated. He said that the modified duration (MD) or cash flow technique might be used to gauge price sensitivity. He went through the many kinds of hazards associated with the various institutions. The term "risk management" has various connotations for banks, non-bank financial organisations, and industrial firms, according to him. There are two types of risk associated with manufacturing: business and financial risk. Financial institutions and non-financial organisations face a wide range of risks, including interest rate risk, market risk, foreign currency risk, liquidity and sovereign risk, as well as the possibility of insolvency or bankruptcy.

According to Suseela Subramanya (1998), the risk management methods of banks have been discussed. For banks to properly take on risk, she said that they must identify and categorize hazards, as well as have the technical and management knowledge needed to do so. As a result of adopting scientific risk management procedures, banks will be able to cultivate and maintain mutually beneficial relationships with their clients. As a result, she reasoned that the more risk a bank may take, the more profitable it would be.

When it comes to the nature of the risks connected with derivative instruments, Terry. J. Watsham (1998) explains how to quantify such risks and how to manage them effectively. According to him, risk refers to the quantitative uncertainty about the unfavorable change in the value of a monetary obligation. Using derivatives exposes an organization to a variety of hazards, including market risk, credit or default risk, operational risk, and legal risk, according to him. There is a 'systemic risk,' according to him, which means that one market participant's default might trigger the collapse of other market players.

Foreign currency derivatives are examined by George Allayannis (1998) to see whether they are used for hedging or speculation. To detect a company's hedging or speculative behavior in the data, the researcher investigated the impact of foreign currency derivative usage on its exposure to exchange rate risk and the factors that influence the quantity of derivative use. An exchange-rate exposure is linked to a firm's ratio of international sales to total sales and a firm's ratio of foreign currency derivatives to total assets in a sample of S&P 500 non-financial businesses for 1993. One percent significance and robustness to periods, currency indexes, and estimate methods were found for these correlations. According to the information presented by the researcher, corporations employ foreign currency derivatives as a form of currency risk management, rather than as a form of currency speculation. Using foreign currency derivatives as a hedge rather than speculating in foreign currency markets was shown to have a substantial negative correlation with firm exchange rate exposure.

Gregory W. Brown (2000) studies HDG Inc. (pseudonym), an industry-leading maker of durable equipment with sales in more than 50 countries, to examine its foreign currency risk management approach. HDG's treasury conducted a three-month field investigation for the majority of the analysis. Internal company records, interviews with management, and data on 3110 foreign-exchange derivative transactions during a three-and-a-half-year period are used to examine the variables that influence the firm's foreign currency exposure. Some of the most typical reasons for business hedging are not likely to be the driving force behind HDG's risk management strategy. This article used a field survey and private data to investigate a company's hedging activities and its reasons for participating in financial risk management. HDG prefers to hedge using put options due to the more advantageous accounting treatment and competitive price concerns, according to this research. Using a stock market technique to identify and quantify exchange rate exposures, this research found that more than half of the businesses studied had significant regression coefficients when regressing stock returns on exchange rates.

Mo guillansky (2003) investigates how multinational corporations with assets in Latin American nations handle currency risk. It involves looking at how a company's financial management behaved before a big devaluation, with a focus on events of currency or financial shocks. The financial management of multinational corporations with interests in Latin America is the focus of this essay. Physical investment in foreign direct investment may be reversed, but monies related to it are not so reversible. The research in this study was based on interviews with financial managers of multinational corporations with assets in Latin America and headquarters in the United Kingdom and Spain, as well as surveys on financial risk management in developed nations. From a total of twelve multinational corporations, sixteen finance managers were surveyed. The mining, oil and gas, energy, and telecommunications industries, as well as the food industry and financial institutions, were all represented. When it comes to the effect of currency fluctuation on the value of assets and liabilities, multinational corporations with operations in several countries and regions report that they always hedge against transaction risk but very seldom hedge balance sheet accounts or translation exposure.

Using firm-level data, Petia Topalova (2004) assesses the financial risks of India's non-bank business sector from 1989. An overview of India's business sector in 2002 is included, as is information on its size and makeup, as well as the country's legal framework and recent changes. An Indian private company's database on India's corporate sector provided the data for this study. The Centre for Monitoring the Indian Economy compiled the database. As a result of our sample's short duration and low-interest rate environment, we found that despite the recent weakness of the corporate sector, most indicators remained at comfortable levels in 2002 and 2003. These improvements were further evidence of a continued economic recovery. Interest rate shocks have been shown to have a modest impact on the financial health of corporations.

U.S. multinational firms may gain from using foreign currency derivatives (FXD), according to Seema Menon (MNCs). From 1995 to 2000, she looked at the foreign currency risk management procedures of 20 U.S. MNCs. A list of the Forbes Global 2000 was used to choose the firms that cut. According to annual reports of the companies included in the study, statistics such as total assets, FXDs, and international sales were acquired. The notional quantities of FXDs are meant to quantify the level of the company's engagement in off-balance-sheet transactions. This is a descriptive investigation. Hypothesis testing has been carried out using a linear regression model. FXD usage was examined in light of variations in foreign currency exposure, and hypotheses were established to explain the disparities. The research found that the usage of FXD by U.S. multinational corporations (MNCs) is positively connected with their exposure to foreign currencies.

According to Aline Muller (2005), the use of derivatives by 471 European non-financial enterprises has an impact on their foreign currency risk exposure. This research examines the characteristics of corporate foreign currency derivative (FCD) use and its impact in lowering foreign exchange risk exposure for European non-financial enterprises founded in four separate sample countries: the UK, Germany, the Netherlands, and Belgium. Currency hedging positions' notional and fair values may be found in "The notes to the annual reports." In the first place, this article focuses on the elements that influence a company's choice to utilize currency derivatives as a hedge, as well as the reasons for doing so. Another step involves a detailed investigation of the impact this use has on the company's foreign exchange risk exposure as a result of this study, European businesses' hedging tactics are better understood, and the true effects of these hedging methods on firms' risk exposures are better understood as well.

It is the goal of Anuradha, Siva Kumar, and Renu Sarkar (2006) to assess the numerous options accessible to Indian corporations in hedging financial risk. The framework for managing foreign currency risk and the many forms of exposure to it was described. Derivatives including forwards, future options swaps, and foreign loans may assist Indian companies to manage their risk, according to this article. Reliance Industries, Maruti Udyog, Mahindra & Mahinda, Arvind Mills, Infosys, TCS, and Dr. Reddy's Lab have provided the data for the period 2006-2007. This research suggests that forwards and options are chosen as short-term hedging instruments, whereas swaps are favored as long-term hedging instruments, after analyzing the usage of hedging products by prominent Indian companies from various industries.

According to Asani Sarkar (2006), India has had derivatives markets in some form or another for a long time. Indian commodities futures trade was one of the greatest by the early 1900s, thanks to the Bombay Cotton Trade Association, which began trading in 1875. Globally, NSE's single stock futures have the largest volume (i.e., the number of contracts traded), allowing it to rank 16th in the first half of 2005. Futures are more popular than single-stock options, which are less common. In October 2005, index futures accounted for over 40 percent of all traded value. Compared to other regional markets, the Indian derivatives market has surpassed or equaled its growth and diversity of derivatives consumers.

The purpose of the Madhu Vij (2008) study is to provide light on the challenges that multinational corporations (MNCs) confront while dealing with currency fluctuations. In 2008, a survey of Indian company CFOs was done and the results of this research are based on the results of that survey. The study's goal is to find out whether the chief financial officers know the distinction between translation, transaction, and economic exposure. The research also looks at how often organizations assess their hedging policies, the main variables that influence their choice to hedge, and the actual hedging strategies themselves. According to the findings, the majority of organizations conduct a yearly assessment of their hedging plans. There are several internal controls in place to reduce the risk of currency fluctuation. Hedging via forward exchange contracts, both long and short-term, is a common practice. Foreign currency futures, swaps, and options are being used by Indian corporations to mitigate risk in the over-the-counter (OTC) market. The OTC market for currency futures is less open, less efficient, and less accessible than an exchange-traded platform.

Sathya Swaroop Debashish (2008) focuses on the use of derivatives products by significant non-banking Indian enterprises in current foreign currency risk management techniques. In this exploratory research, we are trying to explore the risk appetite and FERM (Foreign Exchange Risk Management) practices of Indian corporations. It is centered on the goals of determining how Indian non-financial corporations use FERM techniques and products, To have a better understanding of how Indian businesses feel about FERM, To find out how many companies are aware of derivatives and how they utilize them, as well as to find out how these companies organize their operations, formulate their policies, and exercise control over their foreign currency risk. The study's primary focus is on Indian corporations' understanding and attitudes about foreign currency risk exposure. Pre-tested questionnaires were provided to a small sample of 501 business companies spread throughout the nation in order to get the necessary data. The Microsoft Excel Spreadsheet and the Statistical Package for Social Sciences (SPSS) have been utilized in the analysis of the replies. Wherever it was necessary to reduce variables to components, the Principal Component Method was used to perform Factor Analysis. Correlational analysis was also carried out. Of the 501 firms surveyed, 266 (or 53 percent) said they were employing derivatives, while the rest said they weren't. Using a factor analysis, it has been determined that "confused perceptions of derivatives use" is the primary reason for the underutilization of derivatives. This includes worries about the appropriateness of derivatives in specific situations, concerns about product risk, and a general aversion to using derivatives altogether. The difficulty in pricing and policy restrictions, as well as the issue of the usefulness of derivatives in light of their high prices, are the next two technical and administrative considerations.

Dohring (2008) discusses exchange rate exposure in terms of transaction, translation, and broader economic risks. Bjorn Dohring (2008) discusses exchange rate exposure in terms of transaction, translation, and broader economic risks (which takes into account the impact of exchange rate variations on competitiveness). When it comes to managing transaction and translation risk, domestic-currency invoicing and hedging using exchange rate derivatives are the best options, according to him. According to the findings of this research, non-financial blue-chip corporations in the Eurozone often utilise financial derivatives to protect themselves against "transaction risk". It appears that hedge ratios are close to 100% for firmly committed cash flows and lower for estimated or expected flow. This is consistent with the literature on optimal hedging Exchange rate futures and options typically have maturities of two years or less, but cross-currency swaps might have durations of ten years or more. "Translation risk" management isn't well-documented and seems to differ widely across companies. For longer-term "economic risk," some companies use rolling over short-term derivative hedges as a strategy. Financial instruments and the geographic structure of sourcing, manufacturing, and sales all help companies minimise their exposure to economic risk. This is consistent with some empirical evidence that implies that operational and financial hedges complement one another. Euro-area exporters have tools at their disposal to defend themselves against a strengthening of the euro, according to this report, and they make good use of such tools. The recent strength of euro-area exports and business profits in the face of the euro's strengthening is most likely due to this factor.

From the perspective of controlling transaction exposure, Mihir Dash (2008) examines the effect of currency fluctuations on the cash flows of IT service providers (who would be receiving foreign currencies). Forward currency contracts, currency options, and cross-currency hedging were all evaluated in the research. To conduct the analysis, we used cash flow data from a sample of 143 IT projects from various firms. It was possible to quantify and evaluate the impact of various types of foreign exchange risk hedging strategies on the aforementioned cash flows. Databases and financial websites were used to gather the study's data. The study period lasted from January 2007 through December 2007. There is no hypothesis in this research. The analysis found that the forward currency hedging approach generated the greatest mean cash flows and the largest mean percentage return among the FOREX risk management techniques studied. Although FOREX risk management techniques for time and materials projects should, presumably, perform better, the study's FOREX risk management strategies seem to be better suited for fixed-price projects (FPP).

Matthew Hoffmann (2009) uses bilateral U.S. real exchange rate data from 1978 to 2007 to study how the connection between real exchange rates and interest rates (RERI) evolves. Quarterly real exchange rates and real interest rate differentials between the United States and Japan, Germany, France, Italy, the United Kingdom, and Canada are used to derive the empirical results. The IMF's International Financial Statistics, published in December 2008, serves as the only data source (IFS). Based on Campbell and Shiller's VAR-based present value models, the researcher presented an interpretation of the RERI using the VAR-based methodology (1987). Real interest difference is used to correlate a bivariate VAR's projection of real exchange rate change with the real interest differential, which may be found in Table 1. We contend that this kind of test is more closely aligned with the RERI relationship than many other existing tests, and it yields measurements of long-term projected changes in the exchange rate that are significantly connected with real interest rate differentials.

Krishnan Sitaraman and Satish Prabhu (2010) explained how currency futures might reduce the risk of fluctuating exchange rates. There has been a demonstration of currency futures in India's advancement, operational aspects, and innovations. An option for currency was also suggested in the paper.

3. Research Methodology

Research comprises defining and redefining problems, formulating, a hypothesis or suggested solutions, collecting, organizing, and evaluating data, making deductions, and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

3.1 Problem Statement

For a firm, risk is essential since no activity yields profit without it. Due to the unpredictable nature of bank costs, efficient risk management may stabilise revenues and act as a shock absorber. Banking shares can only be strengthened if they are properly communicated to the financial markets and risk management programmes are properly implemented. An overview of risk and banking risk management is provided in the paper's opening sections. Finally, we present the findings of the quantitative research descriptive type, which had as its goal the analysis of the measures that need to be taken in banking management to better manage risks that could lead to bankruptcy and the views of the RBI on its responsibilities to monitor and control the banks in the system.

3.2 Objectives of the Study

- To examine the efficiency of the commercial banks.

3.3 Scope of the Study

This research study will guide Banks to prevent systemic risk and financial turbulence in India, the Reserve Bank of India has also chosen on-site and off-site monitoring measures for effective risk management in the Indian banking industry.

3.4 Sampling Design

The **convenience sampling technique** will be employed in the selection of the sample.

Primary Data

The information gathered out of the blue through perception and meeting strategy. The data will be gathered from the structured questionnaire filled by employees of the bank.

Secondary Data

Secondary data will be collected from the Company Website, Internet etc.

3.5 Tools for Data Collection

Questionnaire (form)

The data for this research will be gathered via a questionnaire that used the primary method of data collection. The method of collection used in the given investigation is called the primary method. There are multiple ways in which a researcher can use raw data, and thus this can be loosely categorized under survey methods and experimental data collection methods. The data will be collected using a questionnaire on a 5-point scale that has behavioural questions and other variables. This data was collected from a sample of 100 employees working for ICICI Bank. The data collected was Compiled, Classified, Tabulated, Graphed and Interpreted.

3.6 Limitations of the Study

The study's tiny sample size is one of its most significant flaws. In light of the study's high degree of accuracy, even with a small sample size, we should point out that when the sample size was determined, the study's goals were considered.

In light of the research's selective nature, the questionnaires that were delivered to participants were all anonymous, as the researchers wanted to ensure the privacy of the data they gave.

4. Data Analysis/

1. Gender

Table 1

Gender	No. of Respondents	Percentage
Male	53	53%
Female	47	47%
Total	100	100%

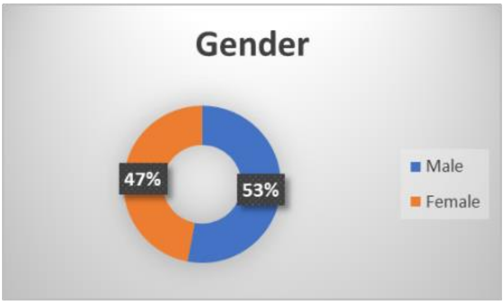

Chart 1

Table 1: reveals that 53% of the respondents are male and 47% of the respondents are females.

2. Age Group

Table 2

Age Group	No. of Respondents	Percentage
18-25	27	27%
25-35	32	32%
35-45	19	19%
45 years and above	22	22%

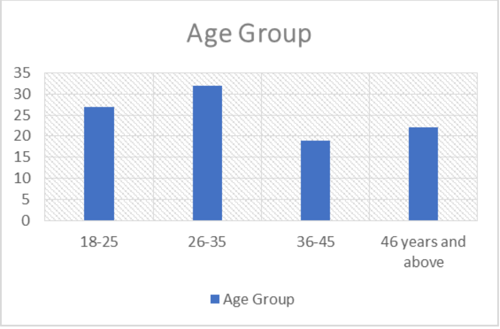

Chart 2

Table 2 reveals that 27% of the respondents are of the age group of 18-25 years, 32% of the respondents are of the age group of 26-35 years, 19% of the respondents are of the age group of 36-45 years and 22% of the respondents are of the age group of 46 years and above.

3. Marital Status

Table 3

Marital Status	No. of Respondents	Percentage
Married	61	61%
Unmarried	39	39%
Total	100	100%

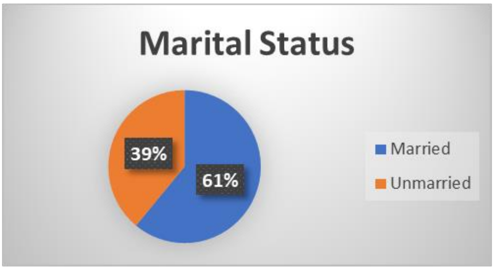

Chart 3

From the above table it can be seen that 61% of the respondents are married and 39% of the respondents are unmarried.

4. Monthly Income (in Rs.)

Table 5

Monthly Income	No. of Respondents	Percentage
Less than 20,000	18	18%
20,000 – 30,000	26	26%
30,000 – 40,000	37	37%
More than 40,000	19	19%

Chart 5

From the above table it is clear that 37% of the respondents have a monthly income of 30,000 to 40,000. 26% of the respondents have a monthly income of 20,000 to 30,000. 19% of the respondents have a monthly income of more than 40,000 and 18% of the respondents have a monthly income of less than 20,000.

5. Work Experience in the Banking Sector.

Table 5

Experience	No. of Respondents	Percentage
Less than 5 years	0	0%
5-10 years	59	59%
10-15 years	23	23%
More than 15 years	18	18%

From the above table it can be seen that 59% of the respondents have been working in the Banking Sector for 5-10 years 23% of the respondents for 10-15 years and 18% of the respondents for more than 15 years.

6. Eliminating risks as much as possible have the most significant short-term impact on the risks faced by your bank?

Table 6

Opinion	No. of Respondents	Percentage
Strongly disagree	8	8%
Disagree	13	13%
Neither agree nor disagree	12	12%
Agree	45	45%
Strongly agree	22	22%

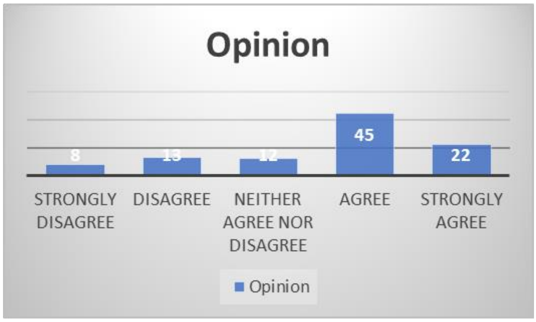

Chart 6

From the above table it is clear that 45% of the respondents agree and 22% strongly agree that Eliminating risks as much as possible have the most significant short-term impact on the risks faced by their bank, 12% of the respondents are neutral whereas 13% of the respondents disagree and 8% strongly disagree.

7. **Using hedging to control risk have the most significant short-term impact on the risks faced by your bank?**

Table 7

Opinion	No. of Respondents	Percentage
Strongly disagree	1	1%
Disagree	2	2%
Neither agree nor disagree	15	15%
Agree	47	47%
Strongly agree	35	35%

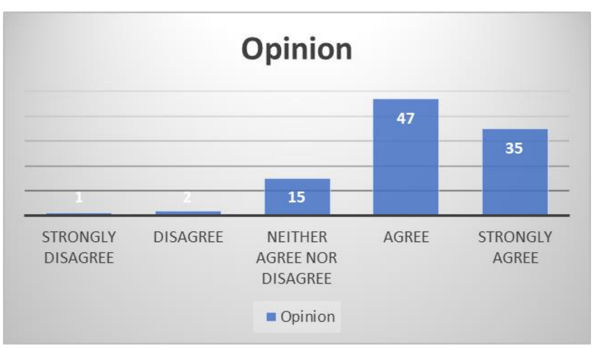

Chart 7

From the above table it is clear that 47% of the respondents agree and 35% strongly agree that Using hedging to control risk have the most significant short-term impact on the risks faced by their bank, 15% of the respondents were neutral whereas 2% of the respondents disagree and 1% strongly disagree.

8. Minimizing the potential negative impact of any risks have the most significant short-term impact on the risks faced by your bank?

Table 8

Opinion	No. of Respondents	Percentage
Strongly disagree	19	19%
Disagree	33	33%
Neither agree nor disagree	18	18%
Agree	19	19%
Strongly agree	11	11%

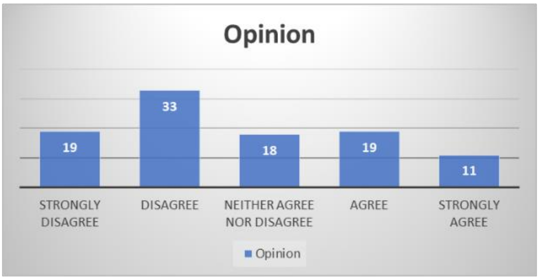

Chart 8

From the above table it is clear that 19% of the respondents agree and 11% strongly agree that minimizing the potential negative impact of any risks have the most significant short term impact on the risks faced by their bank, 18% of the respondents were neutral whereas 33% of the respondents disagree and 19% of the respondents strongly disagree.

9. Transferring risk to partners or clients have the most significant short-term impact on the risks faced by your bank?

Table 9

Opinion	No. of Respondents	Percentage
Strongly disagree	7	7%
Disagree	13	13%
Neither agree nor disagree	19	19%
Agree	50	50%
Strongly agree	11	11%

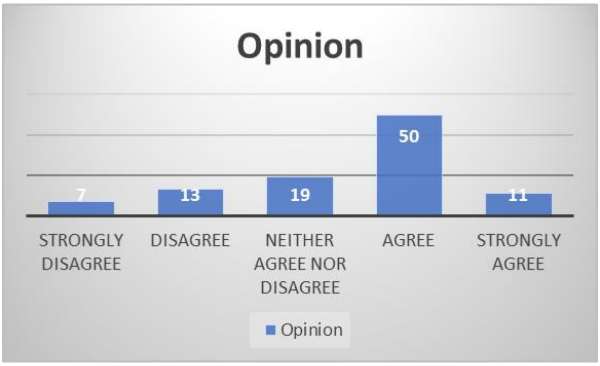

Chart 9

From the above table it is clear that 50% of the respondents agree and 11% strongly agree that Transferring risk to partners or clients have the most significant short-term impact on the risks faced by their bank, 19% of the respondents were neutral whereas 13% of the respondents disagree and 7% of the respondents strongly disagree.

10. Diversifying operations to reduce the impact of any single risk have the most significant short-term impact on the risks faced by your bank?

Table 10

Opinion	No. of Respondents	Percentage
Strongly disagree	5	5%
Disagree	10	10%
Neither agree nor disagree	17	17%
Agree	44	44%
Strongly agree	22	24%

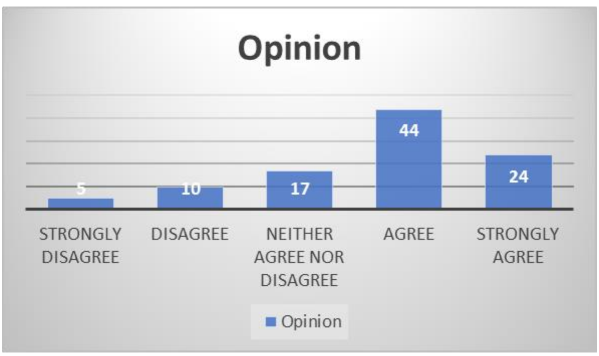

Chart 10

From the above table it is clear that 44% of the respondents agree and 24% strongly agree that Diversifying operations to reduce the impact of any single risk have the most significant short-term impact on the risks faced by their bank, 17% of the respondents were neutral whereas 10% of the respondents disagree and 5% strongly disagree.

11. Cash to Deposits Ratio Risk Management is practiced in our Bank.

Table 11

Opinion	No. of Respondents	Percentage
Strongly disagree	0	0%
Disagree	16	16%
Neither agree nor disagree	28	28%
Agree	34	34%
Strongly agree	22	22%

Table no. 11

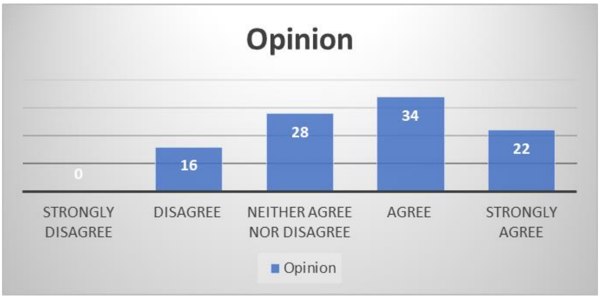

Chart 11

From the above table it is clear that 34% of the respondents agree and 22% strongly agree that Cash to Deposits Ratio Risk Management is practiced in the Bank, 28% of the respondents were neutral whereas 16% of the respondents disagree.

12. Credit to Deposits Ratio Risk Management is practiced in our Bank.

Table 12

Opinion	No. of Respondents	Percentage
Strongly disagree	4	10%
Disagree	16	40%
Neither agree nor disagree	30	30%
Agree	40	16%
Strongly agree	10	4%

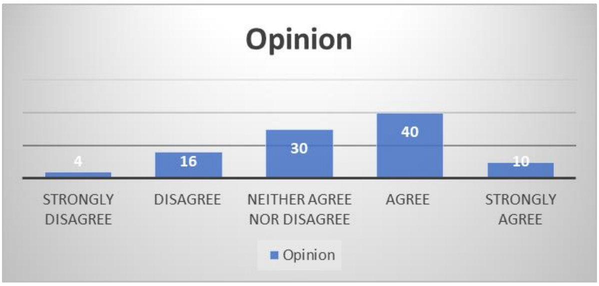

Chart 12

From the above table it is clear that 40% of the respondents agree and 10% strongly agree that Credit to Deposits Ratio Risk Management is practiced in the Bank, 30% of the respondents were neutral whereas 16% of the respondents disagree and 4% strongly disagree.

13. Net Interest Margin (NIM) Risk Management is practiced in our Bank.

Table 13

Opinion	No. of Respondents	Percentage
Strongly disagree	4	4%
Disagree	6	6%
Neither agree nor disagree	10	50%
Agree	40	6%
Strongly agree	40	4%

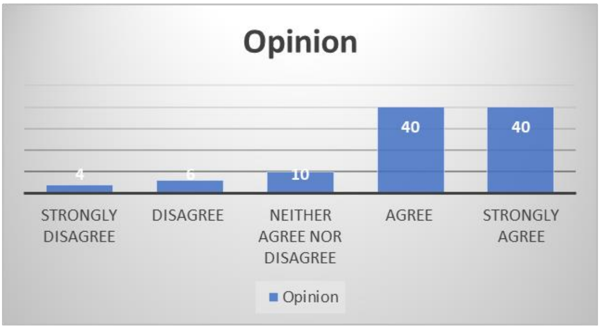

Chart 13

From the above table it is clear that 40% of the respondents agree and 40% strongly agree that Net Interest Margin (NIM) Risk Management is practiced in the Bank, 10% of the respondents were neutral whereas 6% of the respondents disagree and 4% strongly disagree.

14. Return on Assets (ROA) Risk Management is practiced in our Bank.

Table 14

Opinion	No. of Respondents	Percentage
Strongly disagree	0	0%
Disagree	0	0%
Neither agree nor disagree	12	12%
Agree	80	80%
Strongly agree	8	8%

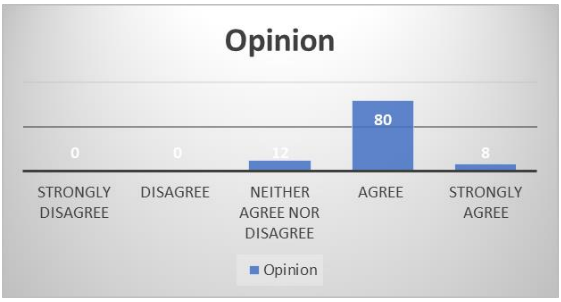

Chart 14

From the above table it is clear that 80% of the respondents agree and 8% strongly agree that Return on Assets (ROA) Risk Management is practiced in the Bank, 12% of the respondents were neutral.

15. Return on Equity (ROE) Risk Management is practiced in our Bank.

Table 15

Opinion	No. of Respondents	Percentage
Strongly disagree	2	2%
Disagree	16	16%
Neither agree nor disagree	26	26%
Agree	46	46%
Strongly agree	10	10%

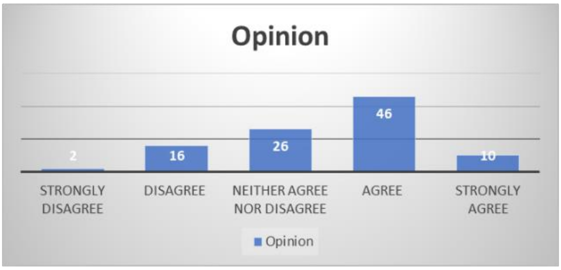

Chart 15

From the above table it is clear that 46% of the respondents agree and 10% strongly agree that Return on Equity (ROE) Risk Management is practiced in the Bank, 26% of the respondents were neutral whereas 16% of the respondents disagree and 2% strongly disagree.

16. Cost of funds Risk Management is practiced in our Bank.

Table 16

Opinion	No. of Respondents	Percentage
Strongly disagree	6	6%
Disagree	14	14%
Neither agree nor disagree	20	20%
Agree	40	40%
Strongly agree	20	20%

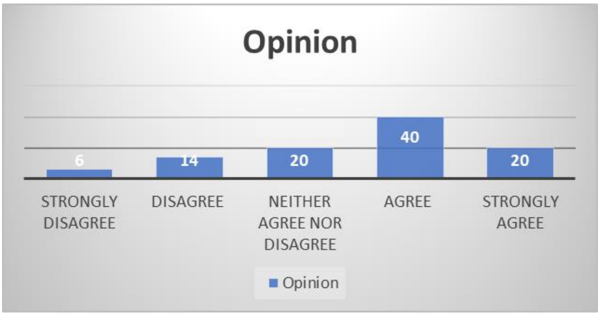

Chart 16

From the above table it is clear that 40% of the respondents agree and 20% strongly agree that Cost of funds Risk Management is practiced in the Bank, 20% of the respondents were neutral whereas 14% of the respondents disagree and 6% strongly disagree.

17. Capital Adequacy Ratio (CRAR) Risk Management is practiced in our Bank.

Table 17

Opinion	No. of Respondents	Percentage
Strongly disagree	0	0%
Disagree	16	16%
Neither agree nor disagree	18	18%
Agree	44	44%
Strongly agree	22	22%

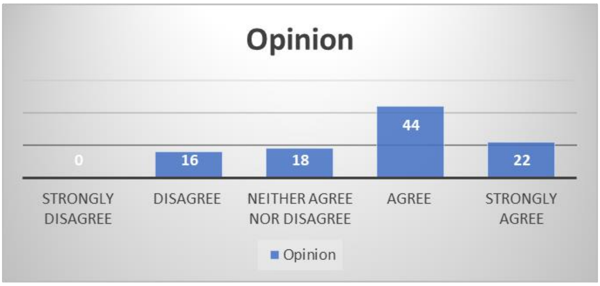

Chart 17

From the above table it is clear that 44% of the respondents agree and 22% strongly agree that Capital Adequacy Ratio (CRAR) Risk Management is practiced in the Bank, 18% of the respondents were neutral whereas 16% of the respondents disagree.

18. Non-Performing Assets (NPA) Risk Management is practiced in our Bank.

Table 18

Opinion	No. of Respondents	Percentage
Strongly disagree	4	4%
Disagree	16	16%
Neither agree nor disagree	10	10%
Agree	40	40%
Strongly agree	30	30%

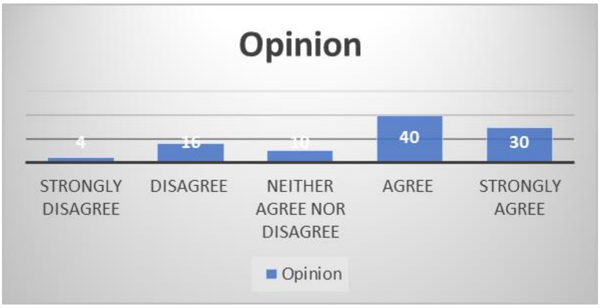

Chart 18

From the above table it is clear that 40% of the respondents agree and 30% strongly agree that Non-Performing Assets (NPA) Risk Management is practiced in the Bank, 10% of the respondents were neutral whereas 16% of the respondents disagree and 4% strongly disagree.

5. Findings, Implications & Conclusion

5.1 Findings

- While 45% agree and 22% strongly agree that eliminating hazards has the most important short-term influence on the risks faced by their bank, 13% are neutral and 13% disagree while 13% disagree and 8% disagree strongly agree.
- In the near term, hedging has the greatest influence on the risks that a bank faces, according to 47% of respondents, 35% of whom strongly agree. Only 15% of respondents disagreed, while 2% and 1% strongly disagreed.
- More than a third of respondents (33%) disagreed and 19% strongly disagreed with the findings that minimising possible negative impacts of any risks had the most important short-term influence on their bank's risk profile, while just 18% were neutral.
- Fifty percent and eleven percent of respondents believe that transferring risk to partners or customers has a major short-term effect on risks faced by their bank, while 19 percent of respondents were indifferent and 13 percent disagreed.
- It is 44% and 24% strongly believe that diversifying activities to lower any one risk has the most substantial short-term influence on their bank's risks; 17% of respondents were neutral; 10% disagreed, and 5% strongly disagreed; 17% were neutral.
- 22% highly agree and 24% strongly agree that the Bank uses Cash to Deposits Ratio Risk Management; 34% agree and 22% strongly agree; 28% agree and 28% strongly agree; and 16% disagree.
- 20% agree and 10% strongly disagree that Credit to Deposits Ratio Risk Management in the Bank is implemented, whereas 30% of the respondents were indifferent and 16% disagreed strongly disagreed with this statement.
- According to a survey, 40% of those surveyed agreed and 40% strongly agreed that the Bank practises Net Interest Margin (NIM) Risk Management. 10% were neutral, 6% disapprove, and 4% strongly disapprove.
- According to the survey, 80 percent of respondents agreed and 8 percent strongly agreed that the Bank practises Return on Assets (ROA) Risk Management.
- Almost half of the respondents (46%) agree and 10% strongly agree

that the Bank uses Return on Equity (ROE) Risk Management; 26% were indifferent, and 16% disagreed and 2% were strongly disagreed.

- There were 40 percent of respondents who agreed and 20 percent of respondents who strongly agreed that the Bank practises Cost of Funds Risk Management. There were 20 percent of respondents who were neutral, while 14 percent of respondents disagreed and 6 percent strongly disagreed.
- CRAR Risk Management is practiced by 44 percent of respondents and 22 percent strongly agree, 18 percent of respondents were indifferent, and 16 percent of respondents disagreed.
- The bank's NPA Risk Management is supported by 40% of respondents, including 30% who strongly support it; 10% of respondents were indifferent; while the bank's NPA Risk Management is opposed by 16% of respondents and 4% of strongly opposing respondents.

5.2 Implications:

- Institutions should ensure that compensation structures of agents are well-structured in the interest of the corporation.
- A shift in risk management practices is required, entailing amongst others, the redesign of compensation and performance management policies and procedures to incorporate risk- adjusted performance measurement of executive and non-executive directors as well as top and middle management.
- The ability of management to manage risk must keep pace with other business innovations. This would include setting up risk training programmes for the assessment of risk inherent in new complex financial instruments.
- Institutions should ensure that managers possess the necessary skills to identify, assess, measure and mitigate inherent risks in complex instruments.
- Supervisory functions should exercise more stringent control over traders.
- Financial institutions should improve their risk management procedures and governance structures in order to guard against market failures.
- Financial institutions should identify vulnerabilities and pro-actively map risk scenarios so that corrective policies can be effectively

implemented. Although operational risk management enjoys some success in the identification of underlying vulnerabilities, i.e., the predisposition to shocks, it has a shoddy record of large loss timing predictions.

- Financial institutions should identify and link multiple vulnerabilities to determine the severity of potential threats.
- Operational risk management processes should be honed to warn of imminent tail event risks.
- Operational risk management needs to assist in the prioritization of policy recommendations and the formulation of contingency plans based on both impact and event probabilities.
- The introduction of a government financial stability fund, financed thorough a financial stability tax.
- The 'best practice' Advanced Measurement Approach (AMA) procedures for economic capital allocation should be revisited and improved. Currently the assumptions and guidelines underlying these approaches result in widely varying capital estimates.

5.3 Conclusions

As a result, thorough risk assessment is an essential aspect of a bank's risk management system since risk is essential to the banking industry. It is becoming more important for banks to assess how much risk they face and devise effective ways for dealing with it. Introduction of Basel II standards and their subsequent approval by RBI is an important move to encourage solid risk management practices in the financial sector. With BASEL II, regulators want to make capital requirements more risk-sensitive and provide additional choices for banks throughout the globe to manage their risk exposures.

Furthermore, the RBI has taken a number of measures to guarantee that individual banks are able to properly manage their own risk exposure by establishing risk management cells and conducting internal assessments. To prevent systemic risk and financial turbulence in India, the Reserve Bank of India has also chosen on-site and off-site monitoring measures for effective risk management in the Indian banking industry.

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Chapter - 11

A Study on Financial Statement Analysis of Orient bell Pvt. Ltd.

Srinivasan P
Associate Professor, School of Management, Presidency University, Bengaluru, Karnataka, India

Balasubramaniam T
Post Graduate Student, School of Management, Presidency University, Bengaluru, Karnataka, India

Abstract

The financial statement analysis helps the analyst to know the financial information from the financial data contained in the financial statements and to assess the financial health (i.e. strength or weakness) of an enterprise. It also helps to forecast the future, which helps us prepare budgets and estimates. In short, financial statement analysis helps us take various decisions at various places in a firm. It helps us know the reasons for relative changes—either in profitability or the financial position as a whole. It also helps to know both the short-term liquidity position vis-a-vis the working capital position and a firm's long-term liquidity and solvency position. It also highlights the firm's operating efficiency and present profit-earning capacity. Various financial journal (viz. R.B.I. Bulletins), newspapers etc., also require financial statements for analysing and scrutinizing a firm's financial position for the readers.

Keywords: Data, Earnings, Finance, Liquidity.

1. Introduction

Financial examination is furthermore named as cash related clarification examination that is stressed over the system to pass judgment on this, past and foreseen execution of a firm. It is an endeavor to see centrally of budgetary verbalization that is important in future goals of any firm. It is the development endeavored by the specialists in keeping an eye on target related clarifications using changed strategies like comparative verbalization, float examination and DuPont assessment using vacillated exchanges profited by the years. Finance related angles points of view in the central concern for any business, so as to discover its status of financial position it needs the budgetary assessment to be coordinated to overview on the execution. In this way it is generally stressed in the essential administration. Through the cash related verbalization give the acceptable reach to the execution it isn't unreasonably amazing, subsequently it is required to coordinate an assessment which is named as financial examination. Financial performance execution examination proposed with organization's creation, proficiency, execution, productivity, liquidity, working capital execution, settled assets execution, fund stream execution and social execution. Regions of financial analysis are: (1) Analysis of working capital, (2) Analysis of financial structure and (3) Analysis of activity. Types of financial statement analysis are based on the following aspects: (1) The materials used for the analysis or the people who are keen on the investigation and (2) The business are usual or technically followed for an activity for the investigation. Classification based on the material utilized for the analysis.

1) External Analysis

It is finished by untouchables who have not got permission to the wary internal accounting records of the business. These untouchables consolidate budgetary authorities and advance supervisors, every present and potential besides as government associations, credit workplaces and overall population. These outside get-togethers depend about through on the disseminated cash related clarifications.

Outside assessment so serves limited capacities.

2) Internal Analysis

The assessments coordinated by individuals who approach the internal accounting records of business is known as inside examination. Such an examination can be performed by the authorities and labourers of the affiliation in addition to government workplaces that have legal power of the reserve and accounting workplaces and besides the authorities for organization limits do internal assessment.

3) Vertical examination or basic investigation

At the point when one plan of money reated declaration about only a solitary accounting year square measure separated, the examination is knon as vertical examination. inside the vertical examination , the figures of cash related verbalizations are analyzed area insightful for example a figure from one year's cash related explanation is differentiated and a base figure look over a near years reserves. For example, the various things of expenses of a specific year could in like manner be differentiated and the arrangements for that year. Vertical examination is valuable to arrange the execution o various associations inside a comparable gathering or the differing divisions or workplaces inside a comparative association.

4) Trend Analysis

Right when the money declarations of variety of years are analyzed, the examination is named level assessment. In different words, even assessment maybe a variety of examination inside which there is connection of the example of everything, inside the cash related declarations over combination of years. Indeed, even assessment is extra valuable than vertical examination since it gives critical inside into the areas of value and weakness of an undertaking. It in addition focuses thought on those things that had balanced generally in the midst of the entirely under review.

1.1 Importance of the Study

The assessment of the operational efficiency and managerial effectiveness of the company and analyzing the financial strengths and weaknesses and creditworthiness of the company is significant of the investors to gain the knowledge about the financial position of the company.

2.0 Literature Review

Different national and international examinations are administrated on extremely amazing pieces of fiscal execution by the researchers, showcase experts and academicians in India. Different makers have explored execution in different perspectives. Practically no assessment work has been done on examination of budgetary execution of Indian Bond Business. As such, this segment reviews the discovered examinations related to different pieces of monetary execution, composing review was apportioned into two classes as National overview and International study.

Mikkelson (1985) made an assessment of intra firm worth hypothesis process. It checks the sufficiency on stock strategy of the corporate endeavours and associations esteem. The total valuation effect of the hypothesis for acquiring the target firms returns and deals. Wright (1974) did a relatively widespread examination of advancement, efficiency and risk as determinants of corporate commitment extents in the collecting part. The inspiration driving this examination is to test the hypothesis of 3 fiscal year execution factors, to be explicit, advancement, advantage and danger and they have use standard scarecest square methodology for separating the execution.

Kennedy and Muller (1999) has clarified that "the investigation and understanding of budget report are an endeavour to decide the hugeness and significance of fiscal summaries information with the goal that the forecast may be made of the possibilities for future gaining, capacity to pay premium and obligation developments (both present and long term) and benefit and sound profit strategy". Paula (2006) characterized that a sound business investigation informs other a great deal concerning great sense and comprehension of the troubles that an organization will confront, we need to ensure that individuals know precisely how we showed up to last money related positions, we need to show the figuring however we need to abstain from whatever is excessively scientific, a business execution examination shows the further development and the extension, it gives a physiological bit of leeway to the workers and furthermore an arranging advantage.

Pandey (2007) had expressed that the fiscal report contains data about the budgetary outcomes and sources and employments of money related assets, one ought to have the option to state whether the monetary state of a firm is fortunate or unfortunate, regardless of whether it is improving or crumbling, one can relate the money related factors given in budget reports in an important ways which will propose the activities which one may need to start to improve the association's monetary condition. Reddy & Reddy (2009) have expressed that the announcement revealing the status of speculations is known as balance sheet and the announcement demonstrating the outcome is known as profit and loss account. Kothari (2011) contemplated the upsides of cash related explanation similarity. This examination attempts to top the openings by working off a proportion of budgetary decrease resemblance. These results recommend that cash related declaration identicalness cuts down the expenses of picking up the information and addition the general sum and nature of information open to specialists about the firm. Tandon (2012) studied an overview on cash related assessment of ICICI bank. The impulse after the review is to take a gander at the money related influencing of ICICI bank. The contraptions related for the review were examined partner information for the examination on the rule of entireties. Outline, credit store, net bit of leeway, control. In the context of their assessment, they found that ICICI performing great.

Pastor (2012) led an overview on budgetary assessment of business banks the paper gives a graph of business banks liquidity position in Tanzania for the period of 10 years from 2000 to 2009. He used optional information for the study and got a relative from the business bank of business (N.B.C.), and National microfinance bank (N.M.B.). Finally, they come to fathom that microfinance banks kept up the most grounded liquidity level showed up diversely corresponding to different two banks. Singhal (2013) gathered by leading a review that asset report assessment is for the chief part done to recognize the event, benefit and money related sufficiency of the genuine relationship by investigation the data contained inside the financial verbalization.

3.0 Research Methodology

Research comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organizing, and evaluating data, making deductions and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

3.1 Problem Statement

Comparative statement are financial reports that compares a given financial statements with either or prior time period or another company. The topic is selected to analyze the changes in the financial position of the past 4 years, which has increased its capital turnover and profits. The study is conducted to know the changes in various items of the balance sheet and to analyze their impact on the profitability, liquidity position of the company.

3.2 Objectives of the Study

To assess the operational efficiency and managerial effectiveness of the company

To analyse the financial strengths and weaknesses and credit worthiness of the company.

3.3 Scope of the Study

By the degree of financial clarification examination, basically means those essential issues that must be managed while finishing subsidizes assessment works. Cash related clarification examination is a course of action of the entire variety of business assessment. Cash related announcement assessment is not all concerning extent examination as a few would expect.

3.4 Sampling Design

Information gathered for the study is auxiliary information and is gathered from various online data database

Techniques of Financial Statement Analysis

The strategies or techniques for financial statement analysis received for the motivation behind the study are as per the following:

- Comparative budgetary proclamation investigation
- Trend rates or Pattern proportion
- DuPont examination

1. Comparative Balance sheet

A comparative balance sheet is prepared to facilitate the comparison of assets and liabilities and the proprietor's capital of a business. Such statement shows the changes in absolute data from one period to another maybe started in term of absolute conclusion as it is very easy to ascertain the changes in the sales volume, administration, selling and distribution expenses etc., while interpreting comparative income statement, the interpreter is expected to study the following aspects:

An increase or decrease in sales should be compared with the increase or decrease in cost of goods sold. Analysis should be the study of operational profit increase or decrease in net profit will give an idea about the overall profitability of the concern.

2. Comparative Income statement

Comparative income statement is the part of financial statement analysis. This statement is made for analysis of the company's revenue position. For making this statement we take two years income statement. We compare it's all figures. By comparing all its figures, we find an increase or decrease in all its items. After this we calculate %of increase or decrease by taking the previous year as base year. It means, we divide the increase or decrease figure by the previous year's figure.

3. Trend Analysis

The comparative financial statement helps to ascertain the 'trend' relating to sales, cost of goods sold, operating expenses etc, so that a proper comparison can easily be made which helps the analysis to understand the overall performance of a firm.

4. DuPont Analysis

DuPont analysis is a method of showing the measures that were begun by DuPont firm in the 1920's. With this strategy, quality's zone unit noble at their aggregate esteem marginally than at add up to an incentive to deliver a vastly improved profit for

R.O.E. (return on equity) = edge of benefit * resource turnover proportion * equity number

DuPont examination breaks R.O.E. into fundamental modules to see that of those components is most accountable for changes in R.O.E. value (R.O.E.). It is additionally called DuPont character.

3.5 Limitations of the study:

- The period of study is restricted to analysis of 4 years annual report.
- The study inherits the limitations of accounting procedures.

4.0 Data Analysis/Interpretation:

Data examination and explanation is the system for flow significance to the accumulated data and choosing the ends, centrally, and repercussions of the revelations. The methods stressed in information assessment are a work of the sort of the data accumulated in any case, returning to the inspiration driving the examination and besides the assessment questions can offer a structure for the relationship of the information and place for the examination.

Table 4.1: Comparative balance sheet for the year 2015 and 2016 (Rupees in crores)

Particulars	**31-3-2015**	**31-3-2016**	**Net Change**	**Net Change (%)**
Shareholder Fund				
Share capital	134.60	134.60	0	0
Reserves & Surplus	2986.62	2576.75	-409.87	-13.7235
Money received against share warrant	49.31	49.31	0	0
	3170.53	**2760.66**	**-409.87**	**-13.7235**
Non-Current Liabilities				
Long term Borrowing	1492.99	2701.36	1208.31	80.9322
Unsecured loans from promoters	-	89.19	89.19	0
Deferred tax liabilities(Net)	324.82	114.91	-209.91	-64.6235
Long-term Provision	6.28	6.18	-0.1	-1.5924
	1824.09	**2911.63**	**1087.54**	**59.6210**
Current Liabilities				
Short term	2116.76	1727.50	-389.26	-18.3894

Borrowing				
Trade payables	671.93	792.86	120.93	17.9974
Other current Liabilities	464.18	229.01	-235.17	-50.6635
Short-term Provision	41.92	45.29	3.37	8.03912
	3294.79	**2794.66**	**-500.13**	**-15.1794**
Total	**8289.41**	**8466.96**	**177.55**	**2.1419**
Assets				
Non-Current				
Assets				
Fixed assets				
Tangible Assets	3815.97	3545.73	-270.24	-7.0818
Intangible Assets	6.97	5.98	-0.99	-14.2037
Capital work in progress	128.96	135.09	6.13	4.7534
Non-current Investments	156.79	156.79	0	0
Long term loans and advances	382.42	375.92	-6.5	-1.6997
	4491.11	**4219.51**	**-271.6**	**6.0475**
Current Assets				
Current Investments	2.40	1.40	-1	-41.6667
Inventories	2261.85	2446.12	184.27	8.1469
Trade receivables	718.43	959.47	241.04	33.5510
Cash & cash Equivalents	91.15	97.63	6.48	7.1091
Short term Loans & advances	724.42	742.78	18.36	2.5344
Other current Assets	0.05	0.05	0	0
	3798.30	**4247.45**	**449.15**	**11.8250**
Total	**8289.41**	**8466.96**	**177.55**	**2.1419**

The above table of comparative analysis is the correlation between two years accounting report of 2015 and 2016 shows that the investors fund has been reduced to 13.72% from earlier year (2015), for non-current liabilities has been expanded 59.62% from earlier year (2015), for current liabilities has been diminished 15.17% from earlier year (2015), for non-current resources has been expanded 6.04%from earlier year (2015), for the year (2015) current resources has been expanded to 2.14%.

Table 4.2: Comparative balance sheet for the year 2016 and 2017 (Rupees in crores)

Particulars	31-3-2016	31-3-2017	Net Change	Net Change (%)
Shareholder Fund				
Share capital	134.60	134.60	0	0
Reserves&Surplus	2576.75	2483.28	-93.47	-3.6274
Amount received against Share Warrant	49.31	49.31	0	0
	2760.66	**2716.04**	**93.47**	**-3.3858**
Non-Current Liabilities				
Long term Borrowing	2701.36	2645.07	-56.29	-2.0837
Unsecured loans from promoters	89.19	96.66	7.47	8.3753
Deferred tax liabilities(net)	114.91	72.60	-42.31	-36.8201
Long term Provision	6.18	8.18	2	32.3624
	2911.63	**2822.51**	**-89.12**	**-3.0608**
Current Liabilities				
Short term Borrowing	1727.50	2383.18	655.68	37.9554
Trade payables	792.86	639.57	-153.29	-19.3380
Other current Liabilities	229.01	276.91	47.9	20.9161
Short term Provision	45.29	39.71	-5.58	-12.3206
	2794.66	**3339.37**	**544.71**	**19.4911**
Total	**8466.96**	**8829.07**	**362.11**	**4.2767**
Assets				
Non-Current				
Assets				

Fixed assets				
Tangible asset	3545.73	3371.79	-173.94	-4.9056
Intangible Asset	5.98	4.10	-1.88	-31.4381
Capital work in progress	135.09	10.94	-124.15	-91.9016
Non-current Investments	156.79	149.49	-7.3	-4.6560
Long term Loan & advances	375.92	372.47	-3.45	-0.9177
	4219.51	**3908.79**	**-310.72**	**-7.3639**
Current Assets				
Current Investments	1.40	0.11	-1.29	-92.1429
Inventories	2446.12	2875.36	429.24	17.5478
Trade receivables	959.47	1154.70	195.23	20.3477
Cash & cash Equivalent	97.63	86.77	-10.86	-11.1236
Short term Loans & advances	742.78	803.34	60.56	8.1531
Other current Assets	0.05	-	0.05	100
	4247.45	**4920.28**	**672.83**	**15.8408**
Total	**8466.96**	**8829.07**	**362.11**	**4.2767**

The above table of comparative analysis, is the correlation between two year annual report of 2016 and 2017, the investor funds have been decreased 3.62% from the earlier year (2016), for non-current liabilities has been diminished from 3.06%earlier year (2016), for current liabilities has been expanded to 19.49% from earlier year (2015), for non-current resources has been diminished 7.36% from earlier year (2016), for current resources has been expanded 4.27% from earlier year (2016)

Table 4.3: Comparative balance sheet for the year 2017 and 2018 (Rupees in crores)

Particulars	31-3-2017	31-3-2018	Net Change	Net Change (%)
Share Holder Fund				
Share capital	134.60	134.60	0	0
Reserves & Surplus	2483.28	2532.13	48.85	1.9671
Monet received Against share	49.31	49.31	0	0

warrant				
	2716.04	2667.19	48.85	1.7985
Non-Current Liabilities				
Long term Borrowing	2645.07	2450.92	-194.15	-7.3400
Unsecured loans from promoters	96.66	96.66	0	0
Deferred tax Liabilities	72.60	77.53	4.93	6.7906
Long term Provisions	8.18	10.30	2.12	25.9169
	2822.51	2635.41	-187.1	-6.6288
Current Liabilities				
Short term Borrowings	2383.18	2744.25	361.07	15.1507
Trade payables	639.57	745.54	105.97	16.5689
Other current Liabilities	276.91	378.89	101.98	36.8278
Short term Provision	39.71	38.78	-0.93	-2.3420
	3339.37	3907.46	568.09	17.0118
Total	8829.07	9258.91	429.84	4.8684
Assets				
Non-Current				
Asset				
Fixed asset				
Tangible asset	3371.79	3209.51	-162.28	-4.8128
Intangible Asset	4.10	2.59	-1.51	-36.8292
Capital work in progress	10.94	0.15	-10.79	-98.6289
Non-current Investments	149.49	146.52	-2.97	-1.9867
Long term Loans & advances	372.47	384.77	12.3	3.3023
	3908.79	3743.54	-165.25	-4.0076
Current Asset				
Current	0.11	0.11	0	0

investment				
Investment	2875.36	3241.52	366.16	12.7344
Trade receivables	1154.70	1405.84	251.14	21.7494
Cash & cash Equivalents	86.77	84.10	-2.67	-3.0771
Short term Loans & advances	803.34	783.80	-19.54	-2.4323
	4920.28	5515.37	595.09	12.0946
Total	8829.07	9258.91	429.84	4.8684

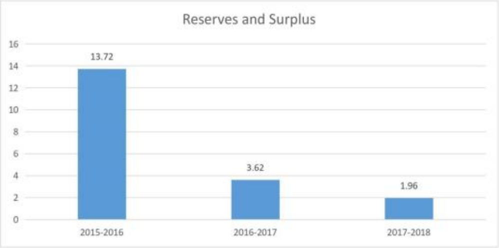
The above table of comparative analysis, is the correlation between two year annual report of 2017 and 2018, the investor funds has been expanded 1.79% from the earlier year (2017), for non-current liabilities has been diminished 6.62% from the earlier year (2017), for current liabilities has been expanded 17.01% from earlier year (2017), for non-current resources diminished 4.00% from earlier year (2017), for current resources has been expanded 4.86% from the earlier year (2017).

Table 4.4: Table showing fluctuation in reserves and surplus during the period

Year	Previous Year	Current Year	Net Increase/Decrease	Increase/Decrease In Percentage
2015-2016	2986.62	2576.75	409.87	13.72
2016-2017	2576.75	2483.28	93.47	3.62
2017-2018	2483.28	2532.13	48.85	1.96

While comparing the reserves and surplus of the company, it was found that the total reserves and surplus in the year 2016 was 2576.75 crores, in the year 2017, it was 2483.28 crores and in the year 2018, it was 2532.13 crores.

Graph 4.1: Graph showing fluctuation in reserves and surplus during the period



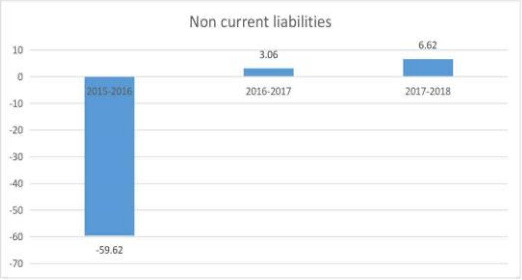
From the above graph we can compare the total reserves and surplus during 2016 there is increase of 409.87 crores i.e, 13.72% during 2017 there is a drastic decrease of 93.47 crores i.e, 3.6% and during 2018 also there is decrease of 48.85 crores i.e, 1.96%.

Table 4.5: Table showing the fluctuation of non-current liabilities during the period

Year	Previous Year	Current Year	Net Increase/Decrease	Increase/Decrease In Percentage
2015-2016	1824.09	2911.63	(1087.54)	(59.62)
2016-2017	2911.63	2822.51	89.12	3.06
2017-2018	2822.51	2635.41	187.1	6.62

While comparaing the non-current liabilities of the company it was found that the total non-current liabilities in the year 2016 it was 2911.63 crores, in the year 2017 it was 2822.51 crores and during the year 2018 it was 2635.41 crores.

Graph 4.2: Graph showing the fluctuation of non-current liabilities during the period



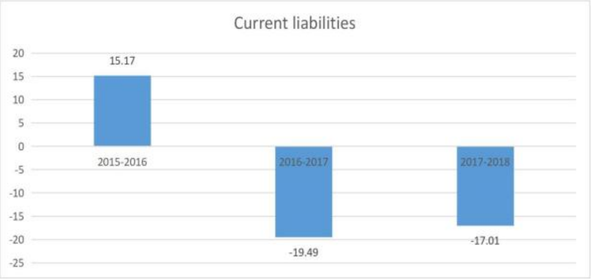
From the above graph we can compare and analyze the total non-current liabilities. This non-current liabilities includes long term borrowings other non-current liabilities and long term provisions. During 2016 there is a decrease of -1087.54 crores i.e,-59.62%, in 2017 there is an increase of 89.12 crores i.e, 3.06% and in 2018 there is again an increase of 187.1 crores i.e, 6.62%.

Table 4.6: Table showing the fluctuation in current liabilities during the period

Year	Previous Year	Current Year	Net Increase/Decrease	Increase/Decrease In Percentage
2015-2016	3294.79	2794.66	500.13	15.17
2016-2017	2794.66	3339.37	(544.71)	(19.49)
2017-2018	3339.37	3907.46	(568.09)	(17.01)

While comparing the current liabilities of the company, it was found that total current liabilities in the year 2016 was 2794.66 crores, in the year 2017 it was 3339.37 crores and during the year 2018 it was 3907.46 crores.

Graph 4.3: Graph showing the fluctuation in current liabilities during the period



From the above graph we can compare and analyze the the total current liabilities. During the year 2016 it has increased to 500.13 crores i.e, 15.17%, in the year 2017 it has decreased drastically to -544.71 crores i.e, -19.49% and in the year 2018 it has again decreased to -568.09 crores i.e,-17.01%.

Table 4.7: Table showing fluctuation in non-current assets during the period

Year	Previous Year	Current Year	Net Increase/Decrease	Increase/Decrease In Percentage
2015-2016	4491.11	4219.51	271.6	6.04
2016-2017	4219.51	3908.79	310.72	7.36
2017-2018	3908.79	3743.54	165.25	4.22

While comparing the non-current asset of the company it was found that the total non-current asset in the year 2016 was 4219.51 crores, in the year 2017 was 3908.79crores and in the year 2018 it was 3743.54 crores.

Graph 4.4: Graph showing fluctuation in non-current assets during the period

From the above graph we can compare and analyze the the total non-current asset. During the year 2016 was 271.6 crores i.e, 6.04%, in the year 2017 it was increased to 310.72 crores i.e, 7.32% and in the 2018 it again decreased to 165.25 crores i.e, 4.22%.

Table 4.8: Table showing fluctuation in current assets during the period

Year	Previous Year	Current Year	Net Increase/Decrease	Increase/Decrease In Percentage
2015-2016	3798.30	4247.45	(449.15)	(11.82)
2016-2017	4247.45	4920.28	(672.83)	(15.84)
2017-2018	4920.28	5515.37	(595.09)	(12.09)

While comparing the current asset of the company, it was found that the total current asset in the year 2016 was 4247.45 crores, in the year 2017 was 4920.28 crores and in the year 2018 it was 5515.37 crores.

Graph 4.5: Graph showing fluctuation in current assets during the period

From the above graph we can compare and analyze the the total current asset. All the three compared years have decreased. During the year 2016 it was -449.15 crores i.e,-11.82%, in the year 2017 it was -672.83 crores i.e,-15.84% and in the year 2018 it was -595.09 crores i.e,-12.09%.

Trend Analysis

Table 4.9: Table showing trend analysis for change in current assets

Year	Current Asset	Trend In (%)
2015	3798.3	100
2016	4247.45	111.82
2017	4920.28	129.54
2018	5515.37	145.21

Graph 4.6: Graph showing trend anlysis for change in current assets

Considering the above we can assume 2015 to be a base year with 100%. In the year 2016, we can close it shows an upward pattern with 111.82% when contrasted with base year. In 2017, there is a surge in current asset which is a basic for the issue on working capital as it showsan upward pattern contrasted with the base year. In 2018, there is a spout in current resources which is fundamental for meeting the working capital as there is an upward pattern with 145.21 contrasted with the base year.

Table 4.10: Table showng tend analysis for change in Non-current asset

	Non-Current Asset	Trend In (%)
2015	4491.11	100
2016	4219.51	93.95
2017	3908.79	87.03
2018	3743.5	83.33

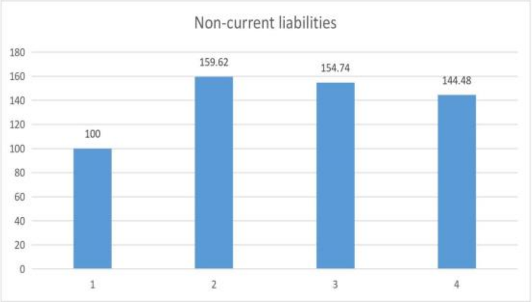
Graph 4.7: Graph showing trend analysis for change in Non-current assets

Considering the above we can assume 2015 to base year with 100%.In 2016, there is continues decrease in non-current assets which is terrible for the organization on the grounds that non-current assets refers to tangible capital, long term loans, etc, which is significant for the orgnizations to incorporate these sort of benefits. In the year 2017 there is a diminishing from base year 100% to 87.03% which shows the descending incling in the non-current assets. In 2017, additionally shows a descending pattern in the non-current assets.

Table 4.11: Table analysis for the change in Non-current liabilities

Year	Non-Current Liabilities	Trend In (%)
2015	1824.09	100
2016	2911.63	159.62
2017	2822.51	154.74
2018	2635.41	144.48

Graph 4.8: Graph showing trend analysis for the changein Non-current liabilities

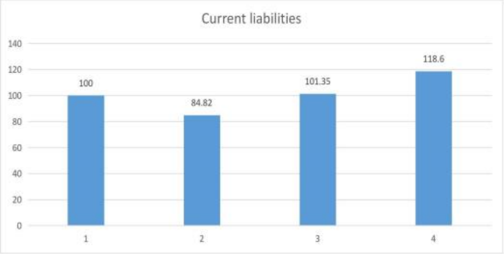


Considering the above we can assume 2015 to base year with 100% In the year 2016 there is an upward pattern contrasted with base year with 159.62% so there will be increment in liabilities, such as long term tax provision, long term borrowing, etc,. Same as for the situation in 2017 with an expansion of practically half than the base year with 154.74 which demonstrates in liabilities for the finacial year. In 2018, there is decline connected to the previous years in the pattern however never the less it is expanded contrasted with the base year.

Table 4.12: Table analysis of the current liabilities

Year	Current Liabilities	Trend In (%)
2015	3294.79	100
2016	2794.66	84.82
2017	3339.37	101.35
2018	3907.46	118.6

Graph 4.9: Graph showing trend analysis of the current liabilities



Considering the above we can assume 2015 to base year with 100%. In 2016 shows a descending pattern in the current liabilities which shows the positive development for the orgnization’s security. In the year 2017, there is an upward pattern in current liabilities which shows a negative development for the organization's soundness. In 2018, pattern is an abundant excess higher to the base year with 118.6% which shows the upward pattern in the graph and furthermore it alludes to the expansion in the liabilities from that of base year.

Table 4.13: Table analysis for the Equity and capital

Year	Equity and Capital	Trend In (%)
2015	3170.53	100
2016	2760.6	87.07
2017	2716.04	85.67
2018	2667.19	84.12

Graph 4.10: Graph showing trend analysis for equity and capital

Considering the above we can presume 2015 to base year with 100%. In 2016, decrease in share capital with 87.07% in 2017 and 2018 also there is decrease in share capital with 85.67 & 84.12.

DuPont Analysis

Table 4.14: Table showing DuPont analysis on return on equity for the year ending 31stmarch 2016

Net Income	(274.30)
Sales	2907.36
Total Assets	8466.96
Shareholders’ Equity	2760.66
Total Liability	5706.3
Net Profit Margin=Sales / Total Assets	
=(274.30)/2907.36 =(9.4)	

Total Assets Turnover= Sales / Total Assets
=2907.36 / 8466.96 =0.343
Total Liability And Equity=Total Liability + Shareholders Equity
=5706.3 + 2760.66 =8466.96
ROA=Net Profit Margin * Total Assets Turnover
=(9.4)*0.343 =(3.22)
Financial Leverage =Total Liability & Equity / Shareholders Equity
=8466.96 / 2760.66 =3.07
Roe=ROA * Financial Leverage
=(3.22) * 3.07 =(9.89)

The profit margin is negative with (9.4) because of lessening in deals, bringing about dcline of generaly speaking profits forvaue and influences the financial specialist's choices. The asset turnover is sure with 0.343 that demonstrates the skill with which an organization is sorting out its advantaes in making incomes. The financial leverage is certain with 3.07 wich will prompt consequently on value. The R.O.E. is negative (9.89) because of negative ROA that demonstrates the proficiency of the executives is utilizing its resources to produce incomes.

Table 4.15: Table showing DuPont analysis on return on equity for the year ending 31stmarch 2017

Net Income	(121.05)
Sales	3533.04
Total Assets	8829.07
Shareholders' Equity	2667.19
Total Liability	6161.88
Net Profit Margin=Sales / Total Assets	
=(121.05) / 3533.04 =(3.4)	
Total Assets Turnover=Sales / Total Assets	
=3533.04 / 8829.07 =0.400	
Total Liability And Equity=Total Liability + Shareholders Equity	
=6161.88 + 2667.19 =8829.07	
ROA=Net Profit Margin * Total Assets Turnover	

=(3.4) * 0.400 =(1.36)
Financial Leverage=Total Liability & Equity / Shareholders Equity
=8829.07 / 2667.19 =3.31
Roe=ROA * Financial Leverage
=(1.36) * 3.31 =(4.50)

The profit margin is negative with (3.4) because of decline in deals coming about of by and large profit for value The asset turnover is sure 0.400 that shows the proficiency, which organization producing income. The financial leverage is sure with 3.31 which will prompt increment consequently on value The R.O.E. is negative with (4.50) because of negative ROA that demonstrates the effectiveness of the board is utilizing advantages for producing profits.

Table 4.16: Table showing DuPont analysis on return on equity for the year ending 31stmarch 2018

Net Income	54.26
Sales	4172.08
Total Assets	9258.91
Shareholders' Equity	2716.04
Total Liability	6542.87
Net Profit Margin=Sales / Total Assets	
=54.26 / 4172.08 =1.3	
Total Assets Turnover=Sales / Total Assets	
=4172.08 / 9258.91 =0.450	
Total Liability And Equity=Total Liability + Shareholders Equity	
=6542.87 + 2716.04 =9258.91	
ROA=Net Profit Margin * Total Assets Turnover	
=1.3 * 0.450 =0.585	
Financial Leverage=Total Liability & Equity / Shareholders Equity	
=9258.91 / 2716.04 =3.41	
Roe=ROA * Financial Leverage	
=0.585 * 3.41 =1.99	

The profit margin is certain with 1.3 because of increment in deals and remarkable things, bringing about a slight increment of generally return on value. The asset turnover is certain with 0.450 that demonstrates the skill with which organization is arranging its assets in making incomes. Financial leverage is sure with3.41 which will prompt increment consequently on value The R.O.E. is sure with 1.99 because of positive ROA that shows the skill of the board is utilizing its advantages for making incomes

5.0 Findings, Suggestions & Conclusion

5.1 Findings

- In comparative declaration shareholder's advantages lessens in the time of 2015-16 & 2016-17 with 13.72% &3.38% and in the year 2017-18 growing with 1.80%.
- Non-current liabilities continually reducing in the year 2016-17 and 2017-18.
- Current liabilities reduce in the year 2015-16 with 15.17% and increase in the year of 2016-17 & 2017-18 with 19.49% and 17.01%.
- Current assets extended 15.84% stood out from other years.
- In incline assessment current assets continually growing with 100%, 111.82%, 129.54% and 145.21%.
- Non-current assets continually lessening with 100%, 93.95%, 87.03% & 83.33%.
- Non-current liabilities changes in float examination with 100%, 159.62%, 154.74% and 144.48%. Current liabilities lessen with 84.82% appear differently in relation to base year in 2015-16 &2016-17 extended with 101.35% & 118.6% stand out from base year.
- Equity and capital continually lessening with 87.07%, 85.67% and 84.12% appearing differently in relation to float assessment.
- In DuPont analysis the R.O.E. is sure in the year 2015, negative regards in the year 2016&2017 with4.50 & 9.89 and positive motivator in the year 2018.

5.2 Suggestions

- The organization should try to manufacture its contribution cost and reducing its expense of product sold. This will help in growing the advantage of the association.
- An increase in the organization advantages will assemble the appearance on hypothesis and benefit for esteem.

- An organization should endeavour to grow it's reasonably evaluated worth of significant worth offer in the stock exchange.
- The organization should have the ability to keep up adequate working capital and addition to over of the inventories or receivables.
- The organization should endeavour to manufacture its arrangements.

5.3 Conclusions:

Financial analysis gives the organization a broad information into the various degrees of zone of value and weakness of the association. The financial condition of the association is not incredibly commendable. The association should have the ability to construct its arrangements and advantages. This will help in getting an incredible position. The association by authentic utilization of advantage and by grasping upgrades developments it can add to unrivaled profitable position improvement of brimming with feeling exhibiting methods will empower the firm to get greater liberality we too can conclude that if the firm supervises resources effectively in future advantage of the association will be increased.

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Chapter - 12

A Study on "Whether Taxation is a Selling Tool for Life Insurance Company"

Dr. Senthilkumar Ranganathan
Professor-SOM, Presidency University,
Bangalore, Karnataka, India

Gagana V
Research Scholar, Presidency University,
Bangalore, Karnataka, India

Abstract

A duty — is not a willful installment or gift, but rather an implemented commitment, demanded by regulative power.

Charges are exacted by state run administrations on their residents to produce pay for undertaking activities to help the economy of the nation and to increase the expectation of living of its residents. The power of the public authority to impose charges in India is gotten from the Constitution of India, which dispenses the ability to collect expenses to the Focal and State legislatures. All assessments required inside India should be supported by a join regulation passed by the Parliament or the State Lawmaking body.

The installment of assessment is useful on different levels including the advancement of the country, improvement of framework, the upliftment of the general public, and in any event, for government assistance exercises for the country. In this study, we learn

- Why individuals buy disaster protection strategy?
- Is there any effect of Tax collection on deals of Life coverage Items?
- Why Disaster protection strategy means a lot to the client?
- What are different elements that decide request of life coverage items?
- Where the Extra security strategy is useful to us?
- What is the significance of Extra security strategy? Here we are using Systematic sampling method.

In the present cutthroat world, consumer loyalty has turned into a significant viewpoint to hold the clients, not exclusively to develop yet additionally to serve. Expanded rivalry, extensive variety of item contributions and numerous appropriation channels make organizations esteem fulfilled and exceptionally productive clients. Proper guidance must be provided to avoid any confusion to the policy holder. We learn furthermore about this in this study.

Keywords: Taxation, consumer, productive, regulative power.

Introduction

TAX

A tax — is not a voluntary payment or donation, but an enforced contribution, exacted bylegislative authority.

Taxes are levied by governments on their citizens to generate income for undertaking projects to boost the economy of the country and to raise the standard of living of its citizens. The authority of the government to levy taxes in India is derived from the Constitution of India, which allocates the power to levy taxes to the Central and State governments. All taxes levied within India need to be backed by an accompanying law passed by the Parliament or the State Legislature.

The payment of tax is beneficial on multiple levels including the development of the nation, betterment of infrastructure, the upliftment of the society, and even for welfare activities for the nation.

Types of Taxes

There are two main categories of taxes, which are further sub-divided into other categories. The two major categories are direct tax and indirect tax. There are also minor cess taxes that fall into different sub- categories. Within the Income Tax Act, there are different acts that govern these taxes.

1. Direct Tax

Direct tax is tax that are to be paid directly to the government by the individual or legal entity. Direct taxes are overlooked by the Central Board of Direct Taxes (CBDT). Direct taxes cannot be transferred to any other individual or legal entity.

The following are the sub-categories of direct taxes:

1. Income tax: This is the tax that is levied on the annual income or the profits which is directly paid to the government. Everyone who earns any kind of income is liable to pay income tax. For

individuals below 60 years of age, the tax exemption limit is Rs.2.5 lakh per annum. For individuals between the age of 60 and 80, the tax exemption limit is Rs.3 lakh. For individuals above the age of 80, the tax exemption limit is Rs.5 lakh. There are different tax slabs for different income amounts.

Apart from individuals, legal entities are also liable to pay taxes. These include all Artificial Judicial Persons, Hindu Undivided Family (HUF), Body of Individuals (BOI), Association of Persons (AOP), companies, local firms, and local authorities.

1. Capital gains: Capital gains tax is levied on the sale of a property or money received through an investment. It could be from either short-term or long-term capital gains from an investment. This includes all exchanges made in kind that is weighed against its value.
2. Securities transaction Tax: STT is levied on stock market and securities trading. The tax is levied on the price of the share as well as securities traded on the ISE (Indian Stock Exchange).
3. Prerequisite Tax: These are taxes that are levied on the different benefits and perks that are provided by a company to its employees. The purpose of the benefits and perks, whether it is official or personal, is to be defined.
4. Corporate tax**:** The income tax paid by a company is defined as the corporate tax. It is based on the different slabs that the revenue falls under.

2. Indirect tax

Taxes that are levied on services and products are called indirect tax. Indirect taxes are collected by the seller of the service or product. The tax is added to the price of the products and services. It increases the price of the product or service. There is only one indirect tax levied by the government currently. This is called GST or the Goods and Services Tax.

GST: This is a consumption tax that is levied on the supply of services and goods in India. Every step of the production process of any goods or value-added services is subject to the imposition of GST. It is supposed to be refunded to the parties that are involved in the production process (and not the final consumer).

GST resulted in the elimination of other kinds of taxes and charges such as Value Added Tax (VAT), octroi, customs duty, Central Value Added Tax

(CENVAT), as well as customs and excise taxes. The products or services that are not taxed under GST are electricity, alcoholic drinks, and petroleum products. These are taxed as per the previous tax regime by the individual state governments.

3. Other Taxes

Other taxes are minor revenue generators and are small cess taxes. The various sub-categories of other taxes are as follows:

- Property tax:
- Professional tax**.**
- Entertainment tax
- Registration fees, stamp duty, transfer tax
- Education tax
- Entry tax
- Road tax and toll tax

Benefits of Taxes

The purpose of taxes is to provide the government with funds for spending without inflation. Taxes are used by the government for a variety of purposes, some of which are:

- Funding of public infrastructure
- Development and welfare projects
- Defense expenditure
- Scientific research
- Public insurance
- Salaries of state and government employees
- Operation of the government
- Public transportation

Tax is levied on a wide range of income stemming from salary, profits from business, property rental, etc. There are also wealth taxes, sales taxes, property taxes, payroll taxes, value-added taxes, service taxes, etc.

Advantages of Paying Taxes

It is compulsory and beneficial for anyone who earns a taxable salary (which is one that exceeds the basic exemption limit) to file their income tax returns. This is the case even if the tax liability is zero after deductions.

However, even if your income is less than the basic exemption limit, there are advantages to filing taxes. Here are some of the benefits of paying your taxes on time:

- Loan approvals**:**
- Government tenders:
- Carrying forward of losses
- Claiming tax refunds:
- High-cover life insurance
- Compensation

Penalty for not Paying Taxes

The government can impose penalties of varying degrees on any individual or legal entity who evades taxes. The penalty is dependent on the category of the tax that has not been paid. This means that the amount that is owed as taxes should be paid and in addition to that, the fine as well as its interest is to be paid as the penalty.

Taxation – A Great tool for selling insurance

A Life Insurance policy is one of the most preferred investment avenues in India as it helps in tax planning. However, when you advise your clients to invest in a life insurance policy, don‘t measure it in terms of ―tax benefits‖; measure it in terms of ―life benefits‖ that it has to offer.

The life of your client is his greatest investment, and his family is the biggest asset for him. And when he invests in a life insurance policy, he ensures that his loved ones have a financially secured future. Hence, before you advise your clients to invest in anything, remember that we are investing in their lives.

Income Tax Benefit on Life Insurance - Section 80C and 10D

Life insurance is one of the primary and essential requirements of ensuring a financially balanced and comfortable life for your loved ones. The capital benefits that come with life insurance help your family build a safe and safeguarded future, even in your absence. Moreover, under Section 80C and 10D of the Income Tax Act, there are income tax benefits on life insurance. Under section 80C, premiums that you pay towards a life insurance policy qualify for a deduction up to ₹1.5 lakh, while Section 10(10D) makes income on maturity tax-free if the premium is not more than 10% of the sum assured or the sum assured is at least 10 times the premium. But if the sum assured is less than 10 times the premium - for instance you pay Rs.1 lakh as premium for a sum assured of Rs.5 lakh - you will get a deduction on the premium up to 10% of the sum assured. In the example, your deduction will be Rs.50,000 and not Rs.1 lakh. Also, in case of death, the sum assured that's paid to the nominee continues to be tax-free. But, on maturity, since the policy doesn't meet the qualifying criterion for income tax benefit, the income will be taxed at the marginal tax rate. As per Section 80C, the premium paid towards life insurance policies up to the maximum limit of Rs.1,50,000 is eligible for tax deduction and deductions are applicable if the amount of premium paid in a financial year is 20% of the sum assured amount of the policy. This is related only to the life insurance policies that have been issued before 31st March 2012. For policies which were issued after 1st April 2012, the tax deductions are applicable of the amount of premium paid in a financial year is 10% of the sum assured.

Under section 80C(5) if the insurance policy holder voluntarily surrenders his policy or in case the policy is terminated before 2 years from the date of commencement of policy, then the insured will not receive any benefits on the premium paid, offered under section 80C of Income Tax Act.

Under Section 10(10D) of Income Tax Act, 196, the sum assured amount plus bonus (if any) paid on surrender or maturity of the policy or in case of death of the insured in entirely tax-free for the receiver. Some of the important points of section 10(10D) of tax deductions are:

Any amount payable to the insured under life insurance policies is applicable for tax deduction. The amount payable can maturity benefits and death benefits, allocated sum by way of bonus, surrender value and the survival benefit. Section 10(10D) deduction is also applicable to gains and proceeds from a ULIP and the benefit on maturity proceeds is offered when the premium paid towards the policy is not more than 10% of the sum assured amount. Any maturity amount of life insurance policy or bonus amount received by the beneficiary of the policy in case of demise of the insured is totally exempted from tax deduction. In fact, in order to ensure compliance, if the maturity proceeds exceed Rs.1 lakh, then a tax deduction at source (TDS) will apply and the insurer will deduct 1% as TDS (Tax Deducted at Source) if the PAN of the policyholder is available.

Insurance Companies in India

1	Life Insurance Corporation of India	Govt.	Mumbai	1956
2	HDFC Standard Life Insurance Co. Ltd.	Private	Mumbai	2000
3	Max Life Insurance Co. Ltd.	Private	Delhi	2000
4	ICICI Prudential Life Insurance Co. Ltd.	Private	Mumbai	2000
5	Kotak Mahindra Life Insurance Co. Ltd.	Private	Mumbai	2001
6	Aditya Birla Sun Life Insurance Co. Ltd.	Private	Mumbai	2000
7	TATA AIG Life Insurance Co. Ltd.	Private	Mumbai	2001
8	SBI Life Insurance Co. Ltd.	Private	Mumbai	2001
9	Exide Life Insurance Co. Ltd.	Private	Bangalore	2001
10	Bajaj Allianz Life Insurance Co. Ltd.	Private	Pune	2001

What are the Frequently Asked Questions about Life Insurance Tax Benefits?

Getting the right kind of life insurance policy can make a huge difference in your life. You may not know much about the benefits, particularly the life insurance tax benefits and others at first. Therefore, you need to conduct thorough research about various features and the benefits of the life insurance policy before you purchase one. To help you choose a life insurance policy that best fits your financial needs, here is a list of frequently asked questions that people ask before buying a life insurance policy:

1. **Should I Only Consider Tax Benefits while Buying a Life Insurance Policy?**

Although you can avail of the life insurance tax benefits, these benefits should not be the only reason behind the purchase. Instead, you must consider different aspects of the plan, including the tenure of the life insurance policy you choose, the premium payable, policy inclusions and exclusions, and implications of premium default.

2. **How Much Income Tax Can I Save with my Life Insurance Policy Premium?**

The income tax benefit of a life insurance policy depends on different factors, including its type and the premium you pay for it. As per Section 80C, you can avail of a tax deduction for the life insurance premium, up to Rs. 1,50,000 in a year.

3. Will I Get Life Insurance Tax Benefits When It Matures?

The life insurance tax benefits are not limited to the premium you pay during its tenure. As per Section 10(10D), the maturity benefits of a life insurance policy are tax-exempt, provided the premium you pay every year does not exceed 10% (for policy issued after 31st Mar 2012) of the basic sum assured at any point in time during the tenure.

4. What Will Happen If I Stop Paying Life Insurance Premiums?

The continuation of a life insurance policy is vital to get the income tax benefits. It means that you cannot skip paying the premiums during the selected policy tenure to save income tax. In case you stop paying the premium of your life insurance policy, your policy is liable for discontinuation, which means you cannot avail of the income tax benefits of life insurance any further and your life insurance benefits may be affected

You can ensure uninterrupted payment of life insurance policy premium by choosing a suitable payment mode. You can either pay the premium either in one go or throughout the policy tenure, on a monthly or annual basis.

5. Should I Consider Tax Benefits to Choose the Sum Assured?

Ideally, you should select the sum assured of a life insurance policy based on your financial needs. The sum assured determines the premium you need to pay, which in turn makes you eligible to get the life insurance tax benefits. In other words, the higher the premium, the higher the tax deduction you can avail under the Income Tax Act.

6. What Will Happen If I forget to Pay Life Insurance Policy Premium on Time?

If the premium of your life insurance policy is paid annually and it falls overdue, you get a grace period of up to 30 days (15 days if premium is paid every month). Paying the premium during this period will not risk any of the insurance benefits, including the income tax benefits of life insurance. However, if you fail to pay the premium beyond the grace period, your life insurance policy may become defunct, and you may lose out on the various benefits.

7. **What are the Tax Benefits of Buying Unit Linked Insurance Plan?**

Unit Linked Insurance Plans or ULIPs are one of the most popular types of life insurance policy that offer long-term financial security along with tax benefits. For ULIPs, you get the income tax benefits of life insurance only if you continue paying the premium for at least five years.

If you choose to discontinue the ULIP plan before five years, you are not entitled to claim the income tax deduction in the previous year. Also, the deduction you have already claimed in the preceding years will be considered as your income for the year you terminate the policy.

With the recent amendment in Budget 2021 All ULIP policies issued on or after 1st Feb 2021, with the amount of premium payable in any fiscal year during the policy tenure exceeding Rs. 2,50,000 in respect or more than one ULIP will not be eligible for tax exemption.

However, the amount received on death shall remain exempt without any limit on the annual premium.

Literature Review

1. **Why should one invest in a life insurance product? An empirical study, Dr. Ganesh Dash, Tulika Sood, Researchers World-Journal of Arts, Science & Commerce**

   - E-ISSN 2229-4686
   - ISSN 2231-4172, International Refereed, Vol.–IV, Issue–1(1), January 2013 [36]

Life insurance as a product is always one of the toughest to sell. Though one can argue about its benefits in the long term, in this modern materialistic world, customers are getting very cautious about their investments and the returns out of it. In this study, an attempt was made to make the customers aware of various aspects of a life insurance product and their respective opinions regarding the policy. Various demographic characteristics of the policy holders e.g., Age, gender, income, education, occupation etc. and their impact on the customers ‘perceptions regarding the product were explored. The various aspects involved in a life insurance product per their importance to the policy holders can be outlined as:

A tax saving plan; a saving scheme with good return; financial security for the family; Risk coverage; Save for green patch (Pension), to cover the risk of living too long; and, to make black money in to white.

2. **Taxation and economic growth eric Engen & Jonathan skinner, national tax journal, vol-49, no.4, June 2001**

Tax reforms are sometimes touted as having strong macroeconomic growth effects. Using three approaches, we consider the impact of a major tax reform—a 5 percentage point cut in marginal tax rates—on long-term growth rates. The first approach is to examine the historical record of the U.S. economy to evaluate whether tax cuts have been associated with economic growth. The second is to consider the evidence on taxation and growth for a large sample of countries. And finally, we use evidence from microlevel studies of labor supply, investment demand, and productivity growth. Our results suggest modest effects, on the order of 0.2 to 0.3 percentage point differences in growth rates in response to a major tax reform. Nevertheless, even such small effects can have a large cumulative impact on living standard this project was undertaken to examine the following aspects: Extent of life insurance coverage, awareness, attitudes and beliefs of people on life insurance, perceptions, sense of identification of employees with Life Insurance Company. He concluded that LIC is a better avenue of investment than bank deposits. LIC products are sold easily among the consumers on account of its.

3. **The Insurance Institute of India prepared a Project Report on "Marketing of Life Insurance"**

This project was undertaken to examine the following aspects: Extent of life insurance coverage, awareness, attitudes and beliefs of people on life insurance, perceptions, sense of identification of employees with Life Insurance Company. He concluded that LIC is a better avenue of investment than bank deposits. LIC products are sold easily among the consumers on account of its.

4. **The National Council of Applied Economic Research, New Delhi conductedtwo surveys in 1988 and 1989. On ― Appraisal of Quality Service Inservice Organizations‖ and ― Quality Services in Life Insurance Company respectively. These two studies were sponsored by the Life Insurance Company. The policyholders 'general feeling is that the demand notice must be sent in time. Some policyholders rated the qualityof services was excellent. Hence, by providing prompt services, the customer relationship is maintained for a long period of time.**

5. **An analysis of the growth of life insurance Corporation of India (lic), Prabhakaran, J.M. Velmurugan, Volume 2, Issue 5ISSN: 2249-0558.**

The history of the Indian insurance sector dates to 1818, when the Oriental Life Insurance Company was formed in Kolkata. A new era began in the India insurance sector, with the passing of the Life Insurance Act of 1912. The Indian Insurance Companies Act was passed in 1928. This act empowered the government of India to gather necessary information about the life insurance and non-life insurance organizations operating in the Indian financial markets. This paper analysis the performance of LIC of India in terms of number of polices issued, first year premium collected and the profit before tax earned.

6. A Research Article entitled "Housing Loan Frauds in Banks: SomePrecautionary, Measures" by Phogat M. (2006).

This article gives the measures for the housing loan frauds in banks. The author concluded that housing for all envisaged 2 million houses every year out of which0.7million are in the urban sector. Government provided certain relief under Income TaxAct. It motivated many people to avail housing loan. The author thinks that different frauds committed on various banks can be divided into the following two categories. i.e., Pre sanction and Post Sanction. KYC related due weakness inpre inspection, Benaim/c, forged title deeds, by selling same flat to different people, inflated salary certificate, filing of IT return for the last three years in one lot and particularly by paying a nominal amount of tax, valuation of the property is manipulated to manage margin money are post sanction fraud.

7. A Study on Factors Affecting Customers Investment towards Life Insurance Policies Ms. Babita Yadav; Dr. Anshuja Tiwari

Athma. P and Kumar. R (2007) in the research paper titled "an explorative study of life insurance purchase decision making: influence of product and non-product factors". The empirical based study conducted on 200 sample size comprising of both rural and urban market. The various product and non-product related factors have been identified and their impact on life insurance purchase decision-making has been analyzed. Based on the survey analysis; urban market is more influenced with product-based factors like risk coverage, tax benefits, return etc. Whereas rural population is influenced with non-product related factors such as: credibility of agent, company's reputation, trust, customer services. Company goodwill and money back guarantee attracts many people for life insurance. Girish Kumar and eldhose (2008), published in insurance chronicle monthly magazine august 2008 in their paper titled "customer perception on life insurance services: a comparative study of public and private sectors", well explained the importance of quality services and its significance in raising customer satisfaction level. A comparative study of public and private sectors helps in understanding the customer perception, satisfaction and awareness on various life insurance services. Jayakar (2003) in his study emphasized that new products innovation; distribution and better use of technology are helping the new private life insurers to take market share away from lic, an only company before liberalization of insurance industry. With the privatization of insurance sector and with the entrance and cut throat competition with the private sectors gaining an ever-increasing edge over the public sector.

8. A Research Article entitled "Housing Finance in India – A Case Study ofLIC Housing Finance Limited" by Singh Fulbag et.al. (2006).

In this paper, the authors have studied the housing finance in India. Housing, alone of the three basic needs of life, always remains on the top priority of any person, Economy, government and society at large. In India, majority of the population lives in slums and shabby shelters in rural areas. From the last decade, the Government of India has been continuously trying to strengthen the housing sector by introducing various housing loan schemes for rural and urban population. The first attempt in this regard was the National Housing Policy (NHP), which was introduced in 1988. The National Housing Bank (NHB) was set up in 1988 as an apex institution for housing finance and a wholly owned subsidiary of Reserve Bank of India (RBI). The main objective of the banks to promote and establish the housing financial institutions in the country as well as to provide refinance facilities to housing finance corporations and scheduled commercial banks. Moreover, for the salaried section, the tax rebates on housing loans have been introduced. The paper is based on the case study of LIC Housing Finance Ltd., which analyzes region-wise disbursements of individual house loans their portfolio amounts and the defaults for the last ten years, i.e., from 1995-96 to 2004-05 by working out relevant ratios in terms of percentageand the compound annual growth rates.

9. A Research Article entitled "Housing Loan Frauds: Are they Avoidable?" by Padhi, Manohar (2007).

This article addressed the key issues of housing loan frauds. Aggressive growth in housing finance by the banks is for the reasons of Tax incentives on repayment of principal and interest, rising income level of the middle class, affordable interest rate, completion amongst banks and housing finance institutions, low returns on other investments, low incidence of NPA, and housing as priority sector lending for banks. Housing loans as a percentage of GDP, is 57% in UK, 54% in USA and it is only 2.5% in India. It shows vast scope for housing loans in India. Increased focus of banks in housing finance is also not free from fraud. Fraud is one of the reasons for turning the housing loan account to NPA. The main reason for housing loan turning NPA are loss of job, closure of the factory/company, illness of the borrower, dispute between builder and borrower, over- finance to the borrower, agents approach the bank for section of housing loans in bunches, sections of loan on fabricated documents without proper verification (Benami A/C, submission of fake title deeds of immovable property, colored Xerox copy of the title deed, subject of fake income certificate etc.)

10. The impact of state taxation on life insurance company growth- william c.

Wheaton

Reviewing the state taxation of life insurance companies, several states are found to "penalize" the location of corporate headquarters in those states. Most of insurance company value added is created at the headquarters site, however, and the relocation of such sites is very difficult. Thus, the effect of such tax differentials may show up more immediately in company growth. A pooled cross-section, time series analysis of the largest 100 insurance companies suggests that taxes did play a significant role in explaining company growth over the 1966-81 period.

11. Consumer Perception Regarding Life Insurance Policies: A

Factor Analytical Approach- Sandeep Chaudhary, Jasneet kaur Saho et al. (2009); conducted a survey on 150 respondents to determine the attributes affecting buying behavior of consumers, investment pattern in life insurance services and compare the differences in consumer perception of male and female consumers. In their study they found that there 6 factors which affect the buying behavior while purchasing life insurance policies namely consumer loyalty, service quality, ease of procedures, satisfaction level, company image and company client relationship. There is no difference between the perception of male and female preferences.

- Manuel (2013); he conducted the study to understand the Consumer Perception about life insurance policies in Kottayam City. For this study the researcher used exploratory research design. This research was restricted to the consumers of Kottayam city. The sample which was taken was of 50 respondents belonging to various age groups. The survey was conducted to find out the attributes which affect decision making of consumers of life insurance policies which are return on investment, company reputation, premium outflow, service quality and product quality. The majority of respondents belong to age group of 19-28 years, male consumers capture 74% of the market, dominant income group was 5001- 10000 and LIC had the major stake.

- Yadav and Tiwari (2012); the study area is limited to Jabalpur district, of Madhya Pradesh and sample size of 150 policyholders is taken and the sample have been selected through a stratified and purposive sampling method. The study has been conducted to find out factors influencing customer investment decision, impact of various demographic factors, preferences of customers while taking the decision, and ranking of factors responsible for the selection life insurance as an investment option. The study was conducted on 150 respondents. in their study on factors affecting customer investment in life insurance policies and found that age, gender, income level. Out of 150 samples 54.6% of policy holders have invested in LIC followed by SBI life insurance amongst private players. The features that policyholders consider while making a purchase can be ranked as follows: company reputation, money back guarantee, risk coverage, low premium and easy access to agents as 1st, 2nd, 3rd, 4th and 5th respectively. Thus, it could be concluded that goodwill of the company is the most influencing factor while policy buying decision. It was found that majority of respondents preferred money back policy. While studying the reason for purchase of insurance policy was most (54.6%) of the respondents have opted for LIC policies because of safety and rest of the respondent's opted for private players for higher returns. The study area is limited to Jabalpur district, of Madhya Pradesh and sample size is 150 policyholders of LIC and different private life insurers have been selected through a stratified and purposive sampling method.

12. Do People Choose Life Insurance for Protection or for Saving? - Rajat Deb, Kanchan Kumar, Mukesh Nepal

The present study has attempted to assay the research question of whether people enroll in the LI plans for protecting their economic lives or merely as a saving avenue. For executing the study, it has adopted a cross-sectional research design and applying survey strategy primary data has been gathered from two towns of Tripura which the has painted significant results. It has indicated selective variables have significantly influenced LI enrolment decisions, but the respondents probably have been preferring LI schemes as a saving avenue for yielding satisficing returns, to enjoy attached tax incentives, and even as an emergency fund since the schemes have pre-mature surrender facilities. Such traditional mindset has raised a serious question about the objectives of LI schemes that is, whether these are saving instruments, or a protection tool and the current study has indicated that LI has probably been preferred as a saving tool rather as a protection mechanism.

13. How to Surrender and Close Your LIC Unit Linked Life Insurance Policy (ULIP)? By Vinaya HS on January 1, 2011.

It all started over three ULIP as a tax-saving tool. The premium was Rs. 30,000per year for 20 years for a basic life insurance cover of Rs. 300,000 with anadditional accident cover of Rs. 300,000! Since two premiums had already been paid and the policy was way under water, I advised her that there was no choicebut to pay the third premium and wait for the third-year to get over before wecould surrender the policy and hope to get something back. Once the third-yearwas up (in June, 2010) and the policy became surrender-able, we tracked it'ssurrender value (= NAV x Number of Units Allotted) quite frequently. Our Rs. 90,000 invested was even down to Rs. 70,000 at one point. Luckily, our capitalmarkets went up and we managed to surrender the policy at a Small profit.

Thought I‘d share the procedure on how to surrender and close your LIC ULIP. Here‘s what you need to do. Years ago (even before I met D) when an insurance agent sold LIC‘s Money Plus.

14. A Study on the Role of LIC towards Corporate Social Responsibility, Ms.BabitaYadav ** Dr. VarshaRokade.

Corporate Social Responsibility (CSR) refers to the obligations and duties of business to the society. Now a days there has been growing acceptance of theview that business should be socially responsible to all the stakeholders' says shareholders, employees, consumers, government, suppliers and society. CSR, if implemented in true sense, helps in enhancing the quality of stakeholders andthe society at large. This paper is the outcome of descriptive study conductedwith the purpose to assess the various CSR initiatives undertaken by LIC such as Janashree BimaYojana Swarna Jayanti Gram Swarojgar Yojana, etc., to uplift the unprivileged section of the society and also made an attempt to study the effect of CSR on life insurance business of LIC and on its various stakeholders.

15. Why should one Invest in Life Insurance Product? By *Dr. Ganesh Dash*, Assistant Professor, SBM (SIILAS Campus), Jaipur National University, Jaipur, India.

Life insurance as a product is always one of the toughest to sell. Though one can argue about its benefits in the long term, in this modern materialistic world, customers are getting very cautious about their investments and the returns out of it. In this study, an attempt was made to make the customers aware of various aspects of a life insurance product and their respective opinions regarding the policy. Various demographic characteristics of the policy holders e.g., age, gender, income, education, occupation etc. and their impact on the customers 'perceptions regarding the product were explored. The various aspects involved in a life insurance product as per their importance to the policy holders can be outlined as: A tax saving plan; a saving scheme with good return; financial security for the family; Risk coverage; save for green patch.

16. Insurance policy plus Service (p) LTD. V. Life Insurance Corporation of India: Can Life Insurance Policies be traded? BY Debosmita Nandy & Avisha Gupta.

Beginning with an analysis of the 2007 Mumbai High Court ruling in Insure Policy Plus Services (P) Ltd. v. Life Insurance Corporation of India, this paper goes onto discuss its implications in the Indian scenario. The authors also elucidate on the economic benefits and legality of assigning life insurance policies to third parties without an insurable interest in the life of the policyholder. The paper also goes on to examine life insurance policy trading in the secondary market, as prevalent in the West, where it is a flourishing business and tries to ascertain whether India will be receptive to the same.

Research methodology

Research design refers to the framework of market research methods and techniques that are chosen by a researcher. The design that is chosen by the researchers allow them to utilise the methods that are suitable for the study and to set up their studies successfully in the future as well.

The design of research can be either qualitative, quantitative, or mixed

Under these research designs, researchers can choose between different types of research methods Research designs also include the elements of data collection, measurement of data with the respective tools, and the analysis of the data. As a rule of thumb, the research problem a company chooses to work on is the determining factor of the research design chosen by the researcher instead of the other way round. The market research study's design phase is the time when the researchers determine the tools to be used in the study and the way they are used. Good research usually ensures minimum levels of bias in the data collection method to improve both the internal and the external validity of the research. The desired outcome of experimental research is to have a design that will result in the least amount of error in the study.

Research Methodology

A research methodology encompasses the way in which you intend to carry out your research. This includes how you plan to tackle things like collection methods, statistical analysis, participant observations, and more.

You can think of your research methodology as being a formula. One part will be how you plan on putting your research into practice and another will be why you feel this is the best way to approach it. Your research methodology is ultimately a methodological and systematic plan to resolve your research problem.

There are three different types of methodologies

Data	What is it?	Methodology
Qualitative	Qualitative research is a process of collecting and analysing both words and textual data. This form of research methodology is sometimes used where the aim and objective of the Research are exploratory.	Observations, interviews, focus groups. Exploratory research might be used where you are trying to understand human actions i.e., for a study in the sociology or psychology field.
Quantitative	This methodology focuses more on measuring and testing numerical data. What is the aim of quantitative research? When using this form of research, your objective will usually be to Confirm something.	Surveys, tests, existing databases. For example, you may use this type of methodology if you are looking to test a set of hypotheses.
Mixed method	A mixed-method approach combines both above approaches. The quantitative approach will provide you with some definitive facts and figures, whereas the qualitative methodology will provide your research with an Interesting human aspect.	Where you can use a mixed method of research, this can produce some incredibly interesting results. This is due to testing in a way that provides data that is both proven to be exact while also being exploratory at the same time.

Sources of Data

There are two types of sources of data are used: -

1. Primary data
2. Secondary data

Primary data

The data which is Raw, original, and extracted directly from the official sources is known as primary data. This type of data is collected directly by performing techniques such as questionnaires, interviews, and surveys. The data collected must be according to the demand and requirements of the target audience on which analysis is performed otherwise it would be a burden in the data processing.

Few Methods of Collecting Primary Data

1. Interview Method

The data collected during this process is through interviewing the target audience by a person called interviewer and the person who answers the interview is known as the interviewee. Some basic business or product related questions are asked and noted down in the form of notes, audio, or video and this data is stored for processing. These can be both structured and unstructured like personal interviews or formal interviews through telephone, face to face, email, etc.

2. Survey Method

The survey method is the process of research where a list of relevant questions are asked and answers are noted down in the form of text, audio, or video. The survey method can be obtained in both online and offline mode like through website forms and email. Then that survey answers are stored for analysing data. Examples are online surveys or surveys through social media polls.

3. Observation Method:

The observation method is a method of data collection in which the researcher keenly observes the behaviour and practices of the target audience using some data collecting tool and stores the observed data in the form of text, audio, video, or any raw formats. In this method, the data is collected directly by posting a few questions on the participants. For example, observing a group of customers and their behaviour towards the products. The data obtained will be sent for processing.

4. Experimental Method

The experimental method is the process of collecting data through performing experiments, research, and investigation. The most frequently used experiment methods are CRD, RBD, LSD, and FD.

- **CRD- Completely Randomized design** is a simple experimental design used in data analytics which is based on randomization and replication. It is mostly used for comparing the experiments.
- **RBD- Randomized Block Design** is an experimental design in which the experiment is divided into small units called blocks. Random experiments are performed on each of the blocks and results are drawn using a technique known as analysis of variance (ANOVA). RBD was originated from the agriculture sector.
- **LSD – Latin Square Design** is an experimental design that is similar to CRD and RBD blocks but contains rows and columns. It is an arrangement of NxN squares with an equal number of rows and columns which contain letters that occurs only once in a row. Hence the differences can be easily found with fewer errors in the experiment. Sudoku puzzle is an example of a Latin square design.
- **FD- Factorial design** is an experimental design where each experiment has two factors each with possible values and on performing trail other combinational factors are derived.

Secondary Data

Secondary data is the data which has already been collected and reused again for some valid purpose. This type of data is previously recorded from primary data and it has two types of sources named internal source and external source.

Internal Source

These types of data can easily be found within the organization such as market record, a sales record, transactions, customer data, accounting resources, etc. The cost and time consumption is less in obtaining internal sources.

External Source

The data which can't be found at internal organizations and can be gained through external third-party resources is external source data. The cost and time consumption are more because this contains a huge amount of data. Examples of external sources are Government publications, news publications, Registrar General of India, planning commission, international labour bureau, syndicate services, and other non- governmental publications.

Other Sources

- **Sensor's data:** With the advancement of IoT devices, the sensors of these devices collect data which can be used for sensor data analytics to track the performance and usage of products.
- **Satellites data:** Satellites collect a lot of images and data in terabytes on daily basis through surveillance cameras which can be used to collect useful information.
- **Web traffic:** Due to fast and cheap internet facilities many formats of data which is uploaded by users on different platforms can be predicted and collected with their permission for data analysis. The search engines also provide their data through keywords and queries searched mostly.

Statement of the Problem

"Whether taxation is a selling tool for life insurance products in India?"

Objectives of the Study

- Why people purchase life insurance policy?
- Is there any impact of Taxation on sales of Life Insurance Products?
- Why Life Insurance policy is important to the customer?
- What are the other factors that determine demand of life insurance products?
- Where the Life Insurance policy is helpful to us?
- What is the importance of Life Insurance policy?

Scope of the Study

The scope is going to tell a person exactly what is being discussed in the project. It will provide parameters for what will be talked about and what will not be talked about. This is where some of the limitations come in since one must eliminate what is not part of the "scope" of the project. It should be an elaborate section that fulfills every question one might have in what the paper will discuss.

- Consumers 'satisfaction is the major focus of any marketer whether marketing products or intangible services.

- Life insurance, as a service and intangible in nature could be sold, only if the buyers are satisfied with the service.
- Life Insurance is an important part of an individual 's investment portfolio, not necessarily to accumulate wealth, but to feel financially
- By understanding the level of consumer's satisfaction, the marketer can take measures, to retain the existing ones and to secure fresh customers, hence this study in detail way, to find out the extent of satisfaction of policyholders of Life Insurance Corporation.
- Life Insurance is an important part of an individual's investment portfolio, not necessarily to accumulate wealth, but to feel financially secure.
- Always remember Life Insurance is primarily made keeping your family and those who are dependent on you in mind.
- Helpful in finding out the best reason for selling of Life insurance products.

Sampling Design

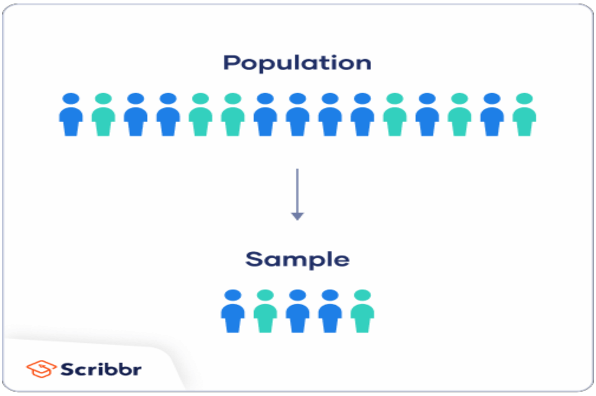
- **Probability sampling** involves random selection, allowing you to make strong statistical inferences about the whole group.
- **Non-probability sampling** involves non-random selection based on convenience or other criteria, allowing you to easily collect data.

Sample

Sampling is ―the act, process, or technique of selecting a suitable sample, or a representative part of a population for the purpose of determining parameters or characteristics of the whole population‖

We have taken Sample of research as 200 Population vs sample

First, you need to understand the difference between a population and a sample and identify the target population of your research.



- The population is the entire group that you want to draw conclusions about.
- The sample is the specific group of individuals that you will collect data from.

The population can be defined in terms of geographical location, age, income, and many other characteristics.

It can be very broad or quite narrow: maybe you want to make inferences about the whole adult population of your country; maybe your research focuses on customers of a certain company, patients with a specific health condition, or students in a single school.

It is important to carefully define your target population according to the purpose and practicalities of your project.

If the population is very large, demographically mixed, and geographically dispersed, it might be difficult to gain access to a representative sample.

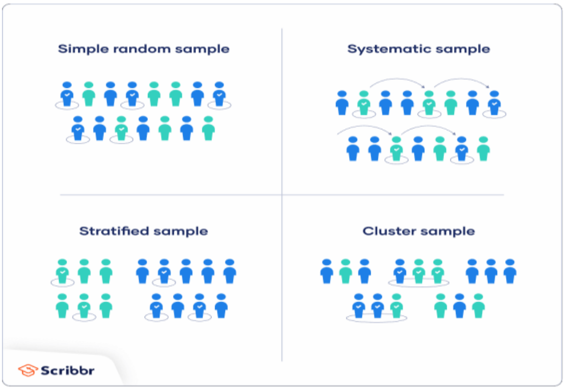
Sample Size

The number of individuals you should include in your sample depends on various factors, including the size and variability of the population and your research design. There are different sample size calculators and formulas depending on what you want to achieve with statistical analysis.

Probability Sampling Methods

Probability sampling means that every member of the population has a chance of being selected. It is mainly used in quantitative research. If you want to produce results that are representative of the whole population, probability sampling techniques are the most valid choice.

There are Four Main Types of Probability Sample.



1. Simple Random Sampling

In a simple random sample, every member of the population has an equal chance of being selected. Your sampling frame should include the whole population.

To conduct this type of sampling, you can use tools like random number generators or other techniques that are based entirely on chance.

Example

You want to select a simple random sample of 100 employees of Company X. You assign a number to every employee in the company database from 1 to 1000 and use a random number generator to select 100 numbers.

2. Systematic Sampling

Systematic sampling is like simple random sampling, but it is usually slightly easier to conduct. Every member of the population is listed with a number, but instead of randomly generating numbers, individuals are chosen at regular intervals.

Example

All employees of the company are listed in alphabetical order. From the first 10 numbers, you randomly select a starting point: number 6. From number 6 onwards, every 10th person on the list is selected (6, 16, 26, 36, and so on), and you end up with a sample of 100 people.

If you use this technique, it is important to make sure that there is no hidden pattern in the list that might skew the sample. For example, if the HR database group's employees by team, and team members are listed in order of seniority, there is a risk that your interval might skip over people in junior roles, resulting in a sample that is skewed towards senior employees.

3. Stratified Sampling

Stratified sampling involves dividing the population into subpopulations that may differ in important ways. It allows you draw more precise conclusions by ensuring that every subgroup is properly represented in the sample.

To use this sampling method, you divide the population into subgroups (called strata) based on the relevant characteristic (e.g., gender, age range, income bracket, job role).

Based on the overall proportions of the population, you calculate how many people should be sampled from each subgroup. Then you use random or systematic sampling to select a sample from each subgroup.

Example

The company has 800 female employees and 200 male employees. You want to ensure that the sample reflects the gender balance of the company, so you sort the population into two strata based on gender. Then you use random sampling on each group, selecting 80 women and 20 men, which gives you a representative sample of 100 people.

4. Cluster Sampling

Cluster sampling also involves dividing the population into subgroups, but each subgroup should have similar characteristics to the whole sample. Instead of sampling individuals from each subgroup, you randomly select entire subgroups.

If it is practically possible, you might include every individual from each sampled cluster. If the clusters themselves are large, you can also sample individuals from within each cluster using one of the techniques above. This is called multistage sampling.

This method is good for dealing with large and dispersed populations, but there is more risk of error in the sample, as there could be substantial differences between clusters. It’s difficult to guarantee that the sampled clusters are really representative of the whole population.

Example

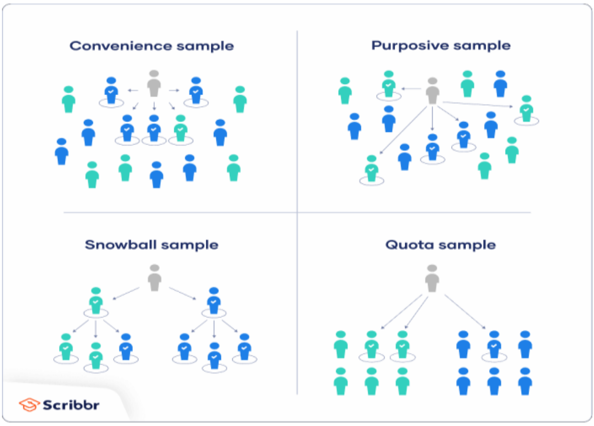
The company has offices in 10 cities across the country (all with roughly the same number of employees in similar roles). You don’t have the capacity to travel to every office to collect your data, so you use random sampling to select 3 offices – these are your clusters.

Non-Probability Sampling Methods

In a non-probability sample, individuals are selected based on non-random criteria, and not every individual has a chance of being included.

This type of sample is easier and cheaper to access, but it has a higher risk of sampling bias. That means the inferences you can make about the population are weaker than with probability samples, and your conclusions may be more limited. If you use a non-probability sample, you should still aim to make it as representative of the population as possible.

Non-probability sampling techniques are often used in exploratory and qualitative research. In these types of research, the aim is not to test a hypothesis about a broad population, but to develop an initial understanding of a small or under- researched population.



1. Convenience Sampling

A convenience sample simply includes the individuals who happen to be most accessible to the researcher.

This is an easy and inexpensive way to gather initial data, but there is no way to tell if the sample is representative of the population, so it can't produce generalizable results.

Example

You are researching opinions about student support services in your university, so after each of your classes, you ask your fellow students to complete a survey on the topic. This is a convenient way to gather data, but as you only surveyed students taking the same classes as you at the same level, the sample is not representative of all the students at your university.

2. Voluntary Response Sampling

Like a convenience sample, a voluntary response sample is mainly based on ease of access. Instead of the researcher choosing participants and directly contacting them, people volunteer themselves (e.g. by responding to a public online survey).

Voluntary response samples are always at least somewhat biased, as some people will inherently be more likely to volunteer than others.

Example

You send out the survey to all students at your university and a lot of students decide to complete it. This can certainly give you some insight into the topic, but the people who responded are more likely to be those who have strong opinions about the student support services, so you can't be sure that their opinions are representative of all students.

3. Purposive Sampling

This type of sampling, also known as judgement sampling, involves the researcher using their expertise to select a sample that is most useful to the purposes of the research.

It is often used in qualitative research, where the researcher wants to gain detailed knowledge about a specific phenomenon rather than make statistical inferences, or where the population is very small and specific. An effective purposive sample must have clear criteria and rationale for inclusion.

Example

You want to know more about the opinions and experiences of disabled students at your university, so you purposefully select a number of students with different support needs in order to gather a varied range of data on their experiences with student services.

4. Snowball Sampling

If the population is hard to access, snowball sampling can be used to recruit participants via other participants. The number of people you have access to "snowballs" as you get in contact with more people.

Example

You are researching experiences of homelessness in your city. Since there is no list of all homeless people in the city, probability sampling isn't possible. You meet one person who agrees to participate in the research, and she puts you in contact with other homeless people that she knows in the area.

Here we are using Systematic sampling method

Data Collection Method

Here are the top six data collection methods:

1. Interviews
2. Questionnaires and surveys
3. Observations
4. Documents and records
5. Focus groups
6. Oral histories

Here in this Study Questionnaires are used to collect the Data

Limitation the of Study

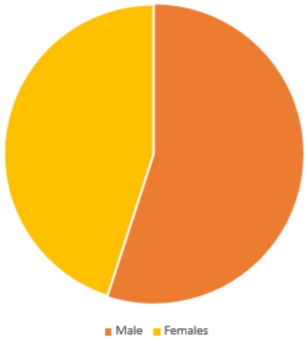
Population size is limited so sufficient information is not acquired. The Cons of a Life Insurance chosen carefully is almost negligible. People have little clue and don't compare life insurance products even from the Period of study is too short, and it is a major limitation. Some of the respondents were hesitated to express their opinion.

Data Analysis and Interpretation

It is the process of assigning meaning to the collected information and determining the conclusions, significance, and implications of the findings. The steps involved in data analysis are a function of the type of information collected, however, returning to the purpose of the assessment and the assessment questions will provide a structure for the organization of the data and a focus for the analysis.

Table 4.1: Showing the gender of the respondents.

Male	Female	Total
110	90	200

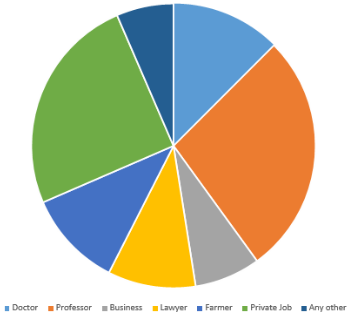


Interpretation

There are 110 Male respondents and 90 Female respondents Out of 200 Respondents.

Table 4.2: Showing the Occupation of the respondents.

Occupation	Responded
Doctor	25
Professor	55
Business	15
Lawyer	20
Farmer	22
Private job	50
Any other	13
Total •	200

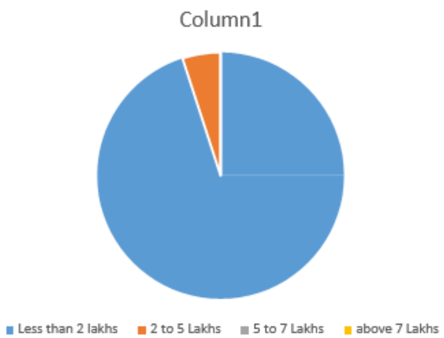


Interpretation

There are many choices professor and rest of the the professor point of VI

Table 4.3: Table showing the Monthly Earning of the respondents.

Monthly Earning	Responded
Less than 2 lakhs	190
2 to 5 Lakhs	10
5 to 7 Lakhs	0
Above 7 Lakhs	0
Total	200

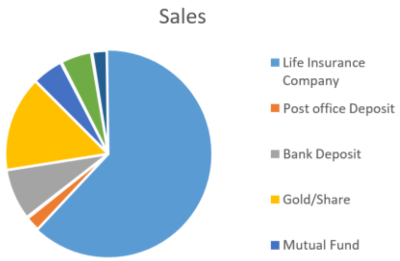


Interpretation

More respondent's monthly income is less than 2 lakhs and some of the Respondents are 2 to 5 lakhs.

Table 4.4: Showing where do respondents invest their savings

Option for Savings	Responded
Life Insurance Company	124
Post office Deposit	5
Bank Deposit	16
Gold/Share	30
Mutual Fund	10
Real Estate	10
Any other	5
Total	200

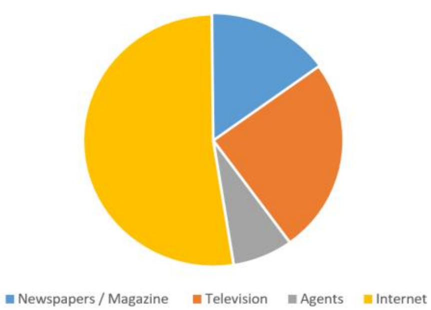


Interpretation

In the graph many options for saving in different departments. More people believe in life insurance policy. So, they were preferring to invest in the life insurance company. 124 respondents are preferring to invest in life Insurance company and other customers invest in their savings in other alt.

Table 4.5: Showing from which source respondents come to know about Life Insurance

Sources of Information	Responded
Newspapers / Magazine	30
Television	50
Agents	15
Internet	105
Total	200

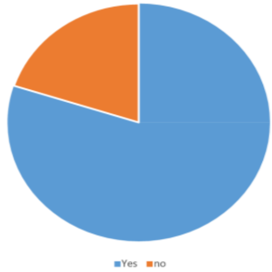


Interpretation

Today many choices of information but more popular source of information is internet. So that in the graph many of the respondents are aware from the internet so the source of information come to know about life Insurance as internet. Next source of information is television after Internet. In this case many customers also prefer the television as a source of information. And rest of the customers are choosing other alternatives as a source of information.

Table 4.6: showing if respondents have you taken any Life Insurance Policy

Yes	No	Total
80	20	200

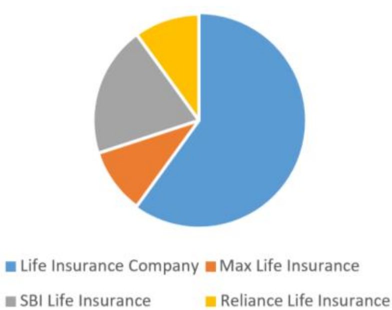


Interpretation

160 Out of 200 respondents taken life Insurance policy because of the investment purpose. Life insurance is the better option for the investment for the saving purpose so that many of the respondents are taken life insurance policy as investment perspective. And 40 out of 200 respondents have not taken any life insurance policy. They have no interest for the investment in the life insurance company so that they have not taken life insurance policy as investment purpose.

Table 4.7: Showing if the respondents take from which Insurance Company

Company Name	No. of Respondents
Life Insurance Company	120
Max Life Insurance	20
SBI Life Insurance	40
Reliance Life Insurance	20
Total	200

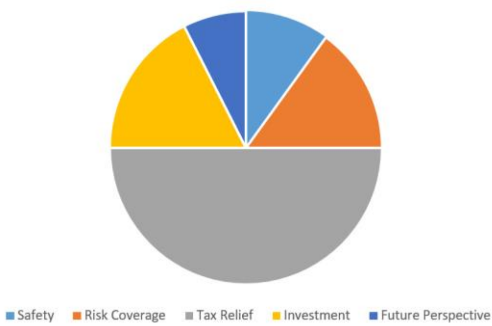


Interpretation

We show that in the graph many investment companies are there for the investment our savings. Customers have their own choices so that most of the customer are selected life insurance company for the investment. Because this is the very popular and well knowing company for the customer. So that highest number of respondents have taken insurance policy from the life Insurance company. Rest of the respondents are taken different choice for life Insurance policy their point of view.

Table 4.8: showing Why respondents Purchase Life Insurance Policy?

Purpose	Responded
Safety	20
Risk Coverage	30
Tax Relief	100
Investment 35	35
Future Perspective	15
Total	200

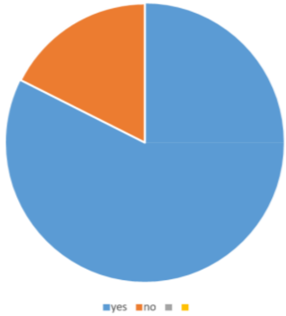


Interpretation

Most of the people purchase life insurance policy for the tax benefit. There are purchase life Insurance policy for safety, Risk coverage, and investment purpose and future perspective. But tax benefit is more important advantage of the life Insurance policy. So highest no of respondent's purchases life Insurance policy as a tax benefit.

Table 4.9: Showing if the respondents agree that Tax benefits from LIC has impact on your savings

Yes	No	Total
164	35	200

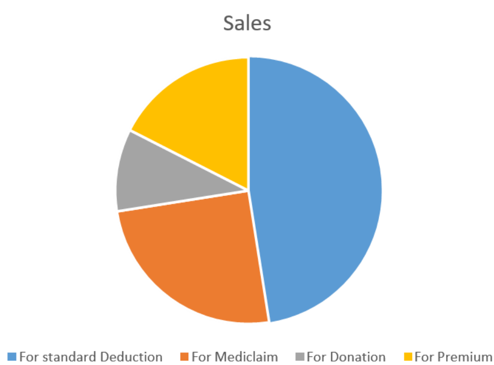


Interpretation

Most of the respondents are agree with this statement that tax benefits from LIC have impact on your savings. Tax benefit is most effective from the life insurance. It effective than any other functions or the plans of the LIC. So that it is impact from the life insurance for the tax benefit. Most of the customers are responding yes for this statement.

Table 4.10: From your point of view which are the special benefits from LIC in Tax Relief?

Special Benefit	Responded
For standard Deduction	95
For Mediclaim	50
For Donation	20
For Premium	35
Total	200

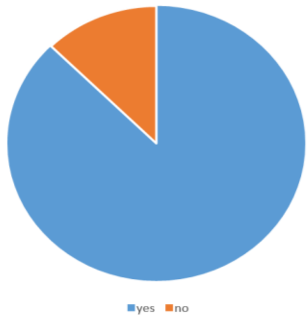


Interpretation

Most of customer said that deduction are the special benefits from LIC on tax relief. Special benefits include standard deduction for the tax relief and the any other purpose of that. Customer said that standard deduction is most important from the life insurance side which is called as a special benefit.

Table 4.11: Showing if the respondents have claimed any benefit till on Tax through Investment in Insurance

Yes	No	Total
175	25	200

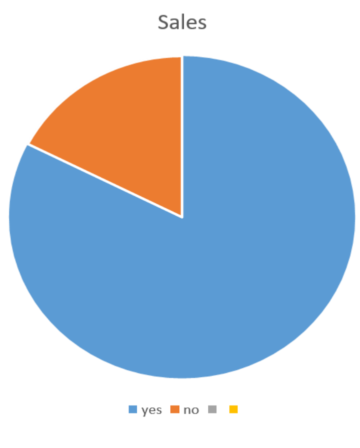


Interpretation

Many respondents are claimed any benefits till on tax through investment in insurance. There is a more benefit from the tax savings because of the investment purpose. So that many customers claimed that till tax benefit through investment side. So that many customers responding yes from this point of view.

Table 4.12: Showing if respondents any "Advertisement" about Life Insurance in general and /or Life Insurance product in particular?

Yes	No	Total
165	35	200

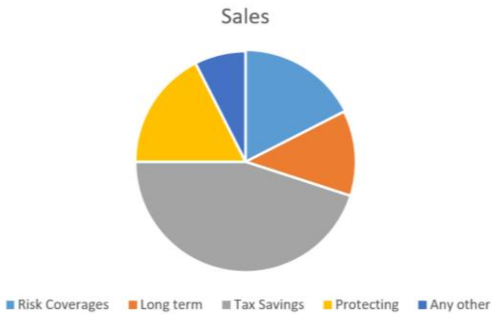


Interpretation

165 customers are recall any AD about life Insurance a general or life Insurance products and particular. But few respondents are not agreeing with this statement. So that customer satisfaction level is higher from the life insurance products. It is based on the AD from the life insurance policy.

Table 4.13: showing If "Yes" what in the main message that you get from the "AD"

Messages From "AD"	Responded
Risk Coverages	35
Long term	25
Tax Savings	90
Protecting	35
Any other	15
Total	200



Interpretation

Tax savings are the main message that get from the AD said that many respondents. Any other respondents have selected different choice. Life Insurance covers the tax saving plans so that people can recall that message from AD for the tax savings. Most of the people selected tax savings from the message.

Table 4.14: showing respondents expectation on investment alternatives by according to its importance.

Investment Alternatives	Investment Alternatives
Safety	30
Capital Growth	20
Liquidity	30
Return	20

Tax benefit	90
Company profile and brand name	10
Total	200

Interpretation

More respondent's expectation on investment is tax benefit by according its importance. Other respondents' expectation on investment are different from their side by according its importance. Because of there are many choices for the investments and customers are satisfied with that. So that tax benefit is most important alternative.

Table 4.15: showing what would respondents like more in Insurance Policies of LIC of India?

More Benefit	More Securities	Total
135	65	200

Interpretation

Most of the customers are like to more benefits from the LIC because of there are many plans for the investment regarding the tax benefit and income tax. So that generally it is more beneficial for the customers. And also, there is an option for the future perspective for the security. But most of the customers said that it is more beneficial for the tax savings plan.

Findings

- There are 110 Male respondents and 90 Female respondents. Out of 200 respondents.
- There are more professor and rest of the respondents are in different field.

- More respondent’s monthly income is less than 2 lakhs and some of the respondents are 2 to 5 lakhs.
- In the graph many options for saving for the different departments. More people believe in life insurance policy.
- So, they were preferring to invest in the life insurance company.
- 124 respondents are preferring to invest in life Insurance company and other customers invest in their savings in other alternatives.
- Today many choices of information but more popular source of information is internet.
- So that in the graph many of the respondents are aware from the internet so the source of information come to know about life Insurance as internet.
- Next source of information is television after Internet. In this case many customers also prefer the television as a source of information.
- And rest of the customers are choosing other alternatives as a source of information.
- 160 Out of 200 respondents taken life Insurance policy because of the investment purpose.
- Life insurance is the better option for the investment for the saving purpose so that many of the respondents are taken life insurance policy as investment perspective.
- And 40 out of 200 respondents have not taken any life insurance policy.
- They have no interest for the investment in the life insurance company so that they have not taken life insurance policy as investment purpose.
- We show that in the graph many investment companies are there for the investment our savings.
- Customers have their own choices so that most of the customer are selected life insurance company for the investment.
- Because this is the very popular and well knowing company for the customer. So that highest number of respondents have taken insurance policy from the life Insurance company.

- Rest of the respondents are taken different choice for life Insurance policy their point of view.
- Most of the people purchase life insurance policy for the tax benefit
- There are purchase life Insurance policy for safety, Risk coverage, investment purpose and future perspective.
- But tax benefit is more important advantage of the life Insurance policy.
- So highest no of respondent's purchases life Insurance policy as a tax benefit.
- Most of the respondents are agree with this statement that tax benefits from LIC have impact on your savings.
- Tax benefit is most effective from the life insurance. It effective than any other functions or the plans of the LIC.
- So that it is impact from the life insurance for the tax benefit. Most of the customers are responding yes for this statement.
- Most of customer said that deduction are the special benefits from LIC on tax relief.
- Special benefits include standard deduction for the tax relief and the any other purpose of that.
- Customer said that standard deduction is most important from the life insurance side which is called as a special benefit.

Conclusion

- After completion of my project, there is no doubt that Life insurance companies‖ is a very good in India that truly works for Investors who invest their savings and working well and help to the customer.
- I have tried to analyze and examine the insurance companies India to evaluate for the Tax Savings.
- Insurance is a safeguard against uncertain events that may occur in the future. Company image is the highly important criteria that consumers consider before taking up a life insurance. This is mainly because people expect safety and secure for their money which they invest.

- In today‘s competitive world, customer satisfaction has become an important aspect to retain the customers, not only to grow but also to serve. Increased competition, wide range of product offerings and multiple distribution channels cause companies to value satisfied and highly profitable customers.

Suggestions

- From the study, we suggested that to improving their provided facilities like benefits of investing new plans for the tax savings.
- To increase the level of insurance penetration LIC may focus on bringing products that suit to the rural customers.
- The Life Insurance companies, if possible, should invest in advertising, conduct road shows, and spend money on hoardings, so that it can better propagate awareness about its various lesser-known products
- Awareness of tax benefit among the citizen of India should be carried out.
- The companies have the option of tying up with local NGO‘s for selling its rural insurance products.
- Customer friendly documentationi.e.it should be made easier and faster.
- Proper guidance must be provided to avoid any confusion to the policy holder.

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Chapter - 13

A Study on Women Entrepreneurship and Economic Development in India

Lokesh YR
Asst. Professor, School of Commerce and Economics, Presidency University, Bengaluru, Karnataka, India

Adhya Agrawal
6th Semester BBA Student, Presidency University, Bengaluru, Karnataka, India

Abstract

The change of social texture of the Indian culture, as far as expanded educational status of women and fluctuated desires for better living, required an adjustment in the way of life of Indian women.

Entrepreneurs assume a key job in any economy. These are the general population who has theskills and activity important to take great new plans to market and settle on the correct choices to make the thought gainful. The reward for the dangers taken is the potential economic benefits the entrepreneur could acquire.

Women Entrepreneurship development is a fundamental piece of human resource. In comparison to different nations, the development of women entrepreneurship is low in India, particularly in backward territories. Women entrepreneurship is picking up significance in India in the current economic condition. It has been distinguished as a powerful advance toward destitution mitigation in the nation. There exists a rundown of successful businesspeople entrepreneurs both in social and economic fields in India. In fact, a "women entrepreneur" is any women who arranges and deals with any undertaking, as a rule with significant activity and hazard. The present investigation has been an endeavour to produce mindfulness and to comprehend meaning, justification for broadening. A theoretical study is done on women entrepreneur in India below.

Keywords: Women; entrepreneur, Entrepreneurship, Economy, India etc.

Introduction

Entrepreneurship refers to the act of setting up a new business or reviving an existing businessto take advantages from new opportunities. An entrepreneur is a person who starts anenterprise. He searches for change and responds to it. Entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, applying the best marketing strategy. It is an attitude to create something new and an activity which creates value in the entire social eco-system. It is the psyche makeup ofa person. It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which makes him/ her think about life and career in each way.

Entrepreneurship has been a male-dominated phenomenon from the very early age, but time has changed the situation and brought women as today's most memorable and inspirational entrepreneurs. It is estimated that women entrepreneurs presently comprise about 10% of the total number of entrepreneurs in India, with the percentage growing every year. If the prevailing trends continue, it is likely that in another will comprise 20% of the entrepreneurial force (Saidpur *et al*, 2012). The Tenth Five-Year Plan (2002-07) aims at empowering women through translating the recently adopted National Policy for Empowerment of Women (2001) into action and ensuring Survival, Protection and Development of women and children throughrights-based approach.

From the acts of liberalization, privatization, and globalization in India since 1991, entrepreneurship done by women is picking up so much significance and they are monetarily upheld by the banks and given consolation by their family individuals. Other than offering vocational education to women to climb the stepping stool of development and strengthening from their family circles to open circles, India has confined a policy to create entrepreneurial skills to women. The policy and institutional structure for creating entrepreneurial skills, giving work education, and preparing has enlarged the skyline for economic strengthening of women. Be that as it may, women comprise just a single third of the economic ventures. There exist a plenty of successful businesswomen entrepreneurs both in social and economic fields in India. They are performing great. Government of India has likewise presented National Skill Development Policy and National Skill Development Mission in 2009 to give skill preparing, vocational education and entrepreneurship development to the rising work constrain.

From fighting for equal rights to building individual opportunities, the world for women has been burgeoning day by day. If we look at the evolution of women's entrepreneurship since World War II, I don't believe there has been any progress. Women were only to treat soldiers who have been injured during the fight.

When World War II ended, the concept of a woman-centric society arose in society, as many women worked in industries such as sewing, nursing, and teaching.

Women's entrepreneurship exploded during the start of the twenty-first century, as a slew of young women stepped out to showcase their abilities in a variety of ways, resulting in an increase in women-owned businesses that are critical to the development of the Indianeconomy. According to the 6th economic census, women entrepreneurs own over 8 million enterprises in India or about 13 per cent of the total units.

Even though they face a lot of prejudice, low pay and earnings, gender inequality, and other issues today. They encounter socio-cultural challenges in addition to the exterior surface of society.

Oprah Gail Winfrey, the host of The Oprah Winfrey Show, media spokesperson, and greatest Black philanthropist in US history, is one such example. She was once the richest African American of the 20th century. And ranked as the most influential woman in the world since 2007.

Speaking of the present, Women entrepreneurship is gaining importance in India in the wake of economic liberalization and globalization.

The Government of India implemented numerous schemes to encourage as many as young women in the field of entrepreneurship by introducing MSME Scheme, Annapurna Scheme, Dena Shakti Scheme, TREAD (Trade-Related Entrepreneurship Assistance and Development) Scheme, NSDM, DICs and many other women entrepreneurship schemes.

This theoretical study attempts to present an overview of the topic, tracing the current trend of research on women's entrepreneurship, highlighting the future directions of research, with theaim of deepening our understanding of this research branch.

Review of Literature

The focus of literature review will be at the concept of entrepreneurship, and then drive on to look at women entrepreneurship and related definitions. An important tool considered in allowing women empowerment and liberation is women Entrepreneurship.

Cohoon *et al* (2010) introduced a point-by-point investigation of men and women entrepreneur's inspirations, foundation, and encounters. This examination distinguished best five money related and psychological components rousing women to end up entrepreneurs. These are wanting to assemble the riches, the desire to capitalize possess business thoughts they had, the intrigue of start-up culture, a long standing want to claim their very own organization and working with another person did not bid them. The examination reasoned that the women are especially worried about ensuring intellectual capital than their partner. Mentoring is vital to women, which gives encouragement and money related help of business accomplices, encounters, and all around created proficient system.

Anita Tripathy Lal (2012) principal target of this exploration was to ponder the noteworthy ascent of Women Entrepreneurs in India and how it has developed since the pre-autonomy days (before 1947), amid the British colonial days. The investigation additionally dissected the reasons that have incited the women entrepreneurs to release their entrepreneurial energies into new businesses. Considering both qualitative and quantitative examinations the development of women entrepreneurship in India have been considered into four distinct periods – Pre- Independence Period (before 1947), Post-Independence Period (after 1947), Post- Liberalization Period (after 1991) and Post - Global Recession period (2008 onwards). The examination at long last finished up to what degree the different emotionally supportive networks in India can additionally encourage a favourable biological system for the Women Entrepreneurs in India.

Women can make a significant contribution to entrepreneurial activity (Noguera *et al.*, 2013) and economic development (Kelley *et al.*, 2017; Hechevarría *et al.*, 2019) in terms of creating new jobs and increasing the gross domestic product (GDP) (Bahmani-Oskooee *et al.*, 2013; Ayogu and Agu, 2015), with positive impacts on reducing poverty and social exclusion (Langowitz and Minniti, 2007; Rae, 2015). The percentage of women who decide to pursue an entrepreneurial career is, however, lower than that of men (Elam *et al.*, 2019), and this difference is greater as the level of development of the country increases (Coduras and Autio, 2013).

Literature on the subject often cites data from the Sixth Economic Census, which was conducted between January 2013 and April 2014. Out of 58.5 million businesses counted by that census, 8.05 million were owned by women, which correspond to a rate of 13.76 percent of women among the total number of entrepreneurs in India. The World Bank Enterprise Survey, meanwhile, found that in 2014, the percentage of firms with female participation in ownership was 10.7 percent. While more recent data is not available, interview partners, as well as recent media reports, highlighted a steady rise in the number of start-ups founded by women.

The low rates of women entrepreneurship are reflected in a dismal score in the Index of WomenEntrepreneurs, where India is ranked 52nd out of the 57 surveyed countries. The fact that few women own companies is part of a larger phenomenon of weak engagement of women in business. This further relates to a low female labour force participation rate as well as women having fewer opportunities to become business leaders, professionals, and technical workers. Indeed, despite high economic growth rates as well as an increase in the proportion of working-age women in the population, the participation in the work force has decreased from 35 percent in 2005 to just 26 percent in 2018.

Unequal education is an issue holding women back, and it is not a coincidence that states with relatively higher literacy rates also have more women entrepreneurs. The top five states with the highest percentage of women entrepreneurs are Tamil Nadu, Kerala, Andhra Pradesh, WestBengal, and Maharashtra.

To be sure, India is a highly diverse country, and so are the forms of entrepreneurship women engage in. The availability of microfinance has ameliorated women's empowerment and entrepreneurship and 98 percent of businesses owned by women are micro-enterprises, where approximately 90 percent of them operate in the informal sector. Observation says that women entrepreneurs are often active in social areas and sectors such as health, clean energy and zerowaste, education, women's hygiene, fashion, cosmetics, food and nutrition, garments and textiles, and services (such as management and human resources).

Objectives of the Research

1) The paper highlights major challenges faced by women entrepreneurs and how whatsteps are taken to overcome it.
2) Research is also made to understand the economic development of India with respectto women Entrepreneurship.
3) Paper mentions the statistics of role and contribution of women entrepreneurs in Indianeconomy.

Research Methodology

The study is mainly based on the secondary source in form of various research papers, websites,and eBooks. The researchers have placed their own observations regarding the same.

Challenges Faced By Women Entrepreneurs in India

1. Problem of Finance:

Finance is regarded as “life-blood” for any enterprise, be it big or small. However, women entrepreneurs suffer from shortage of finance on two counts.

Firstly, women do not generally have property on their names to use them as collateral for obtaining funds from external sources. Thus, their access to the external sources of funds is limited.

Secondly, the banks also consider women less credit-worthy and discourage women borrowers on the belief that they can at any time leave their business. Given such situation, women entrepreneurs are bound to rely on their own savings, if any and loans from friends and relatives who are expectedly meagre and negligible. Thus, women enterprises fail due to the shortage offinance.

2. Scarcity of Raw Material:

Most of the women enterprises are plagued by the scarcity of raw material and necessary inputs.Added to this are the high prices of raw material, on the one hand, and getting raw material at the minimum of discount, on the other. The failure of many women co-operatives in 1971 engaged in basket-making is an example how the scarcity of raw material sounds the death- knell of enterprises run by women (Gupta and Srinivasan 2009).

3. Stiff Competition:

Women entrepreneurs do not have organizational set-up to pump in a lot of money for canvassing and advertisement. Thus, they must face a stiff competition for marketing their products with both organized sector and their male counterparts. Such a competition ultimatelyresults in the liquidation of women enterprises.

4. Limited Mobility:

Unlike men, women mobility in India is highly limited due to various reasons. A single woman asking for room is still looked upon suspicion. Cumbersome exercise involved in starting an enterprise coupled with the officials humiliating attitude towards womencompels them to give up idea of starting an enterprise.

Percent share of women entrepreneurs in different states of India

WOMEN ENTREPRENEURSHIP IN INDIA

States	No of Units Registered	No. of Women Entrepreneurs	Percentage
Tamil Nadu	9618	2930	30.36
Uttar Pradesh	7980	3180	39.84
Kerala	5487	2135	38.91
Punjab	4791	1618	33.77
Maharastra	4339	1394	32.12
Gujrat	3872	1538	39.72
Karnatka	3822	1026	26.84
Madhya Pradesh	2967	842	28.38
Other States & UTS	14576	4185	28.71
Total	57,452	18,848	32.82

Economic Survey 2008-09

5. Family Ties:

In India, it is mainly a women's duty to look after the children and other members of the family. Man plays a secondary role only. In case of married women, she must strike a fine balance between her business and family. Her total involvement in family leaves little or no energy and time to devote for business.

Support and approval of husbands seem necessary condition for women's entry into business. Accordingly, the educational level and family background of husbands positively influence women's entry into business activities.

6. Lack of Education:

In India, around three-fifths (60%) of women are still illiterate. Illiteracy is the root cause of socio-economic problems. Due to the lack of education and that too qualitative education, women are not aware of business, technology, and market knowledge. Also, lack of education causes low achievement motivation among women. Thus, lack of education creates one type or other problems for women in the setting up and running of business enterprises.

7. Male-Dominated Society:

Male chauvinism is still the order of the day in India. The Constitution of India speaks of equality between sexes. But, in practice, women are looked upon as "abla", i.e., weak in all respects. Women suffer from male reservations about a women's role, ability and capacity and are treated accordingly. In nutshell, in the male-dominated Indian society, women are not treated equal to men. This, in turn, serves as a barrier to women entry into business.

8. Low Risk-Bearing Ability:

Women in India lead a protected life. They are less educated and economically not self- dependent. All these reduce their ability to bear risk involved in running an enterprise. Risk- bearing is an essential requisite of a successful entrepreneur.

In addition to above problems, inadequate infrastructural facilities, shortage of power, high cost of production, social attitude, low need for achievement and socioeconomic constraints also hold the women back from entering business.

Solutions to the Issues Faced By Women

The Micro, Small and Medium Enterprises development organizations, State Small Industries Development Corporations, Nationalized banks, and NGOs have of late been conducting various Entrepreneurship Development Programmes to help women who do not have sufficient educational qualifications and skills for entrepreneurial ventures.

The Office of DC (Micro, Small and Medium Enterprises) has opened a Women's Cell to facilitate and support women entrepreneurs facing specific problems. With the aim of inclusive development, decentralized state specific schemes are being provided to ensure training plus income generating opportunities for needy women who lack the means to a support system for their own enterprises and ventures. Small Industries Development bank of India (SIDBI) has also been implementing special schemes for women entrepreneurs. MSMEs provide special incentives and concessions to women entrepreneurs.

At present, the Government of India has over 27 schemes to help women find the necessary environment to develop the psyche towards entrepreneurship. A few of them are as follows:

1. Khadi and Village Industries Commission
2. Training of Rural Youth for Self-Employment
3. Entrepreneurial Development Programme
4. Management Development Programme
5. Women's Development Corporations
6. Marketing of Non-Farm Products for Rural Women
7. Assistance to Rural Women for Non – Farm Development

8. Trade Related Entrepreneurship Assistance and Development
9. Working Women's Forum
10. Indira Mahila Yojana
11. Micro and Small Industries Clusters Development Programme
12. Support to Training and Employment Programme for Women
13. Mahila Vikas Nidhi
14. Mahila Udhyam Nidhi
15. Stand Up India

These schemes are recent developments where the government has started on the path to securing the environment required for women to help them to start dreaming of entrepreneurship as a career. There is a long way to go though, for measurable results to show.

Women Entrepreneurship and Economic Empowerment

Women Entrepreneurship means not only an act of business ownership, but it also boosts the economy for everyone, and the empowered women can smash scarcity - not only for themselves, but for their families, societies, and countries too. As per Government of India "An enterprise owned and controlled by a woman having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the employment generated by the enterprise to women is a firm owned by women". The policy maker cannot neglect the truth that women are now a promising economic force. Now the modern world as well as the democratic economy is balanced by the participation of both sexes. Women entrepreneurs have been making a significant blow in all the segments of the economy which is more than 25% of all types of business. As per centre for Women's Business Research, 2009 women entrepreneur were growing twice as fast as the other business since 1997 to 2002. During the 2008 economic depression, 5% of high potential women and 4% of high potential men left their employment to establish their own business. Now the interesting thing is that according to AMEX OPEN State of Women-Owned Business Report, the speed of increase in the number of women- owned enterprises over the past 16 years remains higher than the national average.

As per AMEX OPEN State of Women-Owned Business Report, the top-ranking countries based on the revenue generation by the women-led firms are United State (No. 1), Australia (No. 2), Germany (No. 3), France (No. 4) and Mexico (No. 5). On the other hand, in spite of India's recent economic surge, it ranked No. 16. Other rankings include Japan (12), Morocco (13), Brazil (14) and Egypt (15), and Uganda (No. 17). A sense towards sovereign decision making is the key factor to choose the profession as a challenge. Saddled with household choresand other responsibilities towards her family women want to get liberty under the influence ofthese factors and as an urge to do something new. Such circumstances are known as pull factors. In case of push factors women engaged in business activities due to family pressure and the responsibility is drive upon them.

Women represent approximately half of the total world population as well as in India also. Women are the better half of the society. In our societies Indian women are treated as show pieces to be kept at home. But now they are also enjoying the impact of globalization not onlyon domestic but also on international sphere. Women come out of the four walls to contribute to all activities. Indian women are ready to take burden of work in house and as well as the workplace. From many surveys it is discovered that the female entrepreneurs from India are producing more capitals than the other part of the world. Since mid-1991, a drastic change takes place in Indian Economy. India has great entrepreneurial potential. If their potential willbe fully tapped then it will results creation of job opportunities, improved standard of living, income generation, development of social and economic life etc.

González Arancha (2014) said that women entrepreneurs reinvest 90% of their revenues into the community.

Women entrepreneurs contribute approximately 3.09 percent of industrial output and employ over 8 million people. Nearly, 78 percent of women enterprises belong to the services sector. Women entrepreneurship is largely skewed towards smaller sized firms, as almost 98 percent of women-owned businesses are micro enterprises. Women are also playing a major role in agriculture and home-based industries. Apart from these, women entrepreneurs as small firms achieved remarkable heights of success in the world of fashion, beauty, and career counselling.

Women entrepreneurs as per 1981 census account only 5.2% of self-employed persons. In 10th five-year program this ratio increased to 9% (Anshuja Tiwari, 2007). In India, the total number of women enterprises estimated at 10, 63,721. In the states of Mizoram, Orissa, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu and Pondicherry, the share of women employment issignificantly higher (more than 20 percent).

Role and Contribution of Women Entrepreneurs in India

In India, women dominate the micro enterprise sector both in rural and urban areas. Accordingto the central statistical authority women account for close to 70 per cent of the micro enterprises in India are run by women. However, their participation in small, medium, and large enterprises diminishes. Beyond the participating in productive activities such as agriculture, trade and industry, women have multiple roles in society. They participate in productive activities such as agriculture; they are responsible for caring for the family including the preparation of food, health care and education. Women need to balance this different role and therefore they are multitasked, managing their businesses alongside all other roles they are expected to perform. Women account for a larger share of the informal economy operators, aswell as those running micro and small enterprises in India. MSMEz make a significant contribution to the socio-economic development of the country by way of supporting the people to earn money and contribute to family income, and by supplying basic goods and services for local consumption. However, this contribution is not fully recognised or understand, and there is little in the way research or statistics to provide a broader understanding of women's experience as business owners, their contribution to economic development or the challenges they face in setting up, managing, and growing their enterprise. Women entrepreneurs are often described as' survivalist' and dominate the low skill, low capital intensive and often informal and micro business. Women tend to focus on business that is a continuation of their domestic roles, such as the service sector. The potential for the growthof women's enterprises is said to below and is driven less by entrepreneurial drive than the need for survival. Women comprise 74 per cent of those employed in the micro enterprises sector. More than 65 per cent of all women in cottage\handicraft industries (micro enterprise) were engaged in processing food products and beverages.

I. Economic Contribution

Women's economic activities contribute directly to growth and efficiency in dealing withinformal business problems and poverty reduction is one of the main issues for policy makers

i) Capital formation- Entrepreneurs mobilize the idle savings of the public through the issue ofindustrial securities. Investment of public savings in industry results in productive utilization of national resources. The rate of capital formation increases which is essential for rapid economic growth.

ii) Improvement in Per capita Income: women entrepreneurs in India have also been exploiting the opportunities the opportunities. They convert the latent and idle resources like land, labourand capital into national income and wealth in the form of goods and services. They help increase the country's net national product and per capita which are important yardsticks for measuring the economic growth.

iii) Generation of employment: Women entrepreneur in India are playing an important role in generating employment both directly and indirectly. By setting up small scale industries, theyoffer jobs to people.

II. Social Contribution

Women entrepreneurs are also contributing towards improving the balanced regional development and improvement of living standards in the country.

i) Balanced Regional Development: Women entrepreneurs in India to remove regional disparities in economic development. They set up industries in backward areas to avail of the resources concessions and subsidies offered by government.

ii) Improvement in living standards: With the setting up of small-scale industries, reduction of scarcity of essential commodities and introducing new products can be achieved. Women entrepreneurs in this country are producing variety of goods on a large scale and offering themat low rates, as a result, achieving improvement in the standard of life.

iii) Innovation: Innovation is the key to entrepreneurship. It implies the commercial application of an invention. As an innovator, the entrepreneur assumes the role of a pioneer and an industrial leader. Entrepreneurs have contributed many innovations in the developing new products and in the existing products and services. All these have resulted in economic development by way of generating employment, more income etc.

III. Other Contributions

Women entrepreneurs are the main actresses in charging the culture of the society. In our country, women are workaholics and participate outside the house and develop the sense of independence and the like.

Thus, women entrepreneurs in our country are directly or indirectly playing an important rolein environmental protection, back ward and forward integration and are acting as charge agents,thus contributing to the economic growth of the country.

Women Entrepreneurship and COVID-19 impacts

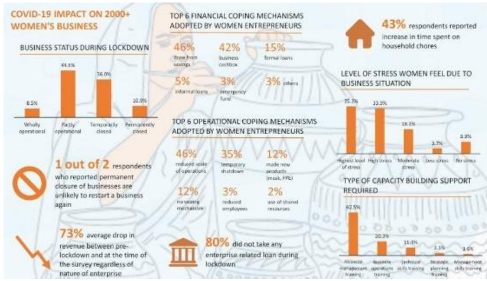
In the immediate wake of the COVID-19 epidemic, which resulted in nationwide and state- wide lockdowns beginning in March 2020, much has been said about jobs and business. Closure of mandis and wholesale markets, transportation restrictions, supply chain interruptions, and a lack of procurement were among the causes that put India's 6.33 million micro, small, and medium enterprises in peril. The lockdown had the greatest impact on urban self-employed workers. Earnings were down significantly, sales were down, and client trafficwas down.

Between March and April 2020, an estimated 17 million to 19.3 million women wereunemployed. It's worth noting that women dominate high-impact industries like commerce and services. Personal and non-professional services, which include small-business owners such as tailors, dressmakers, petty shopkeepers, barbers, and beauty salon owners, as well as domestichelp and part-time workers, had higher volatility than other sectors. The impact of the lockdown was unmistakable, with male employment falling by 30% and female employment falling by 43% compared to pre-lockdown levels. Women were eight times more likely to have lost their jobs as compared to men, after controlling for factors like caste, religion, age, level of education, employment arrangement, industry, and state of residence.

Women-led businesses in rural areas, on the other hand, have a history of surviving economicdownturns. However, India's long-term lockdown was unusual, and nothing is known about the consequences of a complete shutdown, particularly when women are burdened with increasing unpaid care duties and limited cash reserves at home and in their businesses.

When it came to the financial situation of businesses during the pandemic, women-ledbusinesses reported higher cash difficulties (72%) than male-led businesses (53%). When compared to men, more women entrepreneurs (69%) reported deferring loan payments (50%).Women, on the other hand, were more confident than males in their ability to fully restore their enterprises, according to research. In fact, they showed signs of responding to the pandemic's changes, with over 54% already making a "business adjustment" such as adding new products and services. By the end of 2020, another 24% of respondents expected to make a company change.

Despite this hope, and even when the economy improves and businesses re-establish themselves, women entrepreneurs face several hurdles. Women's domestic workload has increased, resulting in a higher proportion of unpaid work. Compared to 53% of male respondents, over 70% of female entrepreneurs reported increasing domestic conflicts. Women are also less likely to be aware of government assistance programmes (76 percent as compared to 54 percent for men). Furthermore, some entrepreneur support services have moved online, limiting access to people who are not financially or digitally savvy, abilities that are lacking among women.



Source: https://www.epw.in/engage/article/how-did-indias-women-enterprises-fare-during- covid

Because women are disproportionately represented in sectors negatively affected by the COVID-19 dilemma, female jobs are 19 percent more at risk than male occupations. Given the industries in which men and women work, it is estimated that 4.5 percent of women's jobs are at risk globally because of the pandemic, compared to 3.8 percent of men's jobs. The reason for this is that women have a higher-than-average percentage of employment in three of the four most affected sectors, as measured by global employment reductions. Women hold 54 percent of global jobs in accommodations and food service, which are among the worst- affected sectors by the crisis, 43 percent of jobs in retail and wholesale trade, and 46 percent of jobs in other services, such as the arts, recreation, and public administration, compared to the global average of 39 percent. Some industries, like as manufacturing, where males make up most of the workforce, have also been hit hard. Other industries where women are the majority, such as education and healthcare, have seen little influence.

The second wave of COVID-19 has resulted in increased job loss and unemployment in both urban and rural areas, with semi-urban and rural areas experiencing significantly more intense pandemic aftereffects than the first wave. According to a survey by Bain & Company, COVID-19 had a negative impact on about 73% of women-owned businesses in India, with nearly 20% of women entrepreneurs seeing their revenue shrink to nothing. More and more women-led businesses are closing due to low client demand, disrupted supply chains, and a lack of financialresources. In fact, according to our recent survey for the UdyamStree campaign, 57% of women entrepreneurs have reported a decline in their business since April 2020, resulting in loss of avenues of income.

The adoption and translation of earlier physically interactive models to digitally accessible ones have accelerated in the post-COVID-19 age. In the face of adversity, women quickly realised that their survival depended on early adoption of the digital model, which they later embraced through upskilling projects made available to them by various ecosystem stakeholders. Women entrepreneurs are using social networking sites like Facebook and WhatsApp as marketing tools, allowing them to keep in touch with their existing customers while expanding their reach to new locations. Women entrepreneurs in the country now need to be able to negotiate digital ways of payment, which were previously optional. They've madethe switch to the digital economy, relying on net banking and UPI payment tools like BHIM, Phone Pe, Paytm, Google Pay, and WhatsApp Pay for all of their financial activities.

In the face of the epidemic, women entrepreneurs have had little alternative but to adopt and adapt to digital business methods, driven by a desire to support their families and prosper. For MSMEs and women entrepreneurs in the country, upskilling and innovation have become survival and success tools. While many women have succeeded in doing so, a considerable proportion have also seen their sources of income disappear completely. To successfully overcome COVID-19's negative impact on women entrepreneurs, stakeholders must work together to accelerate their inclusion into the digital economy through sector-specific interventions, targeted mentorship models, and the expansion of avenues of opportunity through incubation and accelerator models. The limits of the COVID-19 era have highlighted that active support across the ecosystem is all women need to succeed as entrepreneurs if they have the resilience of spirit and adaptability.

Recommendations & Suggestions

A few recommendations regarding approach to the issue at hand, emerges out of the above discussion. These should help re-shape the entire narrative of prospects for women entrepreneurship in the country and accelerate the growth process with added scope for employment generation as well.

- The first step that can be the focus of the policy making process with regard to women entrepreneurship, is the effort to initiate a change in traditional mindsets. This can be achieved through peer awareness programmes, training and supportive services with emphasis on gender sensitization.
- The education system curriculum can be so designed to help groom

future entrepreneurs with basic knowledge and practical skills in management.

- The Government can set some priorities for women in terms of allocation of industrial plots, sheds, and other amenities. However, precaution should be taken to penalize any kind of misuse. There should be adequate regulatory provisions for the same.
- There should be an added emphasis on enhancing the standards of education of women in general as well as making effective provisions for the training, practical experience and personal development programmes to improvise on their personality standards overall.
- Self-help groups should be promoted for women entrepreneurs.
- There should be specific efforts to help women access finance. There should be bank and regulatory policies which accept less traditional forms of collateral, look at borrower's willingness to repay and simplify business registry. There should be efforts to develop innovative loan and savings products for female entrepreneurs.
- Last but not the least, there should be all India forums to discuss problems, grievances, issues of women entrepreneurs. Complaints against constraints or short comings towards the economic progress of women entrepreneurs should be addressed by authorities and adequate measures should be taken to facilitate more entrepreneurship in the long run.

Conclusion

Present situation is much better comparison older situation. In present India, women play many roles very effectively. They can manage home and business equally. They contribute to economic development of India. Nearly, 45% women sector occupies of the whole population of India. So, we must provide development programs for organizational and skill development of women entrepreneurs. From some suggestions for development of women entrepreneurship, there is a need for multi-dimensional approach in different sectors like government, non- government, financial institutions etc. and some awareness programs or managerial program also introduced for villagers specially women. This step will contribute major role because we want all round development and whole development. If we are not focusing on backward, poor and villager's women, our objective cannot be fully covered and successful. In this way, women entrepreneurial activity is contributing to the social and economic development. Harnessing the full potential of women entrepreneurs can promote innovation, economic growth, and job creation. There by women gaining equal importance in Indian society.

In India now, between 13.5 and 15.7 million businesses are held by women, accounting for 20percent of all businesses. Despite being significant in absolute terms, the majority of these are one-person businesses that directly employ between 22 and 27 million people. Furthermore, many businesses that are listed as being owned by women are not actually managed or controlled by women. Women are "on paper" proprietors with limited roles due to a mix of administrative and financial factors. India can speed up female entrepreneurship in general byusing benchmarks from high performing nations and Indian states as a guide. More than 30 million women-owned businesses—40% of which may be larger than sole proprietorships— could be produced if the quantity and quality of entrepreneurship were accelerated in the direction of such benchmarks. This can generate potentially transformational employment in India, of 150–170 million jobs, which is more than 25% of the new jobs required for the entire working age population, from now until 2030.

An enabling and comprehensive policy framework, fair access to finance, the expansion of mentorship and networking channels, specialised knowledge and capability building, and cultural openness are the major elements of the call to action. For each opportunity area, the individual interventions within these themes are however distinct and complicated, frequentlyrequiring a particular group of stakeholders to respond.

It will need a concerted effort from all players in the ecosystem to implement these interventions and speed up the growth of existing and aspiring women entrepreneurs. These include the federal and state governments, community-based organisations, the banking and investment industry, other for-profit businesses, educational institutions, and the media.

Unlocking women entrepreneurship in India is a challenging endeavour, but it offers a once- in-a-generation chance to alter the country's economic and social destiny and that of its women. Women with great minds not only make the best out of the best but also lead the path for the next generation. So, sectors with the prerequisite of entrepreneurial talent as well as exceptional communication skills can right away approach these incredible women.

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Chapter - 14

A Study on World Seaborne Trade Terminologies and Incoterms

Dr. Vijayakumar NC
Assistant Professor S/G, School of Commerce and Economics, Presidency, University, Bengaluru, Karnataka, India

Talupula Shaik Mohammad Asrar Sab
Student, BBA SCM, Presidency University, Bengaluru, Karnataka, India

Abstract

The Economic development or prosperity of a country is highly depended on the volume of international trade. The positive balance of trade and Balance of payment of a country can be achieved only when their exports exceeds imports. All these possible only when they have sound logistics system in their domestic. A good logistics system should support the appropriate distribution of goods and services to all the places at a reasonable cost. The term Logistics Cost analysis is the process whereby companies use cost accounting to report or control the various costs of doing Logistics.

The earlier researchers also proved that the internal factors of an organization is more important than the external factors. Because most of the factors are largely internal and hence in the control of the firm's management. Resources such as manpower, capital, and technology are important in pursuing the firm's strategy successfully. The knowledge of cost data is important in day to day working and there is no doubt this will prevent the organization better from the risks. Thus, it is a tool for risk management and therefore, companies must develop cost policies in the light of their business risks. This is a fundamental study which discusses various types of costs involved in the shipment of export cargo through Inland Container Depot.

Keywords: International trade, cost analysis, business risks, policies.

Introduction

Among the various modes of transportation, some modes of transport may have not only the cost advantages, but also other advantages including speed and safety. Sea transportation is generally the preferred and apparently the most cost effective mode.

This is borne out by the extent of its use compared to others and the sea transport has the competitive edge over other modes in most cases. The shipper prefers maritime transportation, because they have the advantage of carrying bulk cargo either in the form of bulk cargo or liquid.

Inland Container Depots (ICDs), otherwise known as dry ports that are fully equipped for handling facilities and this provides port services including a temporary storage of containerized cargo as well as empties. It is declared as customs area where the export-import formalities can be completely fulfilled. The customs officer examines the shipping bill to find the value of cargo. ICD offers a wide range of services including stuffing or destuffing of cargo with the container, storage of cargo and the customs examination. ICD containers are moved on priority basis at the port of shipment within 24 hours from its entry.

Objectives of ICD

i. To bring out the Port services closer to hinterland customers.

ii. To reduce over crowed in traffic by means of decongest the container terminal at the port and this may lead the container dwell time.

iii. To minimize road damage and carnage: This facilitates the diversion of Heavy container traffic from the road to rail.

Why the Inland Container Depot Services are Considered Much Important?

Goods arriving the customs territory of a Seaport are subject to customs control even before the shipment. This is affected in various ways depending on the laws of the country concerned and the mode of transport used. The customs authorities may examine the cargo at seaport in the maritime customs zone. The applicable regulations and the limits are normally laid down in national customs codes and demarcate the boundaries of the maritime customs Zone. In this customs zone, customs officers have special inspection powers, notably in regard to the movement of goods. If the shipper fulfills all the formalities at the sea port itself, there may be a problem of over crowed and this may lead more time consumption. Therefore, in order to overcome these problems, an exporter can fulfill all the formalities in ICD itself which one situated near by the factory.

Containerized Shipment

Generally, shipments are classified into bulk shipment and small cargo shipments. Bulk cargo shipments are further divided into Liquid cargo bulk and the dry bulk cargo. Liquid bulk includes chemicals, edible oil and dry bulk cargo includes iron, ore, food grain, fertilizer etc., Small shipment is further divided into Containerized shipments and non-containerized shipments (break bulk or general cargo).

In order to cater the movement of these shipments, shipping companies provide two types of services namely tramp shipping and Liner shipping. Tramp shipping provides services on demand and carries bulk shipment (liquid and dry bulk) between nominated ports. Transportation charges freight is determined based on supply and demand for the ship in the market.

In contrast, liner shipping provides schedule service to advertised ports on different selected trade routes around the world. Liner shipping carries containerized shipment and non-containerized shipment (break bulk or general cargo) and this carries small shipments that are received from a number of exporters from the port of departure and deliver to a number of importers at the ports of arrival. Liner shipping accepts the shipment without any discrimination of cargo according to its volume or weight or quantity. However, a freight rate is determined with a reference to INCOTERM (International Commercial Term) 2000 in the export contract. The INCOTERM serves the purpose of listing all the obligations of both the parties to the contract.

Incoterm

Incoterm is commercial term auepted by both the I'm porter and exporter in international trade contract and which affirm the respective responsibilities of each party. This term defines the responsibilities of each party in arranging for the movement of cargo from one country to another.

The following Incoterms are associated with the international trade:

i. FOB (Free On Board): It is the responsibility of seller to board the cargo in the vessel at the post of departure.

ii. FAS (Free alongside Ship): It is the responsibility of seller to place the cargo nearby the ship at the port of departure.

iii. CFR (Cost and Freight): the seller bears the costs and freights.

iv. CIF (Cost, Insurance and Freight): the seller bears the cost of insurance and freight on behalf of overseas buyers.

v. EXW (Ex-works): The sellers' responsibility is discharged at the factory itself.

vi. DDU (Delivery Duty Unpaid)

vii. DDP (Delivery Duty Paid)

viii. DAF (Delivered at Frontier): It is the duty of seller to deliver the cargo up to the end of country's border limit.

Movement of Containerized Shipment

The movement of containerized shipment through ICD is more cost effective. Containers are moved by carrier from ICD to gateway port, serves the advantages include no traffic congestion, quick transit and lower freight rates. Above all, ICD containers are exempted from octroi or other formalities.

The followings steps are involved in the movement of stuffed cargo by road from the Inland Container Depot (ICD)

1. Transfer of cargo into truck
2. Storage of cargo in truck
3. Road (truck) journey
4. Breaking out of cargo from truck
5. Transfer of cargo from truck to storage point
6. Unpacking for customs examination
7. Repacking for customs examination
8. Consolidation of cargo according to destination
9. Stuffing of cargo in the container
10. Locking and sealing of container
11. Loading of container on truck
12. Transportation of loaded container to container yard in port
13. Unloading of container in container yard in port
14. Stacking of container tin container yard in port
15. Loading of container on truck to move container alongside ship
16. Truck journey from container yard to alongside ship, i.e. Quay
17. Loading of container from truck to cellular hold of ship
18. Sea voyage

Customs Clearing Charges

Customs House Agent (CHA) is a person who hold a license to act as an agent for export of goods at any customs station of the nation. All the export documents are duly prepared by a CHA and he should study the laws governing the export trade. He interprets the levies payable and incentives recoverable by his clients. He performs various activities as follows:

i. Processing of documents, shipping bills etc.,
ii. Carting of cargo to Inland Container Depot
iii. Arranging of physical examination of goods
iv. Collection of measurement certificate
v. Handover cargo to carrier i.e., shipping line
vi. Personal attention on stuffing of cargo in container
vii. Collection of Bill of Lading from shipping line
viii. Collection of documents from Customs such as duplicate copy of shipping bill, attested copy of Invoice and the Pacing List.

ICD Charges

The following are charges payable to ICD authorities for their rendered services and the basis of calculation of different charges are as follows:

1. Ground rent charges

- Loaded container = Rate / TEU / Day
- Empty container = Rate / TEU / Day

2. Cargo Storage Charges

a. For LCL = Rate / Sq. Mtr. or Rate / TEU
b. For FCL = Rate / TEU

3. Lift on / Lift off charges

- For Loaded Container = Rate / TEU
- For Empty Container = Rate / TEU

4. Transportation of containers from ICD to Sea port

- Loaded container = Rate / TEU
- Empty Container = Rate / TEU

Terminal Handling Charges

After the goods are stuffed in to container to the extent of full capacity, the container is sealed to move from ICD to the port of departure for shipment. In the meantime, he fulfills all the documentation formalities. When the stuffed containers enter the sea port, port authority permits to keep them in container yard to load on board. For providing such services, the port authority collects charges commonly known as Terminal Handling Charges (THC). Normally, the THC is quoted based on TEU (Twenty Equivalent Units). The rates are different according to the size of container and types or nature of cargo. The following are THC for a normal container at any port of the country.

1. From truck to Container Yard = Rate / TEU
2. From rail flat wagon to Container Yard = Rate / TEU
3. From CFS to Container Yard = Rate / TEU
4. From Container Yard to Ship = Rate / TEU

Normal practice is that shipping line or vessel agent or cargo agent pays THC to the port authority and subsequently they recover from the concerned party (exporter or importer).

Ocean Freight

Liner conference is a meeting of member companies of shipping Association companies periodically. The purpose of conducting such meeting is to fix the sailing route schedule and fixing the shipping freight rates. As per the recommendations of rate committee which is appointed by the Association members, the freight rate will be followed by all the members of shipping companies association.

Term of sale	Freight paid by	Freight charged to	Risk transfer point	Ownership in transit	Claims
FOB Origin Freight Collected	Buyer	Buyer	Port of shipment	Buyer	Buyer
FOB origin Freight prepaid	Seller	Seller	Port of shipment	Buyer	Buyer
FOB origin Freight Prepaid & Charged Back	Seller	Buyer by adding amount to invoice	Port of shipment	Buyer	Buyer
FOB Destination Freight Collect	Buyer	Buyer	Port of Destination	Seller	Seller
FOB Destination Freight Prepaid	Seller	Seller	Port of Destination	Seller	Seller
FOB Destination Freight Collected & Allowed	Buyer	Seller by deducting amount from invoice	Port of Destination	Seller	Seller

Conclusion

Logistics Costs is to use the amount of assessment of logistics activities in the actual situation. Modern Logistics Cost is the raw material supplies from the beginning to the delivery of goods to reach the hands of consumers have taken place all the logistics costs. It is very important to ascertain the actual logistics costs incurred in ICD process as well as in transportation. Then only a firm can find out the ways and means to determine the optimal logistics cost that leads overall success of an organization.

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