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VISION

The vision of the journals is to provide an academic platform to scholars all over the world to publish their novel, original, empirical and high quality research work. It propose to encourage research relating to latest trends and practices in international business, finance, banking, service marketing, human resource management, corporate governance, social responsibility and emerging paradigms in allied areas of management. It intends to reach the researcher's with plethora of knowledge to generate a pool of research content and propose problem solving models to address the current and emerging issues at the national and international level. Further, it aims to share and disseminate the empirical research findings with academia, industry, policy makers, and consultants with an approach to incorporate the research recommendations for the benefit of one and all.

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DEMAND SIDE ENERGY ANALYSIS OF INDIAN INDUSTRIES**Manoj Bhatt***

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ABSTRACT

Trends in energy intensity indicators increasingly serve not just as a monitoring tool, but as a basis for energy efficiency policies and regulations aimed at achieving greater energy conservation. Consequently, many believe that measuring changes in energy intensity can provide both international and national policy-makers with the information needed to design appropriate policies to improve energy efficiencies and also design greenhouse gas mitigation strategies. The results of the study show that Indian industries have become more energy efficient over the years especially post 1992-93, which also coincides with the liberalisation policy turnaround of the government.

KEYWORDS: *International, Developing Long-Range Policies, Identification And Analysis.*

INTRODUCTION

Energy is at the heart of the contemporary living and is central to the economy and development of any nation. As every activity, be it in our life or in the economy has by and large become energy driven; effective energy planning is a crucial activity deserving prime importance. Energy planning is the process of developing long-range policies to help guide the present as well as future of a local, national, regional or even the global energy system. Energy planning interventions is often made using integrated approaches that consider both the provision of energy supplies and the role of energy efficiency in reducing demands. Energy planning is more of a continuous and iterative process rather than a one time exercise.

The identification and analysis of energy issues and the development of energy policy options are important areas of study by governments, researchers and the development community. But until the first oil price shock of 1973, neither the developed nor the developing countries conducted sector-wide energy planning: such planning as was done was left to the subsectoral institutions with little attempt at coordination or central planning. All that changed, of course, in the aftermath of the first oil crisis, and countries everywhere struggled with the establishment of effective policies and institutions to deal with energy sector problems. Simply put, the sharp increase in the real oil price resulted in severe macroeconomic consequences to the low-income countries, to which appropriate responses needed to be developed. The need to deal with investment planning issues as problems of capital mobilization to expand the infrastructure of energy supply and distribution, especially electricity, also became more acute. More recently, energy related environmental concerns and with the depletion of resources on which the supply of energy is dependent has also raised the question of sustainability.

Energy policy has traditionally underestimated the benefits of end-use efficiency for society, the environment and employment. Achievable levels of economic efficiency depend on a country's stage of industrialization, motorization, electrification, human capital and policies. But the pace of realization can be slowed by sector and technology specific obstacles – including lack of

knowledge, legal and administrative obstacles, and the market power of energy industries. Government and companies should recognize innovations that can remove or minimize these obstacles. The external costs of energy use can be covered by energy taxes, environmental legislation, and green house gas emissions trading. There is also an important role for international harmonization of regulations for efficiency of traded products. Rapid growth in demand provides especially favourable conditions for innovations in developing countries – enabling these countries to leapfrog stages of development if market reforms are also in place.

Dematerialization further reduces the use of energy in the countries, but much also depends on the level of industrialization and income of those countries. Dematerialization means covering the absolute or relative reduction in the quantity of material used to produce a unit of economic output. In its relative definition of tonnes or volumes of material used per unit of GDP, dematerialization has occurred over several decades in many countries. This shift has contributed to structural changes in industry-particularly in energy-intensive areas such as chemicals and construction materials.

A number of forces that drive dematerialization are:

- As incomes rise, consumer preferences shift towards services with lower ratios of material content to price.
- As economies mature, there is less demand for new infrastructure (buildings, bridges, roads, railways, factories), reducing the need for steel, cement, non-ferrous metals, and other basic materials.
- Material use is more efficient-as with thinner car sheets, thinner tin cans, and lighter paper for print media.
- Cheaper, lighter, more durable, and sometimes more desirable materials are substituted-as with the substitution of plastics for metal and glass, and fibre optics for copper.
- Recycling of energy-intensive materials (steel, aluminium, glass, paper, plastics, asphalt) contributes to less energy-intensive production. Recycling may be supported by environmental regulation and taxes.
- Reuse of products, longer lifetimes of products, and intensified use decrease new material requirements per unit of service.
- Countries with high energy imports and energy prices tend to decrease their domestic production of bulk materials, whereas resource-rich countries try to integrate the first and second production steps of bulk materials into their domestic industries. However this case is more evident in industrialized countries.

But most developing countries, like India, are also experiencing some of the drivers of increased material use per capita. Increasing urbanisation, mobility, and per capita incomes increase the demand for material-intensive infrastructure, buildings, and products. Smaller households, the increasing importance of suburban communities and shopping centres, and second homes create additional mobility (Kundu 2001). The move from repair to replacement of products and trends towards throwaway products and packaging work against higher material efficiencies and hence, against energy efficiency and sustainable development.

In many developing countries energy use is driven by industrialisation, urbanisation, increasing road transportation, and increasing personal incomes. Wide income disparities in many

developing countries are also reflected in energy consumption patterns. Often a small portion of the population accounts for most commercial energy demand.

When disposable income increases, energy consumption by house-holds in developing countries, like India, shifts from traditional to commercial fuels. This trend has significant implications for energy efficiency in households. Since the technical efficiencies of cooking appliances using commercial fuels are higher than those of biomass, composite energy consumption per household tends to fall. A typical example is the move from a fuel wood stove with a technical efficiency of 12-18 percent to a kerosene stove with an efficiency of 48 percent, or to a liquefied petroleum gas stove with an efficiency of 60 percent. On the other hand, the substitution of commercial for traditional fuels raises ratios of commercial energy to GDP, because traditional energy is typically not included when such ratios are calculated. In addition, electrification in rural areas and increasing income and mobility in urbanising areas increase energy use. Developing countries also suffer due to the use of obsolete and energy inefficient technology which further spark the increase in energy usage.

END USE EFFICIENCY: MAJOR ISSUES

As the present work focuses on demand-side or end-use energy efficiency hence it is pertinent to discuss some of the aspects related to it in detail.

Quantitatively assessing the factors that contribute to changes in energy consumption has been important for understanding past trends in energy use, measuring the performance of energy-related policies, forecasting future energy demand and improving the overall efficiency of energy use (Park 1992; Farla et al. 1996). Literature on the subject reveals that three main factors determine the level of energy consumption in an economy: the level of overall activity or production, the composition or structure of the economy, and the output or activity per unit of energy consumed. This last component is referred to as energy efficiency, and improvements in it occur when the level of service / activity / output are enhanced for a given amount of energy inputs.

The term energy intensity is often used interchangeably with the term energy efficiency. Energy intensity refers to the energy used per unit of output or activity. Total energy consumed in a sector, for example, is a product of energy intensity per unit of output and the total amount of output provided. When output is measured in physical units, an estimate of physical energy intensity is obtained (e.g., TJ / tonne). Economic energy intensity, on the other hand, is calculated using money value of output measures (e.g., TJ / Gross Domestic Product in Rs.). Energy intensity is the most commonly used basis for assessing trends in energy efficiency since a truly technical definition of energy efficiency can only be obtained through measurements at the level of a particular process or plant. Energy intensity is thought to be inversely related to efficiency, the less energy required to produce a unit of output or service, the greater the efficiency. A logical conclusion, then, is that declining energy intensities over time may be indicators of improvements in energy efficiencies.

For the last decade, indicators that reflect changes in energy intensity have been used to monitor efficiency progress and identify market trends and efficiency improvement opportunities. Governments routinely produce documents displaying trends in these indicators, and cross-country comparisons of energy intensity abound in energy policy literature. Trends in energy intensity indicators increasingly serve not just as a monitoring tool, but as a basis for energy efficiency policies and regulations aimed at achieving greater energy conservation.

Before the mid-eighties, however, policy-makers were primarily concerned with the effect of shifting energy consumption on economic growth. As a result, energy policies were often coupled with economic policies that were typically implemented to boost a nation's economic performance. Although the maintenance of economic growth is still a priority for governments, the policy focus has shifted to capitalizing on the environmental benefits associated with more efficient energy use rather than just the economic benefits of conservation (Golove and Schipper 1997; Bosseboeuf et al. 1997). The current international debate on greenhouse gas emissions (GHGs) and their role in stimulating global climate change is concerned, in part, with how efficiently various countries use energy. This is because using fossil fuels (such as coal and oil) to create energy is directly related to the level of carbon dioxide emissions (CO₂, the major greenhouse gas) in the atmosphere. The more fossil fuels are burned, the greater the level of CO₂ emissions. The amount of energy consumed by a country that uses fossil fuels, and the efficiency of that energy use, therefore, are two of the major factors determining a country's overall level of CO₂ emissions (Schipper et al. 1997). In other words, policy-makers are growing increasingly concerned with the physical rather than economic repercussions of energy use.

Consequently, many believe that measuring changes in energy intensity can provide both international and national policy-makers with the information needed to design appropriate policies to improve energy efficiencies and also design greenhouse gas mitigation strategies. Through the use of energy intensity indicators, governments may be able to identify which industries need to be targeted for mitigation strategies. Indeed, a special issue of the journal *Energy Policy* was devoted entirely to studies which examined the use of energy intensity and their implications for energy efficiency.

Despite increasing support for the use of energy intensity indicators as a basis for policy-making, numerous uncertainties and disagreements continue to surround the development, interpretation and application of these indicators. Thorny issues related to the development of the indicators tend to be methodological in nature. Specifically, disagreements exist as to the best method for constructing both physical and economic intensity indicators. Issues regarding the interpretation of trends depicted by the indicators also exist, since physical and economic energy intensity indicators sometimes show different trends. Lastly, uncertainties surround the application of these indicators. Are intensity indicators appropriate for all types of energy analyses? Are all types of indicators equally useful to policy-makers in terms of the information they provide? Until the issues associated with the development, interpretation and application of these indicators are formally addressed, their potential to act as policy-making tools will remain limited.

METHODOLOGY

Let E_0 and E_t denote the total energy consumption in all the sectors¹ in year 0 and t respectively. In the energy consumption approach the change in energy consumption between the two years, $(\Delta E_{tot})_{0,t} = E_t - E_0$ is split into the following components² :

$$(\Delta E_{tot})_{0,t} = (\Delta E_{pdn})_{0,t} + (\Delta E_{str})_{0,t} + (\Delta E_{int})_{0,t} + (\Delta E_{rsd})_{0,t} \quad (1)$$

Now, if

E = total industrial energy consumption in all the concerned sectors

E_i = energy consumption in the sector i

Y = total production of all the concerned sectors

Y_i = production of sector i

$S_i = Y_i/Y$ (production share of sector i)

$I = E/Y$ (aggregate energy intensity)

$I_i = E_i/Y_i$ (energy intensity of sector i)

Then the different effects are as follows:

$$(\Delta E_{pdn})_{0,t} = 0.5(E_0 + E_t) \ln(Y_t / Y_0) \quad (2)$$

$$(\Delta E_{str})_{0,t} = 0.5 \sum (E_{i,0} + E_{i,t}) \ln(S_{i,t} / S_{i,0}) \quad (3)$$

$$(\Delta E_{int})_{0,t} = 0.5 \sum (E_{i,0} + E_{i,t}) \ln(I_{i,t} / I_{i,0}) \quad (4)$$

where 0 and t are two time periods.

RESULTS

The Indian industry shows an overall reduction in energy intensity (E/Y) after 1987-88. The break-up reveals that similar trend is evident in most of the subsectors, however beverages and wood show a reverse trend.

As far as structure of industry (Y_i/Y) is concern most of the subsectors remain same excepting food products, basic chemical and rubber, plastic & petrol have shown an increasing trend, and beverages basic metal, paper& print and others have shown a decreasing trend. Invariably most of the subsectors have been able to become energy efficient post 1990-91.

Those industries which are traditional have not been able to reduce the energy intensity however their share in the structural composition is getting reduced. Leather is an exception to this fact as in spite of becoming more energy intensive over the years it has been able to increase its sectoral share. Similarly metal products sector has become more energy intensive yet it has been able to maintain its sectoral share.

The story of basic metals has been just the reverse of leather, as it has become more energy efficient over the years yet its share has reduced in the overall composition. The figures of energy intensity and structural change respectively are given as under one after the other.

FIGURE 1: ENERGY INTENSITY IN DIFFERENT SECTORS

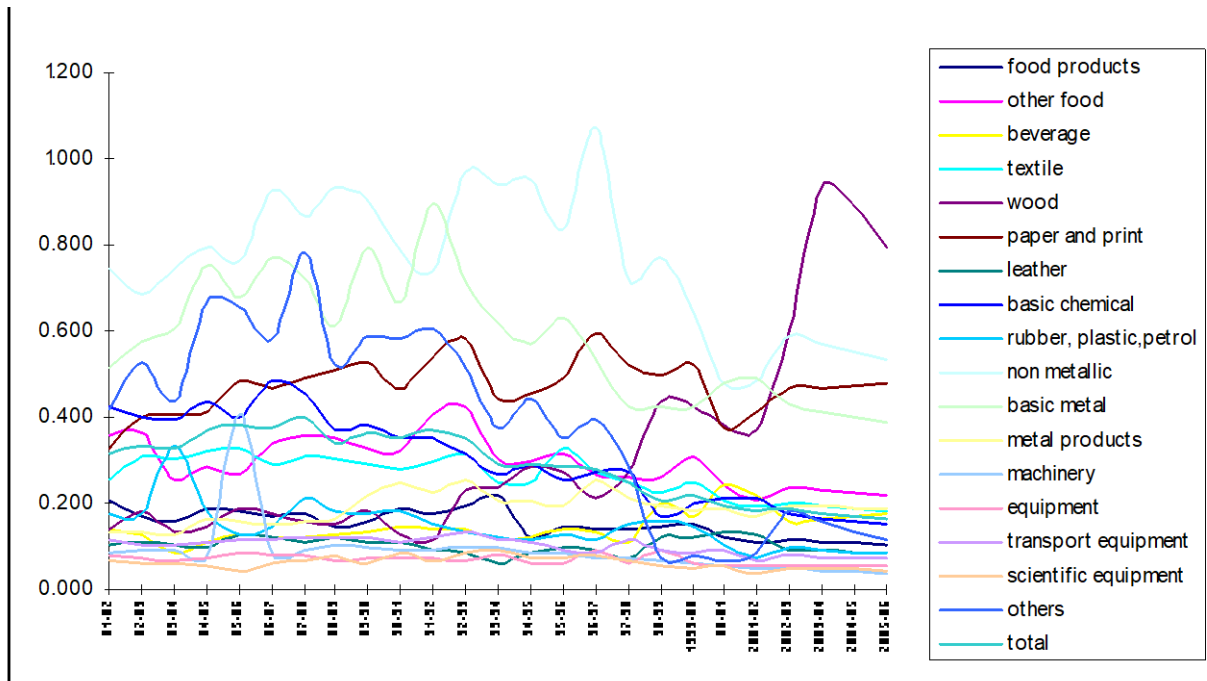
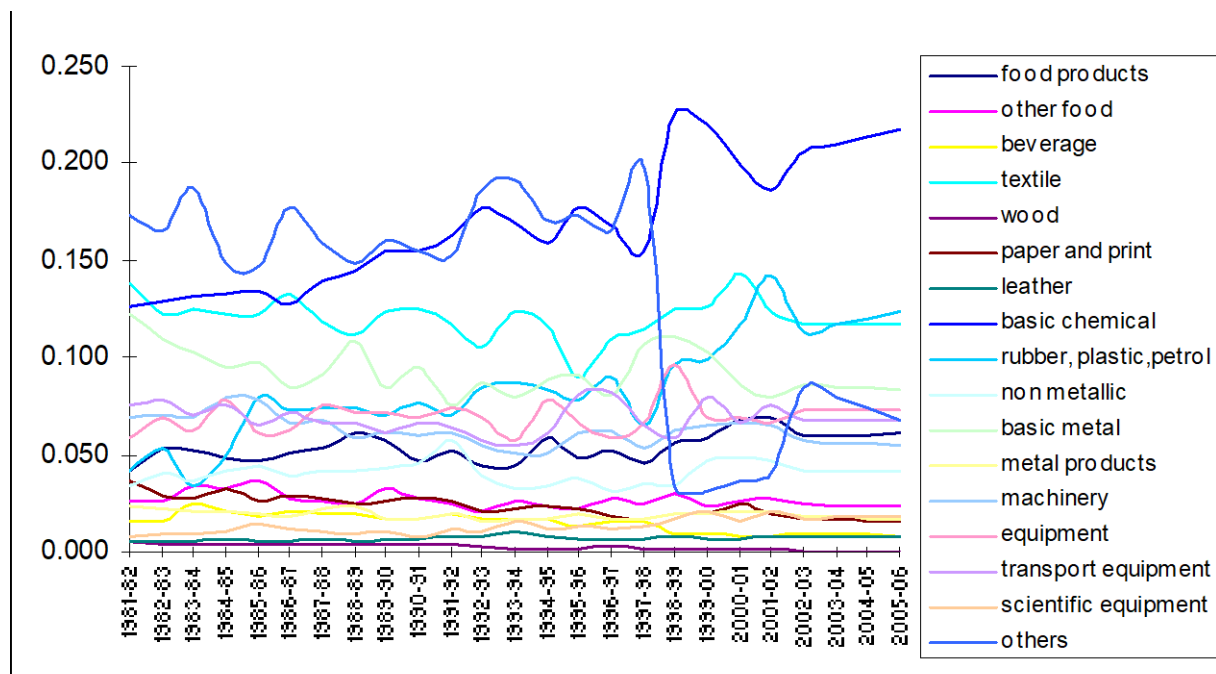


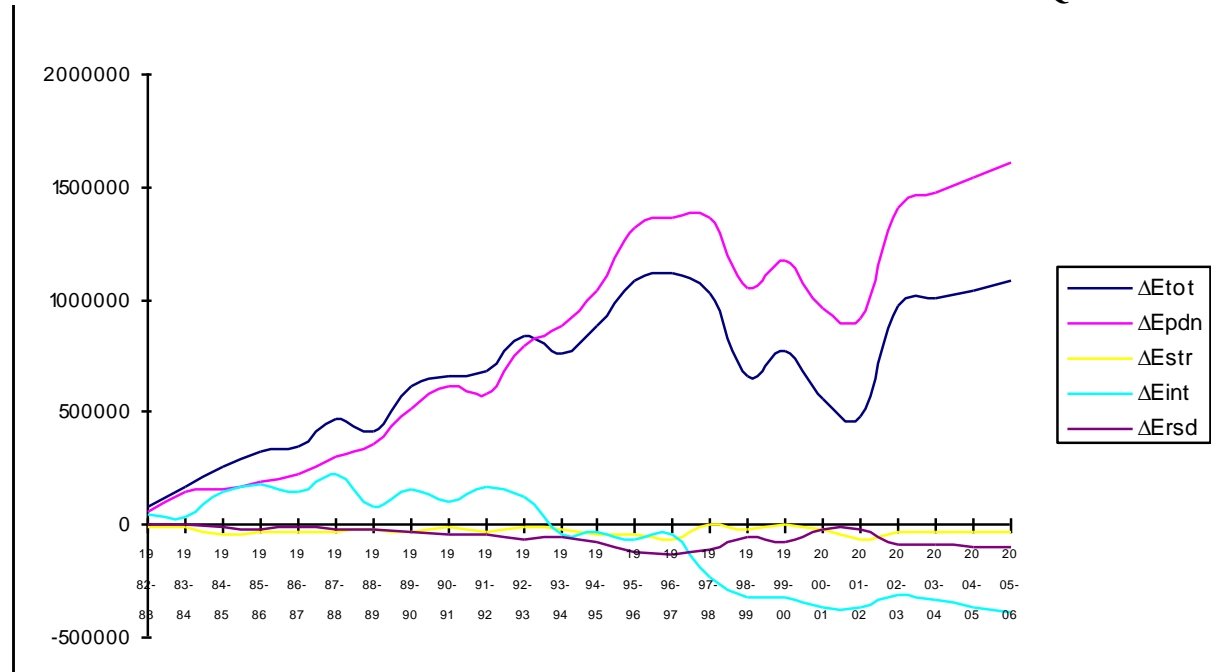
FIGURE 2: CHANGE IN STRUCTURAL COMPOSITION



The change in energy consumption due to scale of production effect follows the trend of total consumption however the scale production effect becomes more than the total effect post 1993-94. As the change in total energy consumption is sum total of all the effects [eqn (1)] hence this can be explained, as the change in energy consumption due to structural effect and residual have remained very less as compared other effects however the change in energy consumption due to intensity effect has shown a downward trend and becomes negative after 1993-94. This interesting aspect means that overall Indian industry is becoming more energy efficient after 1991-92, as intensity effect is declining and in fact becomes negative after 1993-94.

To further enquire into the aspect the intensity effect for all the subsectors is seen. The intensity effect has shown a negative trend and has become negative in absolute terms for all the subsectors excepting wood, beverages, paper & print, leather and metal products. Even in case of paper & print and metal products the decline is visible after 1997-98.

The change in energy consumption due to structural effect which as was mentioned earlier is less as compared to other effects however is negative for most of the years. This means that the sectoral shift in the composition of industry is assisting in reducing the energy consumption per unit. At the subsectoral level food-products, leather, basic chemical, rubber plastic & petrol and scientific equipments have shown an upward trend. The other subsectors have either declined sharply or have remained negative there by compensating the effects of these. The subsectoral graph (figure 8.12) shows that there has been tremendous volatility as far as the structural effect is concern, this is because of the quick changes that occur in the sectoral share post liberalization moreover the change in energy consumption vis-à-vis base period by these subsectors has been fluctuating.

FIGURE 3: CHANGE IN ENERGY CONSUMPTION BASED ON EQUATION (1)

CONCLUSIONS

Energy intensities can serve as proxies for energy efficiency levels provided that factors not related to efficiency have been removed such as structural and production effects. The decomposition analysis fits the bill in this case as through this; one can isolate structure and pure intensity effects. Pure intensity is only a good measure of energy efficiency if the aggregate intensity from which it was derived was calculated using detailed and disaggregated data.

The overall improvement in energy efficiency and change in sectoral composition can be attributed to better utilization of inputs in most of the sectors of which energy is a major component to remain competitive in the market especially after liberalization. The other reason can be due to the proliferation of improved technology in these subsectors.

This however makes one thing clear that Indian industries have over the years have become extremely energy efficient and have bolstered the Indian case in the global energy and climate change discussions.

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**PRAGMATIC TRAITS OF TV ADVERTISEMENT AND ITS INFLUENCE ON
WOMEN'S BUYING BEHAVIOUR - AN EMPIRICAL ANALYSIS****Dr. S. Kalaiselvi*; Mrs. D. Subashini*****Assistant Professor & Head,
PG Department of Commerce (CA).**Vellalar College for Women,
Erode.**INTRODUCTION**

Advertisement is an application that involves a lot of investment, creativity, time, and people which is a major promotional tool that helps marketers in reaching their target customers in a very short span of a time. It has multi dimensions serving as a form of mass communication, a powerful marketing tool, a component of the economic system, a means of financing the mass media, a social institution, art form, a field of employment and a profession. The basic objective of Advertising is to create brand awareness in the minds of consumers and persuade them to purchase the products. As a promotional strategy advertising serve as a major tool in creating product awareness and persuade the potential consumers to take eventual purchase decisions.

There are various ways through which companies can advertise their product like Print media, Electronic media etc. Electronic media attracts many marketers, as it would help them to reach a wider audience in a short span of time. Marketers spend crores of rupees on advertisement in television every year.

ADVERTISING AND WOMEN BUYING BEHAVIOR

Advertising gives the information about new goods and services to the general public. It hopefully increases overall sales, which will increase efficiency of the nations economy. The goal of advertising is to create motivation for people to buy. The income of the highest earning household has shown an exponential growth while the gap in household income between top earners and middle earners has widened. There are 50.69 lakh working women in an organized sector in India and the percentage of women in the work force has risen steadily and dramatically since the 1960's and the percentage of married couples in employment has nearly doubled. Not only are more women working, but they are also earning higher salaries than ever before.

Marketing to women delivers a better return on the marketing rupee through both higher customer acquisition and greater customer retention. Because women are more inclined to long term brand relationship, enhanced loyalty means every marketing rupee invested in acquiring female customers results in a higher retention rate.

STATEMENT OF THE PROBLEM

Every marketing activity aims at creating product awareness and desire among the consumers. This can be done through two broad classifications of advertising media such as print and electronic media. These two media can be widely used to advertise the several types of products. In the electronic media , television is considered as one of the popular one. It is also considered as a primary media for gathering information specifically through advertisements. Hence, the problem for this study has been formulated based on the impact of advertisement in television media.

In order to take constructive decision for purchasing a product, the women consumers are playing a vital role. The television are mostly delivering the advertisement about the household articles. Since the women are prime decision makers for purchasing the product and television advertisement are focusing on them, the problem for this study has been formulated on the part of women buying behavior based on the impact of T.V. advertisements.

OBJECTIVES OF THE STUDY

The present study was carried out with the following objectives.

PRIMARY OBJECTIVE

- ❖ To analyze the impact of television advertisement on women buying behavior.

SECONDARY OBJECTIVES

- ❖ To examine the general attitude of women respondents on the television advertisement.
- ❖ To study the influence of demographic factors over type of products advertised and attractiveness of advertisements.
- ❖ To study the influence of demographic factors over purchase decision.
- ❖ To offer suggestions & recommendations for improving the quality of T.V. advertisements by targeting the women buying behavior.

METHODOLOGY

The geographical area of Erode district was chosen as the universe. Convenience sampling has been adopted in this study. The sample size of 250 women consumers of various age groups were chosen from the few distinct geographical areas of the Erode district. For analyzing the data, Percentage analysis, Chi- square analysis, ANOVA, Likert scale ranking, Weighted average method has been applied.

LIMITATIONS OF THE STUDY

While conducting the study the researcher has found a lot of constraints. These constraints have been enumerated below:

- ❖ The present study is based on Erode district. The Women's attitude differ from one place to another place. Hence the result could not be generalized for other cities as well.
- ❖ Due to the economic and time constraints of the researcher, the number of respondents has been limited to 250 only.
- ❖ The accuracy of the study depends on the data provided by the respondents.
- ❖ The respondents' opinion hold good for the time being only and may vary in future.

EXCERPT S FROM PREVIOUS STUDIES

Jennifer et al (2009) explored the "Priming effects of television food advertising on eating behavior". He found that girl children consumed 45% more when exposed to food advertising.

Priya et al (2009) analyzed the "Impact of children's attitudes towards television advertisements on their resultant buying behavior". The results of their study show that the demand for the advertised products is heavily influenced by the children's attitude towards advertisements. Further, the cognitive changes among the different age groups lead to the formation of varying

attitudes towards the advertisements. Yet there are other potent factors apart from advertisements, which result in the requests for a product or brand. Furthermore, past studies reveal a fairly strong relationship between advertising investments and sales.

Adya Sharma (2009) in his study entitled “ Role and influence of children in buying children’s apparel” has revealed that the size of the family or the gender of the children in family affect the buying behavior in any way.

“Consumer purchasing pattern in liberalized market - A study on the household durable products” by Dr.D.Ashok (2009), stated that India is no exception. Especially after the opening up of the economy, the pace of change that India and its people are experiencing in their socio - cultural milieu is mind boggling. India , with its wide diversity, offers a fascinating scope to study the host of changes which developmental activities have brought about in its social and economical framework.

FINDINGS

A. BASIC PROFILE OF THE RESPONDENTS (TABLE NO.1)

- ❖ Majority of the respondents (33.6%) belong to the Age group of 20- 30 years.
- ❖ Maximum (72.4%) of the respondents belong to Married category.
- ❖ Maximum of 46.4% of the respondents belong to Urban area.
- ❖ Maximum proportion (47.2%) of the respondents were qualified at College level.
- ❖ Twenty four percent of the respondents were Professionals.
- ❖ It is found that most of the respondents (59.6%) were in the category of Nuclear family.
- ❖ Majority 53.6% of the respondents were found to have 2 to 3 earning members in the family.
- ❖ The average annual income of greater proportion of the respondents (32.4%) was found to be Rs. 1, 00,000 – Rs 3,00,000.

B. PROFILE OF THE ATTRIBUTES OF THE RESPONDENTS (TABLE NO.1)

- ❖ Maximum of 51.6% of the respondents watch T.V.programs for Less than 1 hour.
- ❖ It is observed that maximum of respondents (53.2percent) were aware of the product available in the market through Television.
- ❖ 37.2% of the respondents select the product through Brand loyalty.
- ❖ Sixty percent of the respondents were Very much interested in seeing T.V. advertisement.
- ❖ It is observed that 35.2 percent of the respondents Do not care much after watching T.V. advertisement.
- ❖ Maximum (74.4%) of the respondents prefer Celebrity advertisement.
- ❖ 38.8% of the respondents were impressed by Models in T.V. advertisements.
- ❖ Majority of sample respondent’s (60.4%) do not believe the quality of the product by considering T.V. advertisement.
- ❖ Majority (85.2%) of the sample respondents opine that T.V. advertisement is effective than other media.

- ❖ Maximum (34.0%) of the respondents prefer their product by Live demo.
- ❖ Maximum (20.4%) of the respondents prefer Cosmetics & Dresses through advertisement.
- ❖ The Quality is the major problem faced by the women consumer in buying the product through advertisement.
- ❖ The highest (4.75) weighted average score and first rank is assigned for the factor “Price”

LEVEL OF SATISFACTION OF THE CONSUMERS (TABLE NO.2)

❖ ON REASONABLE PRICE

The chi-square analysis result have shown that the demographic factors like age, average annual income have not significantly influenced the level of satisfaction of the respondents in respect of reasonable price, while occupation alone has a significant relationship with level of satisfaction of respondents in respect of reasonable price.

❖ ON ATTRACTIVENESS OF T.V. ADVERTISEMENT

The Chi-square analysis result have shown that the demographic factors like Age group, Educational qualification, Marital status and Type of family have not significantly influenced the Reasons for attractiveness of T.V. advertisement, while Occupation alone has a significant relationship with Reason for attractiveness of T.V. advertisement.

❖ ON TYPE OF PRODUCT ADVERTISEMENT

The Chi- square analysis result have shown that the demographic factors like Age, Educational qualification, Type of family and Average annual income have not significantly influenced the Type of product advertisement, while Occupation and Marital status have significantly influenced the Type of product advertisement.

BASIS FOR EVALUATION – RANKING UNDER LIKERT SCALE METHOD (TABLE NO. 3)

Ranking analysis have revealed that the Brand loyalty has been the major factor considered by the consumers for evaluation of product alternatives while Offers and Discounts is the least considered factor.

AWARENESS ABOUT THE PRODUCT IN THE MARKET (TABLE NO.4)

ANOVA test results have shown that the demographic factors like Age, Occupation, Area of residence, Marital status, Type of family, Number of earning members of the family have not significantly influenced with the awareness about the availability of the product whereas Educational qualification alone has a significant difference with the awareness about the availability of the product.

SUGGESTIONS AND RECOMMENDATIONS

Based on the above analysis and major findings of the study, following are the suggestions and recommendations proposed to the media owners and advertisers for increasing the effectiveness of the T.V. advertisements.

- ❖ Impact of T.V. advertisements on women viewers could be done by taking entire state as sample size.

- ❖ To find the real impact of advertisement, analysis can be done to measure the cost and effectiveness of advertisement.
- ❖ Comparative performance of various media advertisement in the aspect of women viewers could also be done.
- ❖ Some problems are faced by the women viewers in the T.V advertisement. They have to be rectified by the advertisers in future.
- ❖ T.V. advertisements should be made more attractive and useful. Only genuine facts should be displayed in the T.V. advertisements.
- ❖ There may be more attractive slogans for the advertised products to capture the eyes of the viewers.

CONCLUSION

Television advertising needs some more creativity but it should not confuse the consumers. Too much of creativity will lead to confusion and it will spoil the image of the product. The advertiser should make the advertisements in right time between the programs which will reach the women viewers and help them to take better buying decision. As a conclusion, some more developments are to be made by the advertisers to attract the women buyers. The study reveals that among the several factors considered for analyzing the effectiveness of television advertisement, most of the sample respondents have opined that the television media has many characteristics that influence their buying behavior.

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TABLE NO. 1(PERCENTAGE ANALYSIS)

S.No	Factors	No. of respondents	Percentage (%)
Hours	Less than 1 hour	129	51.6
	1 to 3 hours	94	37.6
	3 to 5 hours	16	6.4
	Above 5 hours	11	4.4
Source	Television	133	53.2
	Dealers	9	3.6
	Friends & Relatives	91	36.4
	Internet	6	2.4
	Others	11	4.4
Reasons	Brand Loyalty	93	37.2
	Product description	74	29.6
	Price	47	18.8
	Attractiveness	36	14.4
Level of Interest	Very much interested	150	60
	Interested	62	25
	Some what interested	38	15
Factors	Induce to purchase immediately	81	32.4
	Not caring much	88	35.2
	Difficult to take purchase decision	81	32.4
Types of advertisement	Celebrity	186	74.4
	Non-celebrity	64	25.6
Type of Celebrity	Film artists	79	31.6
	Sports Star	54	21.6
	Models	97	38.8
	Others	20	8
Believability	Yes	99	39.6
	No	151	60.4
Opinion	Yes	213	85.2
	No	37	14.8
Reason For Preference	Attractive presentation	75	30
	Live demo	85	34
	View of celebrity	55	22
	Quick Attention	35	14
Type of Products	Cosmetics	51	20.4
	Health Drinks	49	19.6
	Jewellery	50	20
	Dresses	51	20.4
	Others	49	19.6

Problems	Quality	96	38.4
	Quantity	50	20
	Services	58	23.2
	Offers & Discount	46	18.4

TABLE NO. 2(CHI-SQUARE ANALYSIS)

Factor	Calculated value of (χ^2)	Table value	Degree of freedom	Significant level
Age Group	15.939	21.03	12	Not significant
Occupation	34.688	26.3	16	Significant
Average annual income	22.19	21.03	12	Not Significant
Age Group Vs Attractiveness of TV advertisement	11.135	16.92	9	Not significant
Educational qualification Vs Attractiveness of TV advertisement	10.994	21.03	12	Not significant
Occupation Vs Attractiveness of TV advertisement	21.496	21.03	12	Significant
Marital status Vs Attractiveness of T.V. Advertisement	3.392	2.35	3	Not Significant
Type of family Vs Attractiveness of T.V. Advertisement	1.04	2.35	3	Not significant
Average annual income Vs Attractiveness of T.V. Advertisement	9.618	1.83	9	Not significant
Age Group Vs Type of product advertisement	18.921	21.03	12	Not Significant
Educational qualification Vs Type of product advertisement	10.994	21.03	12	Not Significant
Occupation Vs Type of TV advertisement	47.638	26.3	16	Not Significant
Marital Status Vs Type of product advertisement	12.296	9.49	4	Significant
Type of family Vs Type of product advertisement	2.733	9.49	4	Significant
Average annual income Vs Type of product advertisement	20.514	21.03	12	Not Significant

BASIS FOR EVALUATION – RANKING (LIKERT METHOD) TABLE NO. 3

S.No.	Basis for evaluation	Likert rate	Rank
1	Reasonable Price	238	II
2	Brand loyalty	245	I
3	Offers & Discount	170	VI

4	Availability of product	203	IV
5	Quality of product	208	III
6	Packing	181	V

Source : Primary data

TABLE NO. 4(ANOVA)

		Sum of Squares	Df	Mean Square	F	Sig.
Age Group and Awareness about the Product	Between Groups	1.844	4	0.461	0.457	Not Significant
	Within Groups	247.36	245	1.01		
	Total	249.204	249			
Education Qualification and Awareness about the Product	Between Groups	10.147	4	2.537	4.993	Significant
	Within Groups	124.477	245	0.508		
	Total	134.624	249			
Occupation and Awareness about the Product	Between Groups	4.078	4	1.019	0.599	Not Significant
	Within Groups	417.186	245	1.703		
	Total	421.264	249			
Marital Status and Awareness about the Product	Between Groups	0.68	1	0.68	0.487	Not Significant
	Within Groups	346.284	248	1.396		
	Total	346.964	249			
Area and Awareness about the Product availability in Market	Between Groups	6.794	2	3.397	2.467	Not Significant
	Within Groups	340.17	247	1.377		
	Total	346.964	249			
Type of family and Awareness about the availability of the Product in Market	Between Groups	0.765	1	0.765	0.548	Not Significant
	Within Groups	346.199	248	1.396		
	Total	346.964	249			
Number of Earning Members and Awareness about the Availability of the Product	Between Groups	6.346	3	2.115	1.528	Not Significant
	Within Groups	340.618	246	1.385		
	Total	346.964	249			
Average Annual Income and Awareness about the Product	Between Groups	7.879	4	1.97	1.451	Not Significant
	Within Groups	332.585	245	1.357		
	Total	340.464	249			

IMPACT OF ECONOMIC GROWTH ON STOCK MARKET PERFORMANCE

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INTRODUCTION

The study will explore the impact of stock market development on the macro economy of the country. It attempts to test the extent to which stock market development affects long term economic growth.

There exist ample literature on economic growth and its determinants. Among the determinants of economic growth, stock market development is increasingly becoming an important factor to impact upon it. The importance of stock markets lies in the contributions of it. Some of the facts in regard to the relationship between financial markets development and economic growth extensively discussed in the literature are as follows. First, at the initial stages of economic development, financial markets are undeveloped and very small in their magnitude. During these stages, financial markets are primarily dominated by banks and other similar types of financial intermediaries. There is almost no role of stock markets or, even if they exist in any form, their size is negligible. Second, when the economy continues to grow, equity markets develop further as well as the banking system. Similarly, other financial intermediaries also develop. Third, researchers recognize the common view that the stock markets appear to develop in a non-monotonic ways. In economies where stock markets are relatively small, capital accumulation seems to be followed by a relative increase in banks' share in the financial system and in economies where the stock market has already reached a reasonable size, further development of the market causes an increase in the equity markets' share. In other words, evidence shows that the equity/debt ratio first decreases and, only with further development of the stock market, this ratio increases.

LITERATURE REVIEW

Bencivenga, et. al. and Levine and Renelt (1992) suggested that stock market liquidity plays a major role in economic growth.

Atje and Jovanovich (1993) have concluded that there is strong positive correlation between the level of financial development and stock market development and economic growth.

Levine and Zervos (1996) study of stock market development and economic growth by focusing on India for a ten-year stock market liberalization period.

Levine and Zervos (1998) showed a positive and significant correlation between stock market development and long run economic growth in their study of 47 countries. However, their study relies on a cross-sectional approach with well known empirical limitations.

Tuncer and Alovsat (2001) examined stock market-growth nexus and exhibited positive casual correlation between stock market development and economic activity.

IMPACT

Financial development has been observed to follow economic growth in numerous other studies. Macroeconomic forces have systematic influences on the prices of stocks through their influences on expected future cash flows. The relationship between stock prices and macroeconomic variables therefore, has been predominantly investigated assuming that macroeconomic fluctuations are influential on stock prices through their effect on future cash flows and the rate at which they are discounted. The nature of the economy plays a prominent role in determination of stock prices and a complex set of factors are seen to influence the movement of prices at the stock market.

However, even if an economic report is negative, the outcome of the stock market and the financial markets in general may occasionally rise making the stock market perhaps one of the most dynamic components of the world market, alongside other components such as Foreign Exchange market. Stock exchange prices are highly sensitive to some fundamental macroeconomic indicators. It is also noted that as the economy expands, the demand for certain financial instruments increases, leading to the growth of these services and the end result is that the developments in macroeconomic activity influences the stock market performance. The stock market can be vibrant especially with regard to any prospects for potentially positive returns, but generally stock prices and the stock market in general are very volatile. However, it would be wrong to attribute the causes to stock market movements to just the macroeconomic forces, because the financial markets are undisputedly known to be very prone to "noisy" and irrational behavior. The prices of stocks may also move up and down due to other factors such as investors' perception about the prospects of an individual company, the industry in which it operates. The movement in the price of stocks is also directly affected by the mechanisms of demand and supply in the market. For instance, when more consumers purchase a particular type of stock, its price will consequently increase; and when more traders sell off a stock, its price will tend to fall. This shows the dynamic effects that the forces of demand and supply have on the performance of the stock exchange market.

Dynamic linkages exist between stock markets and macroeconomic variables, but such linkages have been investigated extensively only for the developed markets. This leaves the dynamic linkages in the emerging markets and the less developed countries much more ignored, with only a few exceptions. Reason cited for the lack of extensive literature for the developing economies includes the overwhelming influence of governments in economic activity and that most of the stock markets are at their infancy stages therefore the volume of trade is low and company-specific information is not always timely or of high quality. This therefore leaves the stock markets more prone to influences from economic policy but the relationship is assumed to be unidirectional from macroeconomic variables to stock returns.

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**TRANSFORMATION HIGHER EDUCATION TOWARD ENTREPRENEURSHIP
UNIVERSITY: A CASE STUDY IN BRAWIJAYA UNIVERSITY****Didied Poernawan Affandy*; Putu Prima****

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ABSTRACT

Universities as a public organization is required to continually improve the quality of education process accompanied by efforts to increase its relevance in order to improve the competitiveness of universities globally towards entrepreneurial university. The purpose of this research is to get pictures of the potential and weaknesses of Brawijaya University (UB) in building an entrepreneurial university. Changes in the status of UB into public service agencies forcing this university to carry out entrepreneurship in university governance. The need of commercialization and Entrepreneurship university requires the implementation of the principles of independence, commitment, consistency and dynamic behavior in risk taking, reactive and growth-oriented university. *This study combines descriptive method and rationalistic postpositivism in analyzing the data. Result of this study showed that most students are considering the teaching quality and the graduate employability as major factors when they preferred UB as an university where they want to studied. From this result showing how the preferency of potential students are regarding to the quality of services provided by UB. It also concludes that there are still space for UB to develop its market. By using the parameters of research quality, international outlook, teaching quality, graduate employability, facility and tuition, how potential the UB market are would be still giving prospective. With the high intensity of global competition, the conclusions of this study showed that UB should improving and realizing its strategies not only to increasing academic income but also how to increasing non academic income.*

KEYWORDS: *Competitiveness, Entrepreneurship, Growth-Oriented University, University Governance.*

INTRODUCTION

The evolution of the knowledge based economy have caused dramatic changes to the characteristic and function of higher education in many countries. As a business unit the higher education institutions that prioritize on quality must be able to create the high competitiveness and sophistication required in the concept of product quality and marketing concepts. Competition among higher education will gradually change as competitive business world in general. The development of higher education into a business unit can not be separated from the demands and changes over time. The ability to address challenges and trends that are brought about by age will determine whether a university can remain competitive or lose the market. These challenges and trends that force and requires the university to implement the change their management principles to the management of corporate bureaucracy. This is done by holding the improvement in all fields and promote the principles of good university governance, funding efficiency, taking into account any risks to be taken, and the ability to predict future trends and challenges associated with the increasing competitiveness of the university.

During its development, Brawijaya University (UB) legal status changed from state institutions into BLU (Badan Layanan Umum/Public Service Board) caused by problems related to unclear legal basis of Legal Education Board (Law No. 9 Year 2009 about BHP (Badan Hukum Pendidikan/Legal Education Board), which otherwise do not have binding legal force by the Constitutional Court. Community assume that with BHP Law of higher education refers to the principle of exclusivism. That is because people have not yet understood in depth about the various forms of government policies related to the national education system so that there are differences of viewpoint between the community and government in education. Education is not held for the education itself but the Indonesian education must nurture and strengthen the principles of independence and commitment to success as a primary goal in any educational actors. People consider education as an investment in human capital. The investment is attractive when the benefits exceed the costs associated with the education program (Cantona and Jong, 2005).

Higher education institutions are required to always improve the quality of education process is accompanied by efforts to increase its relevance in order to improve the competitiveness of universities globally. There are also demands the government for universities to improve the competitiveness of nations through increase workplace productivity. So that universities must increase their productivity in order to improve its competitiveness globally. Therefore universities need to raise additional funds to achieve that goal. But there is a controversial concept which should remain a non-profit educational and should not be doing commercialization. Gains in can be invested and returned to society in the form of facilities or educational facilities. If only rely on funding from the government, university itself will be difficult to carry out its operations in addition the operations not only in the form of university teaching and learning activities only. Seeing the vision and mission of the Brawijaya University to get a predicate Entrepreneurial University (UB Strategic Planning, 2006-2011) so that many programs should be developed in order to develop entrepreneurial souls in every line of the University of units ranging from students, staff up to college officials.

By changing the legal status of the Brawijaya University into BLU allow Brawijaya University to become more autonomous institutions and flexible, especially in terms of financial management. It is

in accordance with the strategic issues contained in the document HELTS (Higher Education Long Term Strategy) from 2003 to 2010 the Department of National Education, namely (1) competitiveness of nations, (2) autonomy and decentralization, and (3) organization of health (UB Strategic Planning, 2006-2011). Therefore, as a growth-oriented university, the UB must improve its productivity through programs of cooperation with external institutions institutions both governmental institutions and private institutions. So do not just rely on funding from government and university students.

Networking or networks are keywords that must be developed constantly by each university in order to find the right pattern of partnerships between universities and financial institutions (business) and a research institute. The importance of thinking about segmentation in synergy with the job market is a must that should be considered, planned, and carried out gradually and continuously by higher education institutions to create output that has the entrepreneurial souls. Moreover, in implementing strategic funding, higher education institutions should also consider the purchasing power of the community for a strategy is needed related to ability of educational institutions within view map of market segmentation. so that costs in higher education can remain affordable by all levels of society.

Enterprising BLU emphasizes the principle of government which is a new paradigm into the soul of public sector financial management. It is necessary for corrective measures and changes to the governance of the University as a public institution that adheres to the principles of bureaucracy into a corporate-based professional by which the university is promoting growth with equity and expanding access to education, improved quality, relevance, competitiveness, and strengthening governance, accountability and public image. Those require the souls of entrepreneurs in implementing good governance of the university as well as adhere to the principle of effectiveness, efficiency, economical and transparency. Looking ahead UB is expected to become an entrepreneurial university. Although the status of public sector institutions, non profit oriented, UB can still generate income and get source of funding coming from the provision of services to the public.

Entrepreneurial university requires the implementation of the principles of leadership, independence, commitment, consistency and dynamic behavior in risk taking, reactive and growth-oriented university in each component so that it can reflect the capability to become an entrepreneurial university. In this case the role of rector would be more like corporate managers, and an university management increasingly focuses on the accountability. With Brawijaya University's readiness to be an entrepreneurial university is expected in the future can create output in the form of high quality human resources, governance, good organization and the ability of the university in meeting market needs

The problem of this research is, with the change in the status of Brawijaya University into an autonomous legal entity to carry out the practice of forcing Brawijaya University university governance to arrange the programs of the organization and management that aims to prepare the institution and the entire infrastructure in accepting the concept of decentralization. This can be achieved through a step-by-step development of an autonomous organization and management, restructure the organization, effective governance, as well as efficiency and transparency.

The purpose of this research is to get a picture of potential and weakness of Brawijaya University in building a entrepreneurial university that can reflected either from human resources, organization

management and fulfillment of market needs. So the results can be further utilized to build or strengthen the pillars of the support needed in realizing the University of UB as entrepreneurial university and building entrepreneurial behaviour in higher education.

REVIEW OF LITERATURE

ENTREPRENEURSHIP

Amiri et al (2009) argued that global competitions have attracted the attention of some countries to the necessity of role changes and the range of university activities, so that they intend to review the university's role to react to internal and external forces. It also affect the competitiveness of higher education because today a new model of entrepreneurship is appearing and calling the attention of universities to:

1. Direct involvement of universities in commercializing research activities
2. Taking a more active approach to the regional economical development
3. More emphasis on the application of principals of quality management in university practices
4. Taking an approach based on educational program development according to problem solving and statistical analysis methods.

The most important purpose to implementing this plan is to make a revolution in facing the the challenge of global education-based economy. It can be done through increasing and encouraging the entrepreneur sense and culture, in higher education environment. The importance of entrepreneurship in development is so much that it is called as the engine of economic development (Amiri et al, 2009). So it can be said that entrepreneurship as an trigger of economic innovation globally.

TRANSFORMATION PROCESS IN HIGHER EDUCATION INSTITUTION (HEI)

The management performance in higher education sector, has characteristics which make it difficult to measure efficiency because it is nonprofit making. Expansion of access to higher education has been considered primarily the responsibility of the public sector. However, it may be expected that the presence of the private sector will influence access to higher education, particularly for less advantaged students (Roksa, 2008).

The competition between universities can bring a positive impact for the education system. And it also useful for the student both in university and will entry the university. More recent studies conducted to get the evidence about the character of competition among higher education institutions. Vaughan and Baxter (1998) in Allen and Shen (1999) discovered significant price competition between a public for year college and a state university. The potential competitor institutions include a public, comprehensive university located within the same metropolitan area, a public, research, doctoral-granting university located within the same state, and a private, secular, comprehensive university located in a contiguous state.

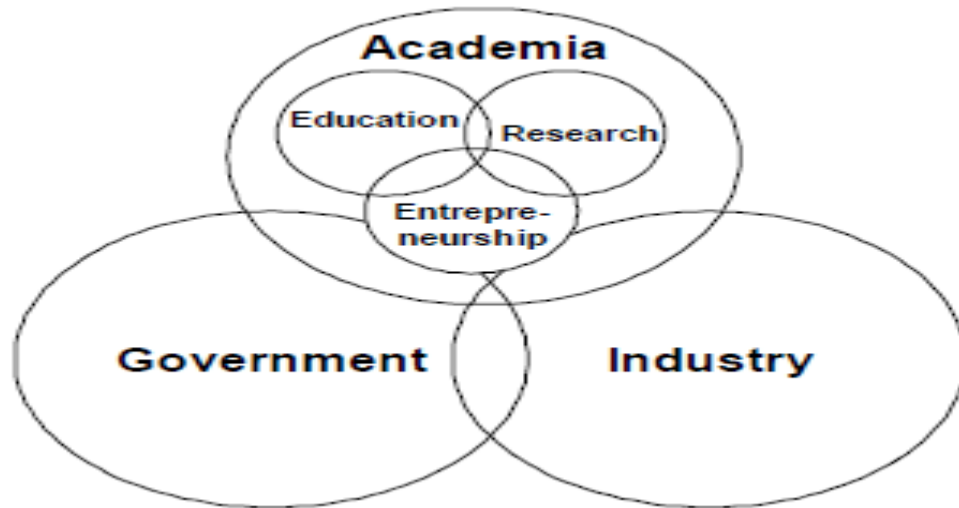
But it's not only the competition that important in higher education, how to applied the good university governance associated with entrepreneur soul in every unit of university is also becoming critical key success factor. Higher education management needs to applying corporate knowledge management practices in order to achieve the institution's objectives and goals. Knowledge

management is the process of transforming information and intellectual asset into enduring value. It connects people with the knowledge they need to take action, when they need it (Kidwell et al, 2000). So it can make an efficiency in a university governance.

Using the knowledge management technology in higher education is as vital as it is in the private and business or corporate sector. If done effectively, it can lead to better decision making capabilities, reduced product development cycle time (for example curriculum development and research), improved academic and administrative services, and make efficiency in reducing cost. Finally, transforming the UB strategies from old paradigm that is planned regularly to the new one which is entrepreneurial based would be required.

ENTREPRENEURIAL UNIVERSITY

Entrepreneurial university interlinks its three missions: education, research and serving society. Institutionally that has meant having in a university structure besides traditional education and research functions, a technology transfer office (TTO) and active patenting of own research results by the university (Baldini, 2006 in Mets, 2009). That means also creating entrepreneurial competencies and mindset among university members, active position to production and implementation of university knowledge for prosperity of society and entrepreneurial environment inside and around the university. Knowledge production and commercialization related processes are fulfilled in the different frameworks of UIG (university, industry, government) linkages as examined by the number of researchers, for example, in regional development (Etzkowitz and Klofsten, 2005), learning (Matley and Mitra, 2002), knowledge networks' (Carayannis and Alexander, 1999) and intellectual property (IP) system (Kelli and Pisuke, 2008) context (Mets, 2009). Suggested entrepreneurial model of university-industry and government linkages showed in Figure 1.

FIGURE 1. DOMAIN FACTOR OF ENTREPRENEURIAL UNIVERSITY

Source: Mets (2009)

Figure 1 shows domain factor of entrepreneurial university, which could be a trigger to promote entrepreneurship atmosphere in university. Entrepreneurial university include the patterns of main processes of university R&D commercialization and the model how university is creating value from its own research. There can be two different approaches to university business model: wider view to university as a creator of intellectual, social capital for and in society and narrower view to university optimizing commercialization of research as fund-rising function (Mets, 2009).

RESEARCH DESIGN AND MODEL

This study combines two methodologies in analyzing the data, which consists of descriptive method and rationalistic post positivism.

DESCRIPTIVE METHOD

In describing the data collected, this research uses a descriptive method. Primary data is collected by a structured interview among selected respondents by distributing questionnaires to students and related parties to obtain preliminary data that will be analyzed further.

RATIONALISTIC POSTPOSITIVISM

Based on the research objective of the readiness of UB as an entrepreneurial university, the rationalistic postpositivism approach was used. The purpose of this study is to get a picture of the potential and weaknesses of UB in building a world class entrepreneurial university, either in terms of university governance or in terms of outputs produced and also the emphasis on entrepreneurial souls to be possessed by every university members in carrying out the practices of the good university governance (GUG).

Rationalistic postpositivism method is an approach that bases the positivistic way of thinking that is specific to think about empiricism which is observed and measured. While positivist approach

is 'perfecting' positivistic way of thinking with analysis on the "process" (more than just an analysis based on "results"). Postpositivistic approach has the main characteristics of the search for meaning behind the data. By using deductive method that uses of theories and concepts (entrepreneurial souls who have developed or may be higher education governance as a non-profit oriented institution) as a starting point of the research, positivistic approach would be the right option. It is because the analyzed data must be observable and measurable (in accordance with the data has been collected). However, entrepreneurial souls who have developed or may be higher education governance as a non-profit oriented institution is not a single reference that is set in stone. Some development needs to be done to develop entrepreneurial attitudes in a university environment, so it needs to be repair and improvement of university governance. Therefore, the approach chosen in this study is the rationalistic postpositivism. The process of postpositivism rationalistic based research or studies were using quantitative paradigm with empirical analytical methods. However, making a grand concept were still required so then the empirical data can be interpreted in a wider scope (Muhadjir, 2000). Therefore, conclusion, system and the substantive theory built were not only from the empiric results, but also from an intellectual understanding that is built on the ability of a logical argument.

SAMPLE DETERMINATION

Based on the purposes of research, sampling in this study carried out by "purposive". Sampling was intended to obtain in-depth information about the UB college readiness in this study represented by the faculty of economics in preparing to become the word class entrepreneurial university. The faculties have been chosen as samples because they have sawn several supporting key performance indicators which are owned by each faculty in the Brawijaya University in order to transforming to become an entrepreneurial university, namely:

1. Student quality
2. Quality of human resources
3. Infrastructures
4. Adequate of information system

According Adiprigandani (2005), using this kind of research approach, the important thing is to look for typical cases rather than to focusing on a large number of respondents and the sampling is (and developed) when the study/research is underway.

DATA

Data is a description of things, it can be something that is known or which are considered and the assumption (Hasan, 2002). Criteria data in qualitative research is data that must be. Definitive data is data that actually happened as they are, not just data that can be seen, spoken, but the data that has meaning behind these visible and auditory (Sugiyono, 2007:2).

Data collected in this study are primary and secondary. Primary data collected is the perception of respondents about the readiness of the Brawijaya University in building the university entrepreneurship globally. While the secondary data in the form of laws, regulations, theories, and concepts related.

DATA COLLECTION

Data collection techniques used in this study include:

1. SEMI-STRUCTURED DEPTH INTERVIEWS

These type of interviews are considered researcher as an appropriate means to bridge the state of the object of research and results obtained by researchers. Depth interviews were intended to obtain information, establishment, opinion orally from one person (the respondent /informant) to speak directly with the person. With semi-structured method, an interview is more free exercise compared with an structured interview. As expressed by Sugiyono (2007) that the purpose of the interview is to find the problem more explicitly, where the parties are invited to interview in addition to providing information was also asked opinions and ideas about the problems in question.

2. PARTICIPATORY OBSERVATION

Participatory observation made through observations with the involvement of researchers. In participant observation, researchers involved with the daily situation of people being monitored or used as a source of research data. While doing research, researchers are party to what the data source and shared in her grief like (Sugiyono, 2007).

3. DOCUMENTATION

The results of observation or interviews, will be more credible if they are supported by documentation from the object of research. Documentation may also be certain that data is owned by institutions associated with research subjects. In this study, examples of documentation such as important documents held by UB on certain units that support the research process.

DATA VALIDITY TESTING TECHNIQUES

To obtain the more reliable research findings (Adiprigandani, 2005) therefore, the validity of the data in this study should be tested using these following techniques:

1. SOURCE TRIANGULATION

This type of triangulation is done by checking the source of the data obtained through several sources.

2. METHOD TRIANGULATION

Method triangulation is applied by checking the data to the same source with different methods

3. CONTRACTIVE AND COMPARISON ANALYSIS

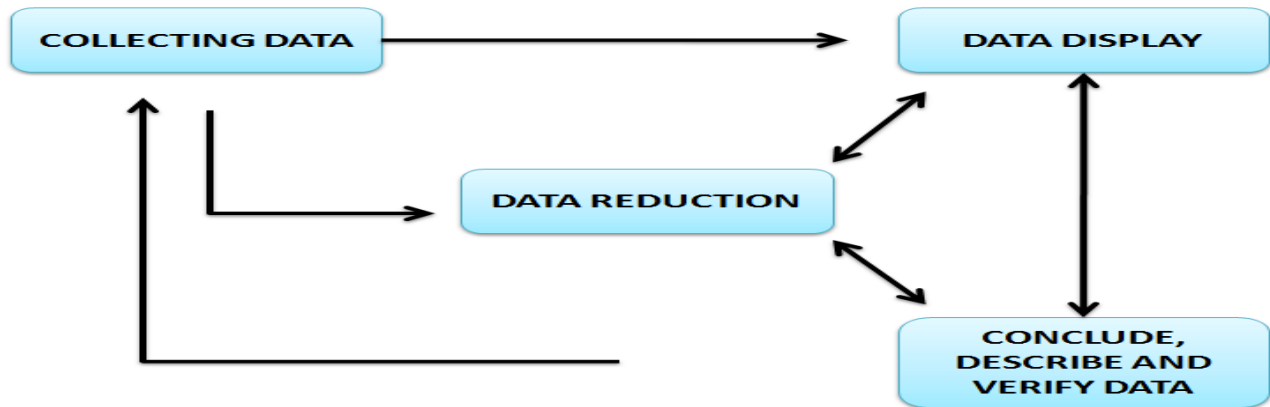
Contractive analysis and comparison was done by comparing and confront the data with one to another.

DATA ANALYSIS TECHNIQUE

Data analysis is the process in a systematic search for and compile data collected from interviews, field notes and other materials, so then it can be easily understood and the findings can be communicated to others. Data analysis is done by organizing the data, explaining into units, synthesize, organize into a pattern, choose which is important and that will be studied and made a

conclusion that can be told to others (Sugiyono, 2007). Figure 2 shows the data analysis which is used in this study.

FIGURE 2. DATA ANALYSIS TECHNIQUE

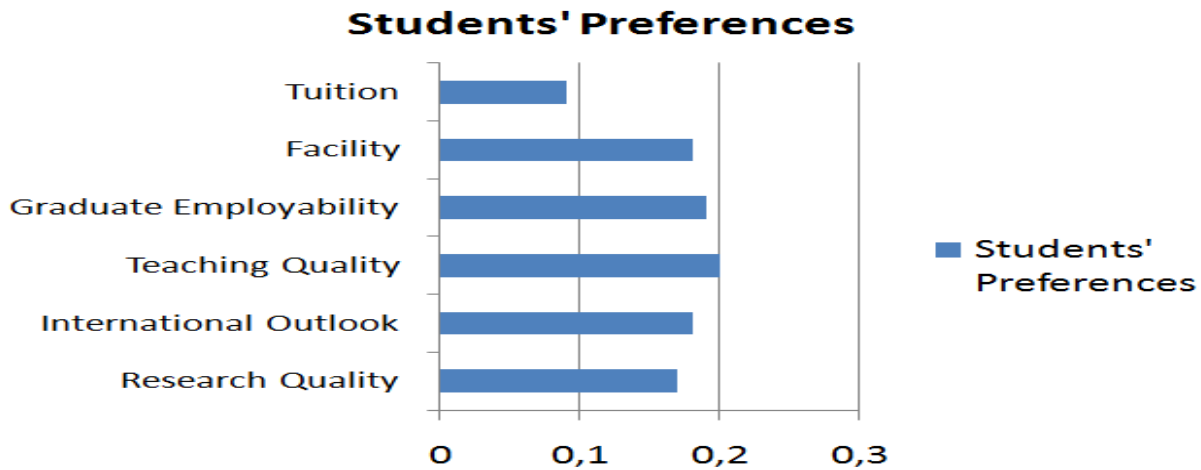


are basic, focusing on important things, sought a theme and pattern. After the data is reduced then the next step would be displaying data in the form of brief descriptions, charts, and relationships between all of the categories. Furthermore, these measures will facilitate researchers in conducting exposure and affirmation conclusions. From the results of subsequent data collection was qualitative using peer debriefing, conducted with colleagues to obtain the various inputs and criticisms to the quality of analysis, more accountable.

Member check was done by the respondents / informants that is by asking again the statement that has been summarized in the understanding of researchers, to ensure the truth of the meaning that has been created. Meaning required by rationalistic approached are meaningfulness postpositivistic theoretical and empirical meaningfulness (Muhadjir, 2000). Theoretical significance is based on the grand concept that has been prepared, and the meaningfulness of empirical obtained through peer debriefing and member checking is done.

RESULT AND DISCUSSION: STRENGTH AND WEAKNESS

Based on the survey, research found that most students are considering the teaching quality and the graduate employability as major factors when they preferred UB as an university where they want to studied. From this result showing how the preferency of potential students are regarding to the quality of services provided by UB, it concludes that there are still space for UB to develop its market. By using the parameters of research quality, international outlook, teaching quality, graduate employability, facility and tuition, how potential the UB market are would be still giving prospective (see figure 3).

FIGURE 3. STUDENTS' PREFERENCE ANALYSIS

Source: Data processed

Figure 3 showed from the 2004 and 2006 data, the UB students enrollment rate is increasing about 3,8% which is from 13,98% in 2004 to 16,1 percent in 2006, respectively (in average of all study programs). This evidence clearly indicates that the UB had been facing the demand problem in that period. Therefore, the UB as the higher education institution (HEI) is now subject to change its strategy in developing its mission to be the world-class entrepreneurial university.

However, by using the combination of financial stringency and demands for improved efficiency, increased access and better quality have forced the UB to: (1) seeking new sources of funding; (2) reducing non-value added expenditure; and (3) improving the utilization of existing resources. The detailed actions that have been done by the UB, some instances are implemented in the Faculty of Economics are described in the following discussion.

BUDGET MANAGEMENT

In terms of budget-related academic management, every faculty of UB has done, is accompanied by the realization of budget preparation. The budget prepared by every faculty in the UB shows funds management and budget estimates or projections relating to the ability of each faculty to generating income and to obtaining capital funding of public service oriented. Services providing to the student and public are conducted via tail development education.

Budgets are prepared for each unit in the faculty management level, so that each unit would be a basis of accountability for its budget. Any budgeted funds have been made to account each period. The budget projections are prepared as a form of every faculty of budget management for several years into the future so that later the budget is expected to be used as a reference of the use of funds for the previous period and created a budget as a form of accountability for every activities and programs in conducting the management control and monitoring in the future. By initiating to use this participatory approach in the process of the budget preparation, implementation, control and evaluation, each faculty will have an opportunities to apply the entrepreneurship spirits such as the principles of independence, commitment, consistency and dynamic behavior.

Because of there are many interested parties on the budget process, then the UB management as a public institution should be able to adopt the principles of good corporate governance in its policies. One example is applying the principles of accountability of every funds received to meet the information transparency concept to its stakeholders. Futhermore, beside emphasized the principle of accountability and transparency in budgeting process, the UB management also has conducted the program management capabilities and funding (revenue generating) as follows:

1. Establishment of commercial enterprises or business units that are managed professionally.
2. Making of regulations on management and institutional fees for those who are able to contribute funds for the UB.
3. Digging a bigger revenues side budget through increased cooperation.
4. Utilizing efficiently all of assets and sources of faculty/department as well as optimizing the performance of business units to promote the economic oriented activities.
5. Promoting the course / education / skills training to increase revenue
6. Restructuring the organization at the management of each commercial units to be more profesional as like business units.
7. Executing the fund rising programs and activities regularly based on academic and non-academic potentials and public needs.
8. Improving the quality of research, teaching and vocational services, including the management of internal work units.

Based on experience of investigators and researchers who currently also manages the preparation of the budget implement the budget that has been planned in accordance with all UB members required a high commitment, strong leadership and entrepreneurial spirit and actions of the compiler participatory budget. So then the budgeted programme and activities that have been prepared in accordance with the projections and estimates of revenue and spending can be figured, and also the UB can improve its ability to generate income derived from providing services to the public.

GENERATING ACADEMIC INCOME: HIGH RETURN HIGH RISK

To generating more potential sources of fund, the UB requires to realize that the important point of entrepreneurship is creating new ideas and taking risk for making them operational an economical. The UB should provide an environment that entrepreneur individuals or groups can practice applying it. These environments are often including budget policy, proper academic curriculum, efficient supporting facilities and professional staff.

The Faculty of Economics and Business for example has developed an international class programs either in undergraduate (S1) level or in graduate (master degree) program to expand the demand and market. These efforts are required to achieve high international educational standards which hopefully prepared its graduates to enter the global challenges in the future. Another instance that the UB done in responding the market needs and interests are establishing the study programs called Master in Accounting with concentration on Business Law, as the joined program between the Faculty of Economics and the Faculty of Law of the UB. Then, this program is become prospective, especially in order to generate income via tail provision of educational services by the public

interest. All programs of diploma degree, the UB management has decided to centralize in vocational programs then the efficiency rate of resources sharing will increase.

Other source of income not derived from services to the public, such Grants Competition is also obtained and used for teaching and learning process. Improvement efforts and innovations in addition more domestic and international cooperation in the process of developing an atmosphere of academic and research collaboration have been acted upon by the faculties and program studies. Since an additional 50% of budget is also funded by collaboration of the UB with external entities, such as local government and interested private companies (see Table 1), the UB should directly involve in such commercializing the research activities, actively take a part in even national or regional economical development, and continuously to applying the quality management principles in the university practices.

The combination of financial stringency and demands for improved efficiency, increased access and better quality have forced higher education institutions to seek new sources of funding reduce expenditure improve the utilization of existing resources. Such as knowledge production that means patenting new technology at first, and following publications and sales of licenses on patents.

In terms of quality development of human resources in the form of quality graduates, the UB output now has a program of internationalization which is expected to create graduates who can anticipate the global challenges. There are several programs conducted by the UB to internationalize the economy, namely:

1. Cultural diversity appreciation program
2. Scholarships and Student Exchange Program
3. Regional Cooperation Programme
4. International Competency Standards Improvement Program
5. Grant for Innovative Research and Program
6. International Class and Double Degree Program

GENERATING NON-ACADEMIC INCOME

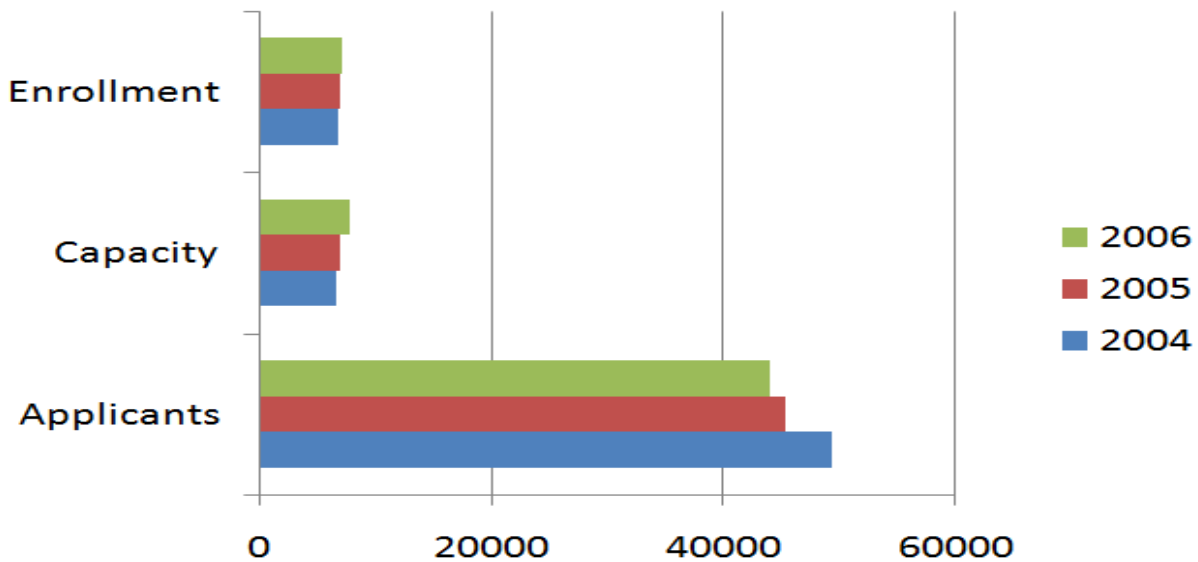
Brawijaya University has units and assets which are potential to be developed as an additional revenue generating unit in rising higher education funds, especially for the potential of the community who may be elaborate and have not touched so far. One example of business unit that is managed and operated by an outsourcing party is the UB Guest House. By arranging private participation program such business oriented activities, the UB has gained the benefits not only to increasing the UB income but also to giving opportunities for students to apply theory in practice in the real economy. Another prospective business unit that can generate the revenue is the parking services. Thus, capability of every faculty in generating income outside of academic services realized from their business unit is promoting.

Based on the results of data collection that has been done the survey results indicate that the strength of the university associated with the ability to meet the market need is in the field of quality learning. While other areas that need to be improved to meet the market need is research quality, this study also showed that the students' tuition of the faculty of economics is still high. So that these can

affect the competitiveness of the economic faculty at higher education level that is proven by decreasing numbers of applications (see Figure 4).

FIGURE 4. MARKET GROWTH ANALYSIS, 2004-2006

Figure 4 directly showed that Brawijaya University should increase the program that can fulfill the demand and the market need. Therefore entrepreneurship domain (support system) is mainly



targeted to spin-off processes and entrepreneurial attitude and competencies of the academic personnel, incl. development of entrepreneurial environment, business incubation, consultancy and mentoring, seed and venture capital funding, etc.

INTERNALIZATION VALUES OF GOOD UNIVERSITY GOVERNANCE (GUG)

In terms of improving efficiency and productivity in providing the best education program, there are units of the UB Quality Assurance Center (UB-QAC), which strives to use these blockgrant funds. In addition to resource sharing that has occurred in some activities, such as mutual advantage among faculty members, so then number of professors participated in join research programme can be used as one indicator in generating income for the UB and its faculties.

The higher education institution development program is an university level program that has been carried out as follows:

- a. Equity and Access Expansion Program of Education Obtained.
- b. The Education Development Quality and Relevance Program
- c. Curriculum Development Program
- d. Development program of education management is basically meant to be managed by professional education in order to obtain efficiency, effectiveness, and productivity as high as possible which enhances the competitiveness of the UB. The program was made with the development of participatory leadership, increase organizational capabilities and IT-based

education management and coordination between the academic or education management and research management so that research results can be applied in teaching and learning.

- e. Continuously Quality Improvement Programs that evaluate teaching and learning quality outcomes will be using the paradigm: teaching how to learn to replace teaching knowledge.
- f. System Development Program of the UB Academic Quality Assurance. The purpose of this program is to improve the quality of the UB so as to realize its vision through execution of its mission and always able to meet the needs of stakeholders and demand with a method of continuous improvement.

Strength of the UB in realizing the entrepreneurial university in terms of university governance is the commitment of the UB management of various fields of development is very high. A number of policies have been formulated to be the basis for the preparation of the five years programme into the future. Courses are prepared by putting priority on the development of organization and its management which are based on the commitment of the UB to develop a healthy organization and to implement a clean and transparent as an essential part towards autonomy in various fields. The existence of government rules that all the funds came from the community has been through one door, which is the account chancellor, thus monitored. Thus, in future such funds may be as an alternative source of financial in sustaining the UB development programs. It will require the control mechanism to manage and reporting those kind of funds.

There are strengths and weaknesses possessed by the UB in term of how the higher education institution is managed. The UB strengths in terms of managerial skills are as follows:

1. The preparation of the budget plan was always performed with a working meeting mechanism involving a year before the implementation of UB's leadership and faculty as well as several units.
2. There are budget mechanisms for the submission of the budget of department or laboratory, especially in order to supply equipment and renovation of those laboratories.
3. The allocation of funds between the Rectorate and the faculty has organized and clearly written.
4. Existing rules for the issuance of awards for teaching materials and scientific publications in international journals by faculty.
5. Recruitment of staff and lecturers have been referring to the need based on the ratio of faculty: student, and have gone through the selection committee at the level of faculty.
6. Most of the administrative staff has attended training to enhance their skill and competences.

Ability of the UB to build a healthy, accountable and transparant organization yet appeared optimal. This situation seems in some ways: a) the efficiency and effectiveness have not achieved, b) overlapping tasks in academic and administrative and management workload is less systematic, c) the academic staff involved in administrative activities eventually can not concentrate on the main task of university of "Tri Darma PT".

However, some weaknesses are owned by the UB in terms of internal management arrangements are as follows:

1. Recruitment of faculty and staff depending on the amount allocated from the central government.
2. Funds for training of employees is still very small and depends also of the additional funding from the central government.
3. Aspects of human resource management is less able to establish the effectiveness and efficiency. The main reason is the dependence of the UB at the state civil service system is generally applicable to civil servants.
4. As the governmental institution, the UB management does not have the audited financial statement independently rather than as a part of the consolidated financial report of the Ministry of Education. This is less profitable for efforts to increase community participation in part of fund rising for educational activities in the absence of public accountability to the financial statement.

Given these weaknesses the UB has developed programs which performed via tail restructuring the organization through the following steps:

1. Organizational Restructuring Program, which are as follows:
 - a. Institutional framework and legal infrastructure, conducted through its reorganization effective, efficient and participatory.
 - c. Financial and management of post-audit, through a) the establishment of internal audit units in the UB, and b) regulating the investment mechanism and procedure.
 - d. Effective monitoring system with the establishment of a monitoring unit, as well as formulation of guidelines.
2. The Development Program of Quality Assurance System
3. Institutional Capacity Building Program
 - a. Translation of the level of capacity building of UB
 - b. Developing staff capacity building as an individual
4. Improvement program in promoting and implementing the best management practices in the university governance.

A specific course of program study has been initiated and provided nationally and internationally to respond the demands. For instance, the Faculty of Economics has also increased cooperation with the leading universities abroad to improve the quality of graduates. It has been working together with the Monash University, USA and the University of Southern Queensland (USQ), Australia to promote the double degree programs, and working together to achieve international quality education. However, beside those action there are weaknesses which should be improved by the UB, namely:

1. Low relevance of educational activities with research and service to the community that became the cause of the weakness of the effectiveness of student learning.
2. Grade point average (GPA) graduates who are relatively high but not always in harmony with the waiting period graduates to obtain employment.

CONCLUSION

As the engine of economic development, the importance of entrepreneurship in higher education institution development has led authorities and policy maker in the UB to set a new strategies not only to increasing academic income but also how to increasing non academic income. With the high intensity of global competition, the UB has tranformed its organization to become the entrepreneural university by pay attention to: (a) create an environment for growing entrepreneurs; (b) involve directly in commercializing research activities; (c) participate actively in the national and regional or international economical development; (d) implement an approach based on educational program development according to problem solving and multi-paradigm analysis methods; (e) more emphasis on the application of principlas of best management practices of quality improvement in university through networking; and (f) not merely increasing output or annual income, but it also includes setting up the foundation of structural changes in economic and social activities.

In addition Brawijaya University must have knowledge relationship includes donation and corporate sponsoring of research projects and funding of chairs or scholarship, contracted teaching services, research and consultancy, cooperative and collaborative research, business and research partnerships, incl. industry (trans-disciplinary) research centers and institutes, joint laboratories, facilities and ventures. The role of entrepreneurship domain is mainly educational: training university students and facilitating entrepreneural culture. That means also creation of social capital and sharing of knowledge via networks.

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INDIAN RETAIL BANKING INDUSTRY: OPPORTUNITIES & CHALLENGES**K. Phanindra Kumar***; **B. Parashuramulu****

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ABSTRACT

Banks play a vital role in spearheading the economic development of the nation and are the main stimulus of the economic progress. The highly regulated and directed banking system has transformed itself into one characterized by openness, competition and prudence. This development conforms to the liberalization and globalization needs of the Indian economy. As gradual up gradation of skills and technology and restructuring and re-engineering processes are attempted by both foreign and private sector banks, public sector banks in India face new challenges. The need to become highly customer focused has forced the slow-moving public sector banks to adopt a fast track approach. The unleashing of products and services through the net has galvanized players at all levels of the banking and financial institutions market grid to look new at their existing portfolio offering. Further, due to exposure to global trends after information explosion led by internet, customers demand better services from their banks. There is shift from mass banking products to class banking with an introduction of value added and customized products. Banks, privately owned or in the public sector have all jumped into retail band wagon. The nimble footed new generation private sector banks have taken a lead on this front and the public sector banks are trying to play catch up. In this context, an attempt is made in this paper to ascertain the extent of the customer's awareness and their level of satisfaction regarding retail banking. The study concludes that while retail banking offers phenomenal opportunities for growth, the challenges are equally daunting. How far the retail banking is able to lead growth of the banking industry in future would depend upon the capacity building of the banks to meet the challenges and make use of the opportunities profitably.

KEYWORDS: *Financial Inclusion, Financial Products, Innovation, Mechanization, Urbanization.*

INTRODUCTION

Indian banking industry during the course of its evolution and growth has transverse through innumerable twists and turns. The industry has emerged victorious against all odds by its sheer strength. It has braved many challenges, weathered many a storm and withstood many onslaughts and has emerged as one of the dynamic and vibrant industries. The secret of its success lies in its ability to adopt changes in the most admirable manner. Like an oscillating pendulum, the industry has witnessed extremely opposite and diverse conditions over the years. Banking industry has

embraced a retail culture; of late it is nothing but yet another proof of its adaptability and tenacity. Banks, irrespective of their size, have been increasingly focusing on retail segment for both resource mobilization and lending.

RETAIL BANKING

Retail Banking is a banking service that is geared primarily towards individual consumers. Retail banking is usually made available by commercial banks, as well as smaller community banks. Unlike wholesale banking, retail banking focuses strictly on consumer markets. Retail banking is typical mass-market banking where individual customers use local branches of larger commercial banks. The term Retail Banking encompasses various financial products viz., different types of deposit accounts, housing, consumer, auto and other types of loan accounts, demat facilities, insurance, mutual funds, credit and debit cards, ATMs and other technology-based services, stock-broking, payment of utility bills, reservation of railway tickets, etc.,. It caters to diverse customer groups and offers a host of financial services, mostly to individuals. It takes care of the diverse banking needs of an individual. Retail banking is a system of providing soft loans to the general public like family loans, house loans, personal loans, loans against property, car loans, auto loans etc. The products are backed by world-class service standards and delivered to the customers through the growing branch network, as well as through alternative delivery channels like ATMs, Phone Banking, Net Banking and Mobile Banking. Customers and small businesses get benefited from increased credit access, speedy and objective credit decisions whereas lenders get benefited from increased consistency and compliance. Today's retail banking sector is characterized by three basic characteristics:

- Multiple products (deposits, credit cards, insurance, investments and securities);
- Multiple channels of distribution (call centre, branch, Internet and kiosk); and
- Multiple customer groups (consumer, small business, and corporate).

The objective of retail banking is to provide customers a full range of financial products and banking services, give the customers a one-stop window for all their banking requirements. Retail banking segment is continuously undergoing innovations, product re-engineering, adjustments and alignments.

OBJECTIVES OF THE STUDY

The main objectives of the study are:

1. To identify various Drivers of Retail Business in India.
2. To highlight the competition prevailing in Retail Banking Services in India
3. To highlight various Opportunities & Challenges to Retail Banking in India.
4. To give suggestions to expand Retail Banking in India

DRIVERS OF RETAIL BUSINESS IN INDIA:

The Indian players are bullish on the retail business and this is not totally unfounded. As the face of the Indian consumer is changing, that is reflected in a change in the urban household income pattern, the direct fallout of such change is on the consumption pattern and hence on the banking habits of Indians, which is now skewed towards retail products. Following changing consumer demographics have led to the need for expansion of retail banking activities in India.

1. INCREASINGLY AFFLUENT AND BULGING MIDDLE CLASS: About 320 million people will be added in the middle-income group in a period of 15 years approximately.

2. YOUNGEST POPULATION IN THE WORLD: Changing consumer demographics indicate vast potential for growth in consumption both qualitatively and quantitatively, due to increasing affluent with bulging middle class and youngest people in the world. 70% of Indian population is below 35 years of age which means that there is tremendous opportunity of 130 million people being added to working population. The BRIC report of the Goldman-Sachs, which predicted a bright future for Brazil, Russia, India and China, mentioned Indian demographic advantage as an important positive factor for India.

□ **3. INCREASING LITERACY LEVELS:** Due to increase in the literacy ratio, people have developed a taste for latest technology and variety of products and services. It will lead to greater demand for retail activities specially retail banking activities.

□ **4. HIGHER ADAPTABILITY TO TECHNOLOGY:** Convenience banking in the form of debit cards, internet and phone-banking, anywhere and anytime banking has attracted many new customers into the banking field. Technological innovations relating to increasing use of credit / debit card, ATMs, direct debits and phone banking have contributed to the growth of retail banking in India.

5. CONTINUING TREND IN URBANIZATION: Urbanization of Indian population is also an important feature influencing the retail banking.

□ **6. INCREASING CONSUMPTION MINDSET OF INDIANS:** Economic prosperity and the consequent increase in purchasing power have given a fillip to a consumer boom. During the 10 years after 1997, India's economy grew at an average rate of 6.8 percent and continues to grow at the almost the same rate – not many countries in the world match this performance. It means that Indian consumers are now shifting from the tendency of buying more and better quality to new services and products.

□ **7. DECLINING TREASURY INCOME OF THE BANKS:** The Treasury income of the banks, which had strengthened the bottom lines of banks for the past few years, has been on the decline during the last two years. In such a scenario, retail business provides a good vehicle of profit maximisation. Considering the fact that retail's share in impaired assets is far lower than the overall bank loans and advances, retail loans have put comparatively less provisioning burden on banks apart from diversifying their income streams.

8. DECLINE IN INTEREST RATES: Finally, decline in interest rates has also contributed to the growth of retail credit by generating the demand for such credit.

COMPETITION IN RETAIL BANKING

The entry of new generation private sector banks has changed the entire scenario. Earlier the household savings went into banks and the banks lent out money to corporate. Now they need to sell banking. The retail segment, which was earlier ignored, is now the most important of the lot, with the banks jumping over one another to give out loans. The consumer has never been so lucky with so many banks offering so many products to choose from. With supply far exceeding demand it has been a race to the bottom, with the banks undercutting one another. A lot of foreign banks have already burnt their fingers in the retail game and have now decided to get out of a few retail segments completely. The nimble footed new generation private sector banks have taken a lead in this front and the public sector banks (PSBs) are trying to play catch up. The PSBs have been losing business to the private sector banks in this segment. PSBs need to figure out the means to generate profitable business in the days to come.

OPPORTUNITIES AND CHALLENGES OF RETAIL BANKING IN INDIA

As the growth story gets unfolded in India, retail banking is going to emerge astonishingly. A. T. Kearney, a global management consulting firm, recently identified India as the "second most attractive retail destination" of 30 emergent markets. The rise of the Indian middle class is an important contributory factor in this regard. The percentage of middle to high income Indian households is expected to continue rising. The younger population not only wields increasing purchasing power, but as far as acquiring personal debt is concerned, they are perhaps more comfortable than previous generations. Improving consumer purchasing power, coupled with more liberal attitudes toward personal debt, is contributing to India's retail banking segment. The combination of the above factors promises substantial growth in the retail sector, which at present is in the nascent stage. Due to bundling of services and delivery channels, the areas of potential conflicts of interest tend to increase in universal banks and financial conglomerates. Some of the key policy issues relevant to the retail banking sector are: financial inclusion, responsible lending, access to finance, long-term savings, financial capability, consumer protection, regulation and financial crime prevention.

CHALLENGES OF RETAIL BANKING FOR THE INDUSTRY AND ITS STAKEHOLDERS

Retention of customers is going to be a major challenge. According to a research by Reichheld and Sasser in the Harvard Business Review, 5 per cent increase in customer retention shall increase profitability by 35 per cent in banking business, 50 per cent in insurance and brokerage, and 125

percent in the consumer credit card market. Thus, banks need to emphasise retaining customers and increasing market share.

Rising indebtedness could turn out to be a cause for concern in the future. India's position, of course, is not comparable to that of the developed world where household debt as a proportion of disposable income is much higher. Such a scenario creates high uncertainty. Expressing concerns about the high growth witnessed in the consumer credit segments the Reserve Bank has, as a temporary measure, put in place risk containment measures and increased the risk weight from 100 per cent to 125 per cent in the case of consumer credit including personal loans and credit cards (Mid-term Review of Annual Policy, 2004-05).

Information technology poses both opportunities and challenges. In spite of availing the services of ATMs and Internet Banking, many consumers still prefer the personal touch of their neighbourhood branch bank. Technology has made it possible to deliver services throughout the branch bank network, providing instant updates to checking accounts and rapid movement of money for stock transfers. However, this dependency on the network has brought IT department's additional responsibilities and challenges in managing, maintaining and optimizing the performance of retail banking networks. Illustratively, ensuring that all bank products and services are available, at all times, and across the entire organization is essential for today's retail banks to generate revenues and remain competitive. Besides, there are network management challenges, whereby keeping these complex, distributed networks and applications operating properly in support of business objectives becomes essential. Specific challenges include ensuring that account transaction applications run efficiently between the branch offices and data centres.

KYC issues and money laundering risks in retail banking is yet another important issue. Retail lending is often regarded as a low risk area for money laundering because of the perception of the sums involved. However, competition for clients may also lead to KYC procedures being waived in the bid for new business. Banks must also consider seriously the type of identification documents they will accept and other processes to be completed.

The most significant challenge is to devise appropriate pricing mechanism. The industry today is witnessing a price war, with each bank competing to have a large slice of the cake of the market, without much of a scientific study into the cost of funds involved, margins etc.. Most of the banks that use rating models for determining the health of the retail portfolio do not use them for pricing the products. This issue will be gaining more importance in the near future.

While retail banking offers phenomenal opportunities for growth, the challenges are equally daunting. How far the retail banking is able to lead growth of the banking industry in future would depend upon the capacity building of the banks to meet the challenges and make use of the opportunities profitably. However, the kind of technology used and the efficiency of operations would provide the much needed competitive edge for success in retail banking business.

SUGGESTIONS TO EXPAND THE INDIAN RETAIL MARKET

1. To enlist the "unbanked" segment of the society by the service providers is a method to expand the retail market. It is this underserved segment should become the focus for the banks.

2. Rural Credit or Agricultural Credit is a segment to be explored. It can be considered as an unbanked segment. It has always been looked upon as a charitable activity rather than a profitable activity.
3. Now, the time has come for the customer to demand a product that is not currently available in the Bankers kitty and the Bank has to literally create customer-specific products. Banker is expected to assume the role of a Financial Engineer.
4. Banks should lower the minimum deposit requirement for opening new accounts as announced by RBI. To achieve greater financial inclusion, all banks need to make available a basic banking „no frills“ account either with „nil“ or very low minimum balances as well as charges that would make such accounts accessible to vast sections of population.
5. Banks should allow the earlier facilities to sink into the culture of the customers before any new facilities are launched. Also, the earlier facilities should be embedded with services so that customers not only appreciate new technology, but are also in a position to operate.
6. For the efficient management of a large and diverse retail portfolio, the most important pre-requisite is the skilled and well-versed employees. Only experienced man power can withstand the rigour of administering a diverse and complex retail credit portfolio.
7. The benefits following out of cross-selling and up-selling will remain a far cry in the absence of robust data warehouse where from meaningful data about customers, their preferences, their spending patterns, etc, can be mined. Data warehouse is vital for success in retail banking.
8. A full fledged marketing department/division would help in evolving a brand strategy, address the issue of alienation from the upwardly mobile, high net worth customer group and improve the recall value of the institution and its products by arresting the trend of getting receded from public memory.
9. It is time to break the myth that public sector banks are not customer friendly. Banks should follow customer friendly approach to enhance the marketing of their retail banking products. Banks should deliver the products and services rapidly in a dynamic market.
10. Banks should leverage effectively on multiple delivery channels (internet, ATMs etc) to reduce the cost of operations. Banks should ensure innovative products to suit the needs and requirements of different types of customers. With the effective usage of the cell phone technology, coupled with web developments, service providers can innovate and offer rich, user-friendly mobile banking applications.
11. Simplified processes and alignment around delivery of customer service impinging on reduced customer touch-points are of essence to enhance the sale of retail banking products.
12. Banks should build collaborative relationships to convert bank branches into financial supermarkets.
13. There is a need for constant innovation in retail banking. In bracing for tomorrow, a paradigm shift in bank financing through innovative products and mechanisms involving constant up gradation and revalidation of the banks“ internal systems and processes is called for. Banks now need to use retail as a growth trigger. This requires product development and differentiation,

innovation and business process reengineering, micro-planning, marketing, prudent pricing, customisation, technological up gradation, home / electronic / mobile banking, cost reduction and cross-selling.

The scope of generating profit through retail banking rather than through any of the traditional methods has become one of the attractive options to the bank. However, it could be stated that while there are so many layers in the fray, only those capable of addressing the above suggestions in the most efficient way would emerge successful.

CONCLUSION

With much scope in the avenues for operations, the true challenge for the banks in the current scenario is to stand out in the midst of hard-hitting regulations of the apex body. Globalization, consolidation and want of expertise are drastically redefining the banking taxonomy. Thus the participants, be it a Indian financial player or a foreign entrant in the retail sector have to adopt a different approach in everything viz., products, services to hold the Indian market share, as a popular saying goes as variety is the spice of life.

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METACOGNITION: SIGNIFICANCE & APPLICATION

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ABSTRACT

In this article writer has tried to explain and compare various definitions of Metacognition by using metacognitive skills like metamemory, meta comprehension & self regulation for learning a metacognitive skill, learners typically go through various steps also writer has explained how Metacognition can be applied in real life situations by monitoring and control over the metacognitive skills.

INTRODUCTION

"Metacognition" is one of the most up-to-date drone word in educational psychology, but what exactly is Metacognition? The length and summary of the word makes it sound confusing, yet it's not as scary a concept as it might seem. We engage in metacognitive activities every day.

There are several professional definitions of Metacognition. Through research I came across few definitions that fully explored Metacognition.

- **METACOGNITION:** is the process of planning, assessing and monitoring one's own thinking; the height of mental functioning (Alvo, 1990; Cotton, 2001).
- **METACOGNITION:** having (cognition) and having understanding control over, and appropriate use of that knowledge (Tei & Stewart, 1986; Collins, 1994).
- **METACOGNITION:** has to do with the active monitoring and regulation of cognitive processes. It represents the "executive control" system that many cognitive theorists have included in their theories (unknown, 2001).
- **METACOGNITION:** is an awareness of oneself as "an actor in his environment, that is, a heightened sense of the ego as an active, deliberate storer and retriever of information. It is whatever "intelligent weaponry the individual has so far developed" is applied to mnemonic problems (Flavell, 1971; Hacker, 2001).

"Metacognition" is often simply defined as "thinking about thinking." In practicality, defining Metacognition is not that simple. The term "Metacognition" is most often associated with John Flavell, (1979). According to Flavell (1979, 1987), Metacognition consists of both metacognitive knowledge and metacognitive experiences or regulation. Metacognitive knowledge refers to acquired knowledge about cognitive processes, knowledge that can be used to control cognitive processes.

Flavell further divides metacognitive knowledge into three categories:

1. knowledge of person variables
2. task variables
3. Strategy variables.

METACOGNITIVE SKILLS

1. **METAMEMORY:** This refers to the learners' awareness of and knowledge about their own memory systems and strategies for using their memories effectively.
2. **META COMPREHENSION:** This term refers to the learners' ability to monitor the degree to which they understand information being communicated to them,
3. **SELF-REGULATION:** This term refers to the learners' ability to make adjustments in their own learning processes in response to their perception of feedback regarding their current status of learning.

Learners with good metacognitive skills are able to monitor and direct their own learning processes.

When learning a metacognitive skill, learners typically go through the following **steps** ;

1. **MOTIVATION:** They establishes a motivation to learn a metacognitive process.
2. **FOCUSSING ATTENTION:** They focus their attention on what it is that they or someone else does that is Metacognitively useful.
3. **SELF TALK:** They talks to them about the metacognitive process. This talk can arise during their interactions with others, but it is their talk to themselves that is essential.
4. **USAGE:** Eventually, they begin to use the process without even being aware that they are doing so.

METACOGNITION APPLICATION

Metacognition can be applied to various areas of application: Metacognition in education, Metacognition in everyday life memory and Metacognition in different populations.

Metacognition have numerous across a different number of fields along with education. To understand its applicability let us take an example from everyday life,

Imagine a customer buying a product having option to buy from two best products, now he has to compare and analyse each and every aspect of the two products to make a decision of buying one of these two for this he must decide whether the information required to compare the two is sufficient, if not what else he require to make his comparison easy and appropriate, these decisions make his buying behaviour and ultimately his decision. These situations in everyday life make Metacognition an important field to study and apply.

MONITORING AND CONTROL IN METACONGNITION

Metacognitive experiences involve the use of metacognitive strategies or metacognitive regulation.

Metacognitive strategies are sequential processes that one uses to control cognitive activities, and to ensure that a cognitive goal (e.g., understanding a text) has been met. These processes help to

regulate and oversee learning, and consist of planning and monitoring cognitive activities, as well as checking the outcomes of those activities.

For example, after reading a paragraph in a text a learner may question herself about the concepts discussed in the paragraph.

COGNITIVE GOAL: is to understand the text.

Strategy followed (to achieve the goal): Self-questioning is a common metacognitive comprehension monitoring strategy.

Monitoring & Control (checking): If she finds that she cannot answer her own questions, or that she does not understand the material discussed, she must then determine what needs to be done to ensure that she meets the cognitive goal of understanding the text

CONCLUSION: Thus, the metacognitive strategy of self-questioning is used to ensure that the cognitive goal of comprehension is met. We can now say that it can be used not only in education but in all the fields of life, capabilities of students can be explored effectively using these skills.

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WINNING THE VALUE CREATION RACE: FOREIGN VS INDIAN COMPANIES**Dr. Shanmuga Pria***

ABSTRACT

As the corporates' most vital objective at this moment is to maximise shareholder value, establishing a relationship between the financial variables and ¹ the corporate objective is imperative. This article tests whether value based frameworks are applicable in Indian condition, an attempt has been made in the current study to apply the valuation methods (as adapted from S.David and Stephen F.O'Byrne) to the Indian Corporate Sector. . With this objective in mind, the present study intends to examine the relationship between shareholder's value and financial variables. A sample of 18 top companies has been taken from Auto-ancillary industries during the period spanning 1997-2011. With the liberalization, there was influx of foreign companies which brought in fresh foreign capital into the Indian markets. While the typical Indian corporates hail from family business group, with the decade of the 1990s, which forms our period of study, has witnessed radical changes in public policy in India that can be expected to have an effect on the macroeconomic environment within which firms always operate. These changes were manifested in dismantling of the industrial licensing system, a dilution of anti-monopoly laws, withdrawal of directed credit programs, and opening of several economic activities to private sector participation. The sample companies were classified on the basis of their ownership. Foreign ownership companies comprise both business Groups and private companies whose majority stake is held by foreign stakeholders. Indian ownership comprise of again business Groups and private companies which are owned and controlled by Indian counterparts.

KEYWORDS: Value creation, Indian ownership and Foreign ownership.

I. INTRODUCTION

The capitalist firm being one of the prime economic institutions of a modern economy, analysis of its performance assumes immense significance. Analysis of the determinants of value creation is of utmost importance to all stakeholders of a firm, especially to its common equity investors. Though a firm's value creation can be analyzed along multiple dimensions, the study confines to the financial aspect, engaging in an analysis of the value based metrics of a large sample of public limited companies in India, the firm being the unit of analysis. The period of the study spans across the decade of the 1990s from 1997-2011. The decade of the 1990s, which forms our period of study, has witnessed radical changes in public policy in India that can be expected to have an effect on the macroeconomic environment within which firms always operate. There has been, generally, a reduction in the involvement of the State in economic activities both as a direct participant in the production process and through its indirect control over the process of production and resource allocation in the economy. These changes were manifested in dismantling of the industrial licensing system, a dilution of anti-monopoly laws, withdrawal of directed credit programs, and opening of several economic activities to private sector participation. The financial sector also experienced deregulatory initiatives in the form of unfreezing of interest rate controls and public policy initiatives to encourage the growth of financial markets for both equity and debt (bonds) instruments. All these

changes affect the operating environment of the firm inasmuch as it increases the strategy space available to managers of firm's decisions on investment. These decisions are in the form of acquisition or divestment of business, expansion of capacity, and modes of financing these, became more a matter of strategic choice for firm managers.

Decisions located within the boundaries of the firm, therefore, played a greater role in driving the financial performance of the firm and its valuation in the equity market, under the new policy regime over the previous decades. A study, such as the present one, therefore, becomes more relevant.

This study attempts to provide an empirical validation of the widely held existing theories on the determinants of value creation in the Indian context.

Traditionally a variety of measures were used to show how much value was created. Moreover a variety of consulting firms have been creating their own measures and recommending them to their clients. In today's globalized world characterized by accelerated competition companies must stimulate profitable growth, measure value creation and continually learn from success and setbacks. The only companies that can acquire new capital, grow and remain profitable are those that create value. Active shareholders are putting more pressure on corporate management to measure and communicate how they are creating value and shareholders find anything other than value-creating companies unacceptable.

II. RESEARCH GAP

Though few Indian Companies joined the bandwagon of their American counterparts in adapting Value based Management (VBM) systems, many others are hesitating as there is no strong evidence that the VBM system works in India. In the above Context, there is an immediate need for a comprehensive and elaborate research to study the interrelationships and predictive power of the value based metrics in the Indian context. This gap in the literature is the primary and strong motivation for the study.

The research issue will cover the different valuation metrics used by the study companies to measure shareholder value creation starting from traditional valuation measures to the most contemporary value based measures.

One of the most important issues on which the research provides insight, is What is the trend in value creation of the Indian companies during the period of study (1997-2011)? Does the ownership pattern of the Indian Companies affect its valuation?

3. RESEARCH OBJECTIVES

As the corporates' most vital objective at this moment is to maximise shareholder value, establishing a relationship between the financial variables and the corporate objective is imperative. In order to test whether value based frameworks are applicable in Indian condition, an attempt has been made in the current study to apply the valuation metrics (as adapted from S. David and Stephen F. O'Byrne¹) to the Indian companies. With this objective in mind, the present study intends to examine the relationship between shareholders' value and financial variables. The measures like Total

¹ S. David Young and Stephen F. O'Byrne (2001). EVA and Value Based Management: A Practical Guide to Implementation. (New York, NY: McGraw-Hill, 493 p.)

Shareholder Return (TSR), Market Value Added (MVA) and Future Growth Value (FGV) are considered as Market based measures. Residual Income measures viz., Economic Value Added (EVA) and Cash Value Added (CVA); Residual Income components viz., Earnings Before Interest and Tax (EBIT), Earnings before Interest, Tax and Depreciation & Amortization (EBITDA), Net Operating Profit After Tax (NOPAT), and Return on Net Assets (RONA); Cash flow measures viz., Cash From Operations (CFO) and Free Cash Flow (FCF); Traditional Valuation Measures viz., Earnings per Share (EPS), Price Earning ratio (P/E), Return on Capital Employed (ROCE), together through variable wise, year wise, size wise, industry wise, ownership wise have been considered as autonomous variables. The present study had the following specific objectives.

1. To compute and analyse select Residual Income measures (EVA and CVA), Residual Income components (EBIT, EBITDA, NOPAT, RONA), Cash flow measures (CFO, FCF), Traditional valuation measures (EPS, P/E, ROCE), and Market based measures (TSR, MVA, FGV) of the sample companies on the basis of ownership.
2. To study the trend in value creation among the Foreign and Indian ownership companies.

III. REVIEW OF LITERATURE

This section highlights important research works in the area of accounting performance measures and market based measures.

Abate, et.al (2004)² argue that reliance on earnings and book value has resulted in a numbing array of equity styles that have little direct relationship to wealth creation. There are large-cap stocks, and there are small-cap stocks. There are growth stocks and value stocks, along with several cross-combinations that fill out the equity style box. Given style limitations, it is time portfolio managers took stock of the economic profit revolution that now joins the fields of corporate finance and investment management the authors have used a well-known measure of economic profit called economic value added (EVA). They call this approach to company and equity analysis the EVA style of investing because it emphasizes the fundamental ability of a company to create wealth through the generation of economic earnings rather than accounting earnings. The authors looked at the pioneering role of economic profit in identifying wealth-creating and wealth-destroying companies. They expanded the EVA style foundation in the context of best practice EVA models.

Ballow, et. al. (2004)³ elucidated on some of the biggest issues in managing shareholder value facing executives in high performance companies such as eBay. Calculations of current and future value have an impact on overall shareholder value. Accounting ignores many of the most important drivers of value, the intangible assets, and thus, a more comprehensive asset classification framework is discussed. Also, executives are often left with inadequate insight into how various investment choices link to the creation of shareholder value. Management needs an approach that is able to handle this complexity and make the final connection from asset use to shareholder value creation.

² The EVA Style of Investing. By: Abate, James A.; Grant, James L.; Stewart III, G. Bennett. Journal of Portfolio Management, Summer 2004, Vol. 30 Issue 4, p61-72, 12p

³ Managing for shareholder value: intangibles, future value and investment decisions. By: Ballow, John J.; Burgman, Roland; Molnar, Michael J.. Journal of Business Strategy, 2004, Vol. 25 Issue 3, p26-34, 9p, 2 charts, 1 diagram, 4 graphs;

Campa, et. al.(2004)⁴ observed the value generated to shareholders by the announcement of mergers and acquisitions involving firms in the European Union. Cumulative abnormal shareholder returns due to the announcement of a merger reflect a revision of the expected value resulting from future synergies or wealth redistribution among stakeholders. Target firm shareholders receive on average a statistically significant cumulative abnormal return of 9% in a one-month window centred on the announcement date. Acquirers' cumulative abnormal returns are null on average. When distinguishing in terms of the geographical and sectoral dimensions of the merger deals, main finding is that mergers in industries that had previously been under government control or that are still heavily regulated generate lower value than M&A announcements in unregulated industries.

Bhattacharya, **et.al** (2003)⁵ have analyzed financial statements from 34 countries for the period 1984-1998 to construct a panel data set measuring three dimensions of reported accounting earnings for each country: earnings aggressiveness, loss avoidance, and earnings smoothing. They hypothesized that these three dimensions are associated with uninformative or opaque earnings, and so combined these three measures to obtain an overall earnings opacity time-series measure per country and then explored whether the three measures of earnings opacity affect two characteristics of an equity market in a country: the return the shareholders demand and how much they trade. While not all results are consistent for the three individual earnings opacity measures, the panel data tests document that, after controlling for other influences, an increase in overall earnings opacity in a country is linked to an economically significant increase in the cost of equity and an economically significant decrease in trading in the stock market of that country.

Baginski, **et.al** (2003)⁶ showed that both systematic risk and total volatility in residual return on equity partially explain this pricing differential, and that the explanatory power of total volatility is incremental to the Fama and French (1997) factors--market beta, firm size, and the market-to-book ratio.

Chen (2003)⁷, developed the geometric representation of an equity valuation model to illustrate how equity value relates simultaneously to profitability, earnings, and equity book value, and empirically tests those relations.

He predicted that equity value is an increasing and convex function of profitability (and earnings) given book value, a linear function of book value given profitability, and a non monotonic and convex function of book value given earnings. He showed that these predicted effects to be more pronounced for firms with greater growth opportunities.

Easton, **et.al** (2002)⁸, developed a method for simultaneously estimating the cost of equity capital and the growth in residual earnings that are implied by current stock prices, current book value of

⁴ Shareholder Value Creation in European M&As. By: Campa, José Manuel; Hernando, Ignacio. European Financial Management, Mar2004, Vol. 10 Issue 1, p47-81, 35p

⁵ The World Price of Earnings Opacity. By: Bhattacharya, Utpal; Daouk, Hazem; Welker, Michael. **Accounting Review**, Jul2003, Vol. 78 Issue 3, p641-678, 38p

⁶ Residual Income Risk, Intrinsic Values, and Share Prices. By: Baginski, Stephen P.; Wahlen, James M.. **Accounting Review**, Jan2003, Vol. 78 Issue 1, p327, 25p, 4 charts

⁷ Profitability, Earnings and Book Value in Equity Valuation:A Geometric View and Empirical Evidence*Peter Chen

equity, and short-term forecasts of accounting earnings. They demonstrated the use of a method by calculating the expected equity risk premium. This estimate is higher than estimates in extant studies that are based on the same earnings forecast data.

Ramezani, et. al. (2002)⁹, Associated corporate performance and shareholder value creation with growth in earnings (or sales) in the investment industry. It has greatly influenced managerial compensation schemes and portfolio decisions. The study sheds light on the relationship between growth and performance by addressing two broad questions. First, what is the relationship between corporate profitability metrics, such as economic value added, and the company's earnings or sales growth rate? Second, does maximizing corporate profitability necessarily enhance shareholder value (as measured by Jensen's alpha)? Using multivariate analysis, it is shown that, although the corporate profitability measures generally rise with earnings and sales growth, an optimal point exists beyond which further growth destroys shareholder value and adversely affects profitability.

IV. RESULTS AND DISCUSSION

The sample companies were classified on the basis of their ownership. Foreign ownership companies comprise both business Groups and private companies whose majority stake is held by foreign stakeholders. Indian ownership comprise of again business Groups and private companies which are owned and controlled by Indian counterparts. With the liberalization, there was influx of foreign companies which brought in fresh foreign capital into the Indian markets. The trend of value creation is depicted in the figures 4.1 to

a) Market Value Added (MVA) In the jargon of modern financial theory, MVA is nothing more or less than the net present value, or NPV, of a company. It also is the present value of the amount by which expected future profits exceed or fall short of the cost of capital (the discount rate used in NPV calculations). That, by definition, is the same thing as the present value of future EVA. If investors expect a company to earn its cost of capital - and nothing more or less - it will have a value equal to invested capital, and MVA will be zero. MVA will be positive if investors expect the company to earn more than its cost of capital - to produce positive EVA - and negative if they expect EVA to be negative. Algebraically,

MVA = the present value of future EVA

It shows that EVA is linked directly to the market value of the firm, and that any increases or decreases in market value come about because of changes in expectations about future EVA. Hence, the way to manage for a higher stock price-for greater shareholder wealth-is to manage for increases in EVA.

MVA measures the value added by the management over and above the capital invested in the company by the investors. MVA is a cumulative measure of corporate performance that looks at how much a company's stock has added to (or taken out of) investor's pocketbooks over its life and compares it with the capital the investors put into the firm. Although the calculation of MVA uses

⁸ Using Forecasts of Earnings to Simultaneously Estimate Growth and the Rate of Return on Equity Investment. By: Easton, Peter; Taylor, Gary; Shroff, Pervin; Sougiannis, Theodore. Journal of Accounting Research, Jun2002, Vol. 40 Issue 3, p657-676, 20p, 4 charts

⁹ Growth, Corporate Profitability, and Value Creation. By: Ramezani, Cyrus A.; Soenen, Luc; Jung, Alan. Financial Analysts Journal, Nov/Dec2002, Vol. 58 Issue 6, p56, 11p

the book value of capital, which is subject to inflationary distortions, it provides an excellent measure of company's ability to create wealth. MVA of a company is defined as the difference between the market value and economic capital of the firm.

MVA= Market Value of the Firm - Economic Capital.

Economic capital is arrived at by adjusting for equity equivalents as mentioned below:

Economic Capital = Net Fixed assets + Investments + Current assets- Non interest bearing current liabilities + (Miscellaneous Expenditure not written off) + Intangible assets + Cumulative non-recurring losses + capitalized expenditure on R&D) – (revaluation reserve + cumulative non-recurring gains).

Certain studies, [Banerjee (2000)] have used a simplified method of calculating MVA as given below:

$MVA = (\text{Market value of equity} + \text{market value of debt}) - (\text{Book value of equity} + \text{book value of debt}).$

In Indian context, we are yet to come across a vibrant debt market, where the private corporate debt papers are traded frequently. If we make the reasonable assumption that the market and book values of debt are the same, the MVA of a company simplifies as:

$MVA = \text{Market Value of Equity} - \text{Book Value of Equity}$

$\text{Book Value of Equity} = \text{Paid-up Capital} + \text{Reserves and Surplus}$

The market value of equity is the stock price multiplied by the number of shares outstanding.

Stewart [1999] emphasizes that the MVA and EVA definitions should not be uniformly applied to all firms. Identifying a total of 164 measurement issues due to shortcomings in conventional GAAP accounting, Stewart claims that Stern Stewart & Co. makes various proprietary adjustments depending on the characteristics of a firm and its industry.

TOTAL SHAREHOLDER RETURN (TSR)

Total Shareholder Return (TSR) represents the change in capital value of a listed/quoted company over a period (typically 1 year or longer), plus dividends, expressed as a plus or minus percentage of the opening value. Due to its nature, TSR can not be calculated at divisional level (Strategic Business Unit) and below. And also due to its nature, TSR cannot be observed for privately held companies. TSR can be easily compared from company to company, and benchmarked against industry or market returns, without having to worry about size bias (TSR is a percentage).

Total Shareholder Return (TSR) = [Dividends per share + Ending share price – Beginning share price / Beginning share price] x 100.

TABLE 1 OWNERSHIP - WISE AGGREGATE EVA
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	1677.67	573.86
1998	458.97	516.63
1999	424.94	-145.92
2000	309.56	1845.02
2001	1656.8	2444.09
2002	1309.97	2445.21
2003	1423.94	2615.14
2004	1136.78	3425.36
2000	970.69	3953.12
2001	628.74	3713.4
2002	2741.22	2455.86
2003	3939.83	4203.91
2004	6710.86	16448.47
2005	8534.75	12067.81
2006	9007.56	9993.98

Tables 3.6 put forward the ownership-wise information pertaining to EVA. It is observed that Foreign owned business enterprises and private companies are able to come up to the value creation of Indian owned business enterprises and private companies. It is evident from the steady increase in the economic valued added of foreign ownership companies from 1997 to reach levels of Rs.9000 Crores almost equal to that of Indian ownership. Thus Indian companies had troubles especially during the years 2000 and 2001 in adding value, while foreign companies over took Indian companies in 2004.

TABLE 2 OWNERSHIP - WISE AGGREGATE CVA
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	5538.07	2805.33
1998	6671.93	2618.88
1999	7951.95	3254.85
2000	10641.90	4371.87
2001	13072.26	5139.01
2002	14569.56	6012.66
2003	17467.31	6332.58
2004	19457.57	7392.77
2005	20875.34	8545.48

2006	27321.55	9423.19
2007	28237.15	10360.76
2008	28835.33	12604.93
2009	39345.50	14837.62
2010	43927.17	18946.29
2011	30502.78	6905.95

Tables 3.13 bring out the ownership-wise information pertaining to CVA. It is observed that Foreign owned business enterprises and private companies and Indian owned business enterprises and private companies have a steady increase in the cash valued added. Foreign ownership companies however face a decline only in 2006.

Tables 3.20 puts forward the ownership-wise information pertaining to CFO. It is observed that Foreign owned business enterprises and private companies were generating positive CFO during all the fifteen years of study with a slight decline in 2003. They regained the CFO back in 2004. With regard to creation of CFO by Indian owned business enterprises and private companies, they too have positive CFO except for 1997 where the CFO is terribly low at Rs.-404118 crores.

TABLE 3 OWNERSHIP - WISE AGGREGATE CFO
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	18596.36	6134.20
1998	19999.66	5237.32
1999	22216.70	7218.49
2000	27168.17	5391.83
2001	486073.6	9312.85
2002	-404118	10708.23
2003	50414.02	11866.79
2004	17977.30	1933.72
2005	38516.63	10912.91
2006	41198.34	15871.03
2007	87714.69	17602.65
2008	34132.04	8708.48
2009	69307.58	22602.39
2010	104583.8	25178.35
2011	124513.3	28282.01

TABLE 4 OWNERSHIP - WISE AGGREGATE FCF
 (Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	-8723.49	-419.59
1998	-10856.0	-343.96
1999	-12665.9	-243.29
2000	-17280.0	-4.24
2001	-20872.8	324.17
2002	-29286.2	-179.28
2003	-35095.7	-664.00
2004	-37525.3	1446.14
2005	-31317.8	2298.20
2006	-28284.7	1801.69
2007	-51137.6	415.76
2008	-47309.7	1742.06
2009	-45564.0	55.61
2010	-60474.1	4501.02
2011	-80318.6	3564.40

Tables 3.27 portrays the ownership-wise information pertaining to FCF. As far as Foreign owned business enterprises and private companies are concerned, they were generating negative FCF till 1998 and from there on there is a steady but slow increase. Indian owned business enterprises and private companies however continue to generate negative FCF for the entire period of study.

TABLE 5 OWNERSHIP - WISE AGGREGATE EBIT
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	3581.37	1470.08
1998	4205.87	1753.43
1999	5534.69	2262.98
2000	7562.57	2961.56
2001	9576.36	3396.13
2002	9765.38	3835.83
2003	10921.44	4337.21
2004	11313.94	4900.86
2005	12845.13	6114.10
2006	14520.14	6568.05
2007	16889.40	7376.03
2008	18460.44	8145.22
2009	22130.64	8677.93
2010	27807.84	10519.77
2011	32107.81	13415.02

Tables 3.34 throws light on the ownership-wise information pertaining to EBIT. It is observed that both Foreign owned business enterprises and private companies and Indian owned business enterprises and private companies are generating a steady and positive EBIT right from 1997 to 2006.

TABLE 6 OWNERSHIP - WISE AGGREGATE FCF
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	-8723.49	-419.59
1998	-10856.0	-343.96
1999	-12665.9	-243.29
2000	-17280.0	-4.24
2001	-20872.8	324.17
2002	-29286.2	-179.28
2003	-35095.7	-664.00
2004	-37525.3	1446.14
2005	-31317.8	2298.20
2006	-28284.7	1801.69
2007	-51137.6	415.76
2008	-47309.7	1742.06
2009	-45564.0	55.61
2010	-60474.1	4501.02
2011	-80318.6	3564.40

Tables 3.27 portrays the ownership-wise information pertaining to FCF. As far as Foreign owned business enterprises and private companies are concerned, they were generating negative FCF till 1998 and from there on there is a steady but slow increase. Indian owned business enterprises and private companies however continue to generate negative FCF for the entire period of study.

TABLE 7 OWNERSHIP - WISE AGGREGATE EBIT
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	3581.37	1470.08
1998	4205.87	1753.43
1999	5534.69	2262.98
2000	7562.57	2961.56
2001	9576.36	3396.13
2002	9765.38	3835.83
2003	10921.44	4337.21
2004	11313.94	4900.86
2005	12845.13	6114.10
2006	14520.14	6568.05
2007	16889.40	7376.03
2008	18460.44	8145.22
2009	22130.64	8677.93
2010	27807.84	10519.77
2011	32107.81	13415.02

Tables 3.34 throws light on the ownership-wise information pertaining to EBIT. It is observed that both Foreign owned business enterprises and private companies and Indian owned business enterprises and private companies are generating a steady and positive EBIT right from 1997 to 2006.

TABLE 8 OWNERSHIP - WISE AGGREGATE EBITDA
 (Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	4714.30	1739.35
1998	5545.82	2070.08
1999	6744.38	2608.55
2000	8970.50	3363.43
2001	11448.89	3927.88
2002	12067.36	4484.22
2003	13968.88	5154.17
2004	14917.61	5793.66
2005	17004.31	7077.40
2006	19194.07	7618.03
2007	23253.52	8496.87
2008	25480.87	9334.74
2009	29824.23	9888.81
2010	36242.74	11857.62
2011	40916.14	15040.68

Tables 3.41 put forward the ownership-wise information pertaining to EBITDA. It is observed that a similar trend as EBIT is displayed here too i.e, Foreign owned business enterprises and private companies and Indian owned business enterprises and private companies are generating positive and gradual increase in EBITDA for the entire span of study.

TABLE 9 OWNERSHIP - WISE AGGREGATE NOPAT
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	5020.58	1890.93
1998	6272.91	2451.40
1999	10231.35	4104.72
2000	8221.62	3089.76
2001	12615.81	5050.41
2002	13733.35	5283.37
2003	15999.29	5882.55
2004	16990.83	6492.29
2005	19829.43	8098.73
2006	22494.96	8935.46
2007	25113.10	9457.57
2008	27400.82	10557.66
2009	30287.43	12093.07
2010	36986.93	16390.51
2011	40178.80	16936.19

Tables 3.48 bring out the ownership-wise information pertaining to NOPAT. It is observed that Indian owned business enterprises and private companies have been able to create higher NOPAT than Foreign owned business enterprises and private companies. However both of them are generating positive NOPAT which is in the increasing trend.

TABLE 10 OWNERSHIP - WISE AGGREGATE RONA

(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	20029.52	6547.71
1998	16967.87	6173.46
1999	15118.15	6057.45
2000	16987.76	6817.43
2001	18477.40	7453.91
2002	19591.13	7098.72
2003	17999.09	6899.73
2004	17976.66	7229.47
2005	16222.05	6875.00
2006	13925.74	5519.72
2007	14965.43	6363.19
2008	16348.29	6835.22
2009	44787.46	32028.75
2010	18249.80	8127.48
2011	17240.14	7886.69

Tables 3.55 throws light on the ownership-wise information pertaining to RONA. It is observed that till 2003, Foreign owned business enterprises and private companies are earning a RONA between Rs.5500-7500 crores but in 2003 there is an whopping increase of Rs.32028.75 crores. A similar trend is found in Indian owned business enterprises and private companies too. Except for 2003, where the companies have registered a RONA of Rs.44787.46 crores it is found that RONA during the other years ranges between Rs.15000- 20,000 crores.

TABLE 11 OWNERSHIP - WISE AGGREGATE ROCE
 (Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	2032.64	1258.34
1998	3310.18	1244.89
1999	3327.12	1353.58
2000	3332.90	1402.47
2001	3363.31	1356.11
2002	2006.70	1257.65
2003	2684.10	1054.36
2004	936.95	1059.19
2005	656.69	1100.17
2006	2188.59	978.78
2007	2305.99	1140.00
2008	2492.68	1158.90
2009	2639.77	1189.05
2010	2626.79	1268.02
2011	1166.16	427.58

Tables 3.62 display the ownership-wise information pertaining to ROCE. It manifests that Foreign owned business enterprises and private companies are able to come up to the value creation of Indian owned business enterprises and private companies which ranges between Rs.300 crores to 2500 crores. But in 2006 both the groups are experiencing a decline in ROCE.

TABLE 3.69 OWNERSHIP - WISE AGGREGATE EPS
 (Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	2629.66	403.97
1998	2753.67	380.95
1999	3132.28	584.96
2000	4446.09	1059.33
2001	4401.40	812.08
2002	2950.10	739.47
2003	3080.14	564.59
2004	2797.52	596.24
2005	1789.05	838.08
2006	2411.58	736.79
2007	818.77	1074.08
2008	2976.14	1395.31
2009	3157.49	904.11
2010	2950.81	890.99
2011	2710.39	960.98

Tables 3.69 put forward the ownership-wise information pertaining to EPS. It is evident that Indian owned business enterprises and private companies have delivered higher EPS than Foreign owned business enterprises and private companies. Yet in 2002, foreign ownership was able to overtake Indian Ownership EPS generation. But after that Indian ownership has revived to give greater higher EPS than Foreign counterparts.

TABLE 12 OWNERSHIP - WISE AGGREGATE PE
 (Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	2518.88	567.71
1998	2617.84	1655.81
1999	2771.56	1311.42
2000	1338.33	490.66
2001	1012.02	756.71
2002	880.75	1029.39
2003	984.81	879.37
2004	1526.06	840.64
2005	626.26	622.10
2006	971.14	410.00
2007	246.85	430.07
2008	1411.34	646.69
2009	1573.04	785.13
2010	2195.25	898.45
2011	2401.73	810.26

Tables 3.76 put forward the ownership-wise information pertaining to PE. It is observed that Indian owned business enterprises and private companies have higher PE multiples than Foreign owned business enterprises and private companies.

TABLE 13 OWNERSHIP - WISE AGGREGATE MVA
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	26379.33	23835.94
1998	41644.41	41031.68
1999	61359.78	45535.40
2000	30086.90	34738.62
2001	18210.75	38792.02
2002	22376.84	65268.73
2003	7047.56	80681.23
2004	51756.12	96829.12
2005	36866.77	85355.33
2006	25289.16	76817.48
2007	31681.71	66673.51
2008	129995.8	102765.7
2009	143621.5	104253.2
2010	239947.9	160959.5
2011	338824.3	201907.1

Tables 3.83 put forward the ownership-wise information pertaining to MVA. It is observed that Indian owned business enterprises and private companies are able to come up to the Foreign owned business enterprises and private companies value creation of. It is evident from the steady increase in the market valued added of foreign ownership companies from 1997 to reach levels of Rs. 300000 Crores almost equal to that of Indian ownership. Thus Indian companies had troubles especially during the years 2000 and 2001 in adding value, while foreign companies over took Indian companies in 2004.

TABLE 14 OWNERSHIP - WISE AGGREGATE TSR
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	312.33	186.15
1998	2117.98	1339.11
1999	707.19	309.28
2000	-1147.85	-689.59
2001	451.20	281.68
2002	363.82	222.99
2003	1772.19	1047.31
2004	1547.51	817.91
2005	-1604.60	-931.74
2006	-822.11	-448.38
2007	1943.45	1055.64
2008	5503.31	3261.13

2009	2203.26	1243.73
2010	2818.98	1686.75
2011	217.66	194.13

Tables 3.90 reveals the ownership-wise information pertaining to TSR. It is observed that during 2000, 2000 and 2001, both Foreign owned business enterprises and private companies and Indian owned business enterprises and private companies have produced negative Shareholder return. During the other years too both foreign ownership and Indian ownership companies seem to move in tandem –generating positive shareholder return.

TABLE 15 OWNERSHIP - WISE AGGREGATE FGV
(Rs. In Crore)

Year	Indian Ownership	Foreign Ownership
1997	35365.02	26520.37
1998	53039.61	43692.69
1999	78197.74	49171.43
2000	55342.11	39549.57
2001	48751.94	45135.23
2002	56666.75	72837.99
2003	47575.03	89762.98
2004	96700.97	107087.0
2005	86334.62	97509.35
2006	79252.16	91006.11
2007	96057.27	82971.42
2008	201555.3	119191.7
2009	224565.5	123361.4
2010	335328.6	183277.7
2011	455842.9	228981.8

Tables 3.97 put forth the ownership-wise information pertaining to FGV. It is observed that Foreign owned business enterprises and private companies are able to come up to the level of future value creation of Indian owned business enterprises and private companies especially in 2000 and 2001. During the other years it is found that Indian ownership delivers higher future growth value than foreign ownership.

4.3 OWNERSHIPWISE MULTIPLE REGRESSION ANALYSIS

Empirical studies reveal that ownership pattern (Foreign or Indian) matters in goal setting of a business firm. Ownership matters when we look at the financial performance of companies with unlike ownership structures. The purpose of this classification was to explore whether any relationship existed among the dependent and independent variables of foreign and Indian companies. The above four Models are tested on the two groups of companies and the results are outlined as under:

4.3.1. INDIAN OWNERSHIP

Tables 4.41 to 4.45 tender the elucidation concerning the regression analysis for the 4 Models for the years 1997-2006 for Indian ownership companies. However the null hypotheses have been framed for the purpose of testing it through Multiple regression and they are as follows:

H₀₁: MVA of Indian Ownership Companies are not influenced by CVA, FGV and FCF.

H₀₂: EVA of Indian Ownership Companies are not influenced by CVA, RONA, FCF and NOPAT

H₀₃: FGV of Indian Ownership Companies are not influenced by CFO, EBIT and EBITDA

H₀₄: TSR of Indian Ownership Companies are not influenced by PE, EPS and ROCE.

TABLE 16

**MVA WITH CVA, FGV AND FCF OF INDIAN OWNERSHIP COMPANIES:
REGRESSION ANALYSIS- YEARS 1997 -2006**

Year	R	R ²	Adj R ²	Constant	Unstandardized Coefficients						Anova F	t-in-Wats
					FGV	T Sig	CVA	T Sig	FCF	T Sig		
1997	.998	.996	.996	-2.166	.968	.000	-.664	.000	.465	.000	.000	2.155
1998	.996	.993	.993	-8.555	.977	.000	-.636	.000	.477	.000	.000	1.966
1999	.998	.995	.995	.837	.875	.000	.186	.360	.694	.000	.000	1.915
2000	.949	.901	.898	46.974	.894	.000	-1.404	.000	.603	.000	.000	1.980
2001	.970	.941	.940	-32.783	.673	.000	.312	.000	.709	.000	.000	1.896
2002	.987	.974	.973	-16.207	.824	.000	-.761	.000	.384	.000	.000	2.137
2003	.944	.892	.889	10.730	.844	.000	-1.120	.000	.428	.000	.000	2.131
2004	.990	.980	.979	-37.155	.932	.000	-.634	.000	.581	.000	.000	2.154
2005	.993	.986	.986	21.523	.922	.000	-1.690	.000	.339	.000	.000	2.260
2006	.986	.973	.972	-58.833	.877	.000	-.383	.000	.715	.000	.000	2.260

2007	.984	.969	.968	-38.972	.896	.000	-.790	.000	.549	.000	.000	2.161
2008	.999	.997	.997	-68.241	.822	.000	.404	.000	.836	.000	.000	2.195
2009	.997	.994	.994	72.468	.811	.000	.132	.000	1.171	.000	.000	1.944
2010	.999	.998	.998	25.451	.875	.000	-.277	.000	.733	.000	.000	2.029
2011	.999	.998	.998	51.507	.936	.000	-2.115	.000	.371	.000	.000	1.811

It is observed from Table 4.41 that values of Adj R² are increasing over the years and the variables are serially negatively correlated. The predictive power of the Model is as high as 99% for the year 2006. Looking at the T-tests and F-tests statistics it is evident that the Model is statistically significant at 5% level of significance. Hence the hypothesis, MVA of Indian ownership companies is not influenced by CVA, FGV and FCF stands rejected.

TABLE 17

EVA WITH CVA, RONA, FCF AND NOPAT OF INDIAN OWNERSHIP COMPANIES: REGRESSION ANALYSIS- YEARS 1997 -2006

Year	R	R ²	Adj R ²	Constant	Unstandardized Coefficients								Anova F	Durbin-Watson
					CVA	T Sig	FCF	T Sig	RONA	T Sig	NOPAT	T Sig		
1997	.941	.885	.881	-13.548	-.049	.002	.114	.000	.525	.000	.082	.000	.000	1.620
1998	.820	.673	.661	-23.576	.208	.000	.262	.000	.033	.873	.166	.000	.000	1.968
1999	.852	.726	.717	-22.392	.381	.002	.177	.000	-.180	.113	.207	.000	.000	1.975
2000	.726	.527	.510	-29.151	-.108	.004	.130	.284	.369	.000	.248	.000	.000	2.005
2001	.950	.903	.899	-36.551	.307	.000	.195	.000	.207	.000	.187	.000	.000	1.865
2002	.982	.965	.964	-18.250	.253	.000	.221	.000	.374	.000	.059	.000	.000	1.825
2003	.969	.939	.937	-26.570	.145	.000	.153	.000	.285	.000	.162	.000	.000	1.620
2004	.910	.828	.822	-36.145	-.300	.000	.097	.000	.648	.000	.248	.000	.000	1.924
2005	.846	.716	.706	-41.264	.040	.000	.142	.000	.198	.000	.350	.000	.000	1.676

2006	.930	.864	.859	-83.483	-.110	.000	.274	.000	.534	.000	.675	.000	.000	2.297
2007	.831	.691	.680	-100.502	.319	.000	.050	.000	-.147	.000	.710	.000	.000	2.445
2008	.910	.829	.823	-56.588	.069	.000	.188	.000	.373	.000	.383	.000	.000	2.265
2009	.994	.988	.988	5.104	.109	.000	.138	.000	.492	.000	.011	.000	.000	1.895
2010	.988	.976	.975	-84.820	.059	.000	.059	.000	.315	.000	.509	.000	.000	2.504
2011	1.000	1.000	1.000	-.075	-1.030	.000	.003	.000	1.013	.000	-.003	.000	.000	2.005

It is reported in the Table 4.42 that the variables of Model II with EVA being dependent variable and CVA, RONA, FCF and NOPAT being independent variables of Indian ownership companies, have significant value of Adjusted R^2 ranging .510 to .988. Also, the Durbin- Watson Model guides that the variables are serially correlated as the value is below two. Glancing through the T-tests statistics, it found that RONA, FCF and CVA are significantly associated. The F-tests statistics tells that the Model is statistically fit. Hence the hypothesis, EVA of Indian ownership companies is not influenced by CVA, RONA, FCF and NOPAT stands rejected.

TABLE 18

FGV WITH CFO, EBIT AND EBITDA OF INDIAN OWNERSHIP COMPANIES: REGRESSION ANALYSIS- YEARS 1997 -2006

Year	R	R ²	Adj R ²	Constant	Unstandardized Coefficients						Anova	Durbin-Wats
					CFO	T Sig	EBIT	T Sig	EBITDA	T Sig		
1997	.972	.945	.944	-67.341	.452	.000	23.916	.000	-10.686	.000	.000	1.607
1998	.947	.897	.895	-48.351	.955	.000	17.798	.000	-6.338	.000	.000	1.909
1999	.979	.958	.957	-60.688	.554	.079	15.827	.001	-2.124	.069	.000	2.126
2000	.974	.949	.948	20.766	-.269	.000	23.318	.000	-12.906	.000	.000	1.606
2001	.958	.918	.916	-56.567	.000	.000	13.514	.000	-6.378	.000	.000	1.835
2002	.946	.894	.892	-214.072	.000	.007	15.940	.000	-5.944	.070	.000	2.025
2003	.941	.885	.882	-33.277	.115	.039	12.453	.000	-6.418	.002	.000	2.096
2004	.880	.774	.768	61.681	.323	.035	24.255	.000	-12.726	.012	.000	1.909
2005	.960	.921	.919	-258.910	.451	.028	2.396	.505	4.188	.004	.000	2.149
2006	.948	.899	.897	-240.230	.072	.001	3.977	.000	2.576	.000	.000	1.835

2007	.971	.943	.941	48.379	.618	.002	17.267	.000	-10.980	.001	.000	1.962
2008	.985	.970	.970	- 255.655	.058	.007	25.834	.000	-9.582	.000	.000	1.977
2009	.987	.973	.973	27.317	- 1.270	.001	30.408	.000	-12.121	.000	.000	1.693
2010	.994	.988	.987	391.519	- 1.726	.002	28.610	.000	-8.802	.001	.000	1.802
2011	.991	.982	.982	- 167.134	-.990	.000	3.302	.009	12.293	.009	.000	1.759

Table 4.43 presents the values for the Model III where the dependent variable is FGV with independent variables CFO, EBIT and EBITDA. There are approximately identical results witnessed in the Model II and all indicators including the values of R, the values of adjusted R-square, the F statistics for all the years ascertain that there exists significant association among the variables. Durbin-Watson values indicate positive auto correlation. Hence the H_{03} that FGV of Indian Ownership is not influenced by CFO, EBIT and EBITDA is rejected.

TABLE 19
TSR WITH PE, EPS AND ROCE OF INDIAN OWNERSHIP COMPANIES:
REGRESSION ANALYSIS- YEARS 1997 -2006

Year	R	R ²	Adj R ²	Constant	Unstandardized Coefficients			Anova	Durbin-Watson
					PE	EPS	ROCE		
1997	.116	.013	.014	13.913	-.092	.037	-.214	.671	2.182
1998	.098	.016	.010	23.862	.221	.004	.041	.771	1.961
1999	.169	.029	.003	46.696	-.603	.046	-.032	.339	1.566
2000	.454	.206	.186	-54.939	.693	.017	.652	.000	1.891
2001	.501	.251	.231	-50.292	1.610	-.032	.867	.000	1.840
2002	.470	.221	.200	-51.159	.406	-.092	1.477	.401	1.767
2003	.057	.023	.003	9.598	-.011	.045	.132	.401	1.972
2004	.160	.026	.000	99.443	1.213	-.046	-.835	.402	2.000
2005	.233	.054	.029	-17.121	.376	-.011	-.628	.096	2.057
2006	.102	.016	.010	-13.417	-.132	.004	.129	.756	2.133
2007	.265	.070	.046	59.748	-.359	-.062	-.810	.040	1.783
2008	.161	.026	.000	212.465	-.694	.216	-1.443	.391	1.915
2009	.223	.050	.025	65.714	.146	.084	-1.177	.117	2.070
2010	.159	.025	.000	61.317	.140	.181	-.685	.401	2.227
2011	.340	.115	.092	6.907	.426	.455	-1.071	.003	2.246

Table 4.44 depicts the results relating to statistical association between TSR with PE, EPS and ROCE for Indian ownership companies. The Table reveals that the value of Adjusted R² is negative and it may not be tolerable for the fitness of the Model. The high values of T-tests and F-tests statistics deduce that the association between the TSR with PE, EPS and ROCE not significant.

FIGURE 4.11

A SUMMARY OF MULTIPLE REGRESSION ANALYSIS OF INDIAN OWNERSHIP COMPANIES INDUSTRY

Independent variables	Model 1 Dependent Variable: MVA		Model 2 Dependent Variable: EVA		Model 3 Dependent Variable: FGV		Model 4 Dependent Variable: TSR	
	FGV	✓	CVA	✓	CFO	✓	PE	x
CVA	✓	FCF	✓	EBIT	✓	EPS	x	
FCF	✓	NOPAT	✓	EBITDA	✓	ROCE	x	
		RONA	x					

x stands for insignificant association of dependent and independent variables

✓ stands for significant association of dependent and independent variables

4.32 FOREIGN OWNERSHIP COMPANIES

Tables 4.45 to 4.49 portray the yearly results of multiple regressions for Foreign ownership companies. The null hypotheses have been framed for the purpose of testing it through Multiple regression and they are as follows:

H₀₁: MVA of Foreign ownership companies are not influenced by CVA, FGV and FCF.

H₀₂: EVA of Foreign ownership companies are not influenced by CVA, RONA, FCF and NOPAT

H₀₃: FGV of Foreign ownership companies are not influenced by CFO, EBIT and EBITDA

H₀₄: TSR of Foreign ownership companies are not influenced by PE, EPS and ROCE.

TABLE 20
MVA WITH CVA, FGV AND FCF OF FOREIGN OWNERSHIP COMPANIES:
REGRESSION ANALYSIS- YEARS 1997 -2006

Year	Years	R	R ²	Adj R ²	Constant	Unstandardized Coefficients						Anova	Watson
						FGV	T Sig	CVA	T Sig	FCF	T Sig		
1997	1997	1.000	.999	.999	-23.020	.970	.000	-.350	.000	.303	.000	.000	1.657
1998	1998	1.000	1.000	1.000	-19.079	.998	.000	-.677	.000	.428	.000	.000	1.900
1999	1999	1.000	1.000	1.000	-15.242	.997	.000	-.883	.000	.309	.000	.000	1.669
2000	2000	.999	.998	.998	-31.154	.978	.000	-.659	.000	.455	.000	.000	1.738
2001	2001	.998	.997	.997	-47.861	.962	.000	-.611	.000	.484	.000	.000	1.874
2002	2002	1.000	1.000	1.000	-27.985	1.020	.000	-1.342	.000	.232	.000	.000	1.506
2003	2003	1.000	1.000	1.000	-41.609	1.016	.000	-1.412	.000	.187	.000	.000	1.540
2004	1999	1.000	1.000	1.000	-11.178	1.012	.000	-1.562	.000	.296	.000	.000	1.900
2005	2000	1.000	1.000	1.000	-36.497	1.002	.000	-1.354	.000	.183	.000	.000	1.858
2006	2001	1.000	1.000	1.000	18.828	1.058	.000	-2.170	.000	.172	.000	.000	
2007	2002	.999	.999	.998	-39.120	1.008	.000	-1.526	.000	.382	.000	.000	1.876
2008	2003	.999	.998	.998	-22.146	.983	.000	-1.262	.000	1.283	.000	.000	1.664
2009	2004	.999	.997	.997	-50.515	.917	.000	-.486	.000	1.034	.000	.000	1.926
2010	2005	1.000	.999	.999	-2.088	.962	.000	-.951	.000	.599	.000	.000	1.665
2011	2006	1.000	.999	.999	-103.027	.986	.000	-3.459	.000	.965	.000	.000	2.142

For Model I, the Table 4.45 provides the values of R, R-square and Adjusted R² which are steadily increasing. The T-tests and F-tests statistics are resulting in identical values and secure that the relationship between MVA and CVA, FGV and FCF is fairly significant. It means that the CVA, FGV and FCF has been able to describe MVA in best likely way during all the years of study for the of Foreign ownership companies which is reflected in the high values Adj R². The Durbin-Watson

values indicate positive auto correlation during almost all years. The fitment of the Model is good at 5 % level of significance. The hypothesis MVA of Foreign ownership companies is not influenced by CVA, FGV and FCF is rejected.

TABLE 21

**EVA WITH CVA, RONA, FCF AND NOPAT OF FOREIGN OWNERSHIP COMPANIES:
REGRESSION ANALYSIS- YEARS 1997 -2006**

Year	R	R ²	Adj R ²	Constant	Unstandardized Coefficients								Anova	Durbin-Watson
					CVA	T Sig	FCF	T Sig	RONA	T Sig	NOPAT	T Sig		
1997	.971	.943	.935	-15.087	-.147	.003	.169	.000	.736	.000	.069	.068	.000	1.801
1998	.965	.931	.922	-30.197	-.122	.739	.134	.000	.508	.213	.155	.002	.000	2.442
1999	.955	.912	.900	-15.143	.253	.000	.172	.000	.033	.434	.078	.016	.000	1.893
2000	.984	.969	.965	-34.222	.654	.000	.159	.000	-.298	.000	.157	.000	.000	1.901
2001	.982	.965	.960	-33.291	.147	.006	.149	.000	.384	.000	.112	.000	.000	2.400
2002	.983	.966	.961	-41.106	-.313	.250	.088	.000	.852	.000	.175	.000	.000	1.813
2003	.986	.972	.968	-62.847	.338	.090	.101	.000	.141	.501	.268	.002	.000	2.017
2004	.985	.971	.967	-18.623	.330	.038	.086	.000	.113	.492	.043	.324	.000	1.968
2005	.975	.951	.945	-76.966	-.447	.097	.004	.916	.977	.002	.361	.002	.000	1.848
2006	.988	.976	.973	-81.270	-.190	.397	.124	.000	.660	.000	.390	.000	.000	2.037
2007	.986	.971	.967	-81.777	.003	.000	.086	.000	.511	.000	.315	.000	.000	2.071
2008	.994	.988	.987	-83.140	-.049	.379	.134	.000	.616	.000	.316	.000	.000	1.902
2009	.999	.998	.997	4.088	.013	.530	.115	.000	.710	.000	.004	.000	.000	1.300
2010	.996	.991	.990	-136.483	.112	.174	.013	.718	.655	.000	.311	.027	.000	1.377
2011	1.000	1.000	1.000	-.508	-.1020	.000	.010	.000	1.006	.000	.003	.544	.000	1.879

The association between EVA and CVA, RONA, FCF, NOPAT is established by Table 4.46. The result witness that the variables noticed significant association and there exists positive auto-correlation throughout the period of study. The Adj R² is also steadily increasing over the years. T-tests statistics found that the value is significant for NOPAT for 12 years, FCF for 13 years, RONA for 11 years and CVA for 7 years. F-tests statistics certify that the association between the variables is significant. Hence, the hypothesis that EVA of Foreign Ownership companies is not influenced by CVA, RONA, FCF and NOPAT is rejected.

TABLE 22

FGV WITH CFO, EBIT AND EBITDA OF FOREIGN OWNERSHIP COMPANIES:
REGRESSION ANALYSIS- YEARS 1997 -2006

Year	R	R ²	Adj R ²	Constant	Unstandardized Coefficients						Anova	Durbin - Watson
					CFO	T Sig	EBIT	T Sig	EBITDA	T Sig		
1997	.969	.939	.933	-126.544	-1.990	.000	26.356	.001	2.464	.727	.000	2.069
1998	.923	.852	.837	61.944	-2.777	.060	37.992	.015	-5.065	.718	.000	1.726
1999	.945	.894	.883	92.109	1.868	.008	20.732	.106	-5.506	.642	.000	1.554
2000	.865	.749	.724	-97.866	.701	.504	16.957	.321	-3.307	.839	.000	2.640
2001	.968	.937	.931	-233.515	-.118	.843	31.542	.000	-13.481	.081	.000	1.185
2002	.978	.957	.953	-816.734	-7.898	.000	35.015	.014	11.345	.465	.000	1.796
2003	.976	.953	.948	-762.379	-6.159	.000	71.930	.000	-23.903	.024	.000	1.761
2004	.928	.861	.847	-619.196	6.763	.160	23.707	.373	-.194	.993	.000	1.944
2005	.976	.953	.948	-762.379	-6.159	.000	71.930	.000	-23.903	.024	.000	1.761
2006	.928	.861	.847	-619.196	6.763	.160	23.707	.373	-.194	.993	.000	1.944
2007	.983	.965	.962	-272.870	8.827	.000	84.143	.000	-71.213	.000	.000	1.588
2008	.938	.881	.869	-544.081	-7.011	.014	31.214	.147	2.068	.926	.000	2.021
2009	.965	.931	.924	-37.001	2.100	.132	59.087	.000	-45.730	.001	.000	2.232
2010	.987	.974	.971	66.979	5.881	.000	24.244	.010	-14.116	.083	.000	1.825
2011	.983	.966	.963	117.328	-2.07	.023	45.712	.000	-23.303	.023	.000	1.588

Table 4.47 portrays the values for the Model III where the dependent variable is FGV with independent variables CFO, EBIT and EBITDA. All indicators including the values of R, the values of adjusted R-square, the F-tests statistics for all the years ascertain that there exists significant association among the variables. Durbin-Watson values indicate positive auto correlation. Hence the H_{03} that FGV of Foreign Ownership companies are not influenced by CFO, EBIT and EBITDA is rejected. T-tests statistics suggest that EBIT followed by CFO have better predictive power. EBITDA on the other hand has the lowest predictive power.

TABLE 23

**TSR WITH PE, EPS AND ROCE OF FOREIGN OWNERSHIP COMPANIES:
REGRESSION ANALYSIS- YEARS 1997 -2006**

Year	R	R ²	Adj R ²	Constant	Unstandardized Coefficients			Anova	Durbin-Watson
					PE	EPS	ROCE		
1997	.189	.061	.036	-8.929	.011	.027	.072	.776	2.406
1998	.189	.061	.036	45.914	.093	.271	-.078	.776	1.900
1999	.349	.122	.034	10.074	-.372	.555	.021	.265	1.486
2000	.250	.031	.062	-13.562	.097	.015	-.043	.580	1.972
2001	.028	.099	.001	6.729	.019	.013	.004	.999	2.019
2002	.400	.160	.076	-31.221	-.030	-.095	.195	.150	2.095
2003	.404	.163	.079	-11.270	1.002	.007	.079	.143	2.008
2004	.238	.038	.057	42.837	.115	.042	-.105	.619	2.350
2005	.321	.103	.014	-48.265	-.126	.047	.109	.345	2.485
2006	.160	.072	.026	-18.450	.474	.143	-.022	.851	2.128
2007	.233	.040	.054	38.676	.899	.026	-.106	.637	1.645
2008	.732	.536	.490	136.559	.097	.405	-.294	.000	1.691
2009	.333	.111	.022	49.211	-.709	-.468	.017	.310	2.281
2010	.215	.049	.046	52.920	-.310	.413	-.025	.695	1.816
2011	.349	.122	.034	-2.667	1.041	.016	-.073	.266	2.320

Table 4.48 presents analysis for Model IV and it is revealed that the variables are serially correlated as per the Durbin- Watson Model. As the value of adjusted R² is negligible, it speaks about the poor fitment of the Model. The F-tests and T statistics also signal about the insignificant association between the dependent and independent variable during the entire period of study suggesting the acceptance of the hypothesis that TSR of Foreign companies are not influenced by PE, EPS and ROCE.

FIGURE 4.12 A SUMMARY OF MULTIPLE REGRESSION ANALYSIS OF FOREIGN OWNERSHIP COMPANIES INDUSTRY

Model 1 Dependent Variable : MVA	Model 2 Dependent Variable : EVA	Model 3 Dependent Variable : FGV	Model 4 Dependent Variable : TSR
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Independent variables	FGV	✓	CVA	x	CFO	x	PE	x
	CVA	✓	FCF	✓	EBIT	✓	EPS	x
	FCF	✓	NOPAT	✓	EBITDA	x	ROCE	x
		RONA	✓					

x stands for insignificant association of dependent and independent variables

✓ stands for significant association of dependent and independent variables

TABLE 24

A SUMMARY OF MULTIPLE REGRESSION ANALYSIS OF OWNERSHIP GROUPS (1997-2006)

Ownership	Model 1 Dependent Variable: MVA			Model 2 Dependent Variable: EVA				Model 3 Dependent Variable: FGV			Model 4 Dependent Variable: TSR		
	CV A	FC F	FG V	CV A	FC F	NOP AT	RON A	CF O	EBI T	EBIT DA	P E	EP S	ROC E
Indian Ownership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X
Foreign Ownership	✓	✓	✓	X	✓	✓	✓	X	✓	X	X	X	X
Overall Model ranking in terms of significance	I			II				III			IV		

x stands for insignificant association of dependent and independent variables

✓ stands for significant association of dependent and independent variables

Table 4.50 puts together the summary results of ownership-wise multiple regressions on yearly basis. It is seen in the Table that both Indian Ownership and Foreign Ownership company's independent variables have displayed almost identical summary results except for the variables CVA in Model II, CFO and EBITDA in Model III for Foreign ownership group where it is found significant, Model I is significantly fit and Model IV is insignificant for both the ownership groups. Thus the overall Model ranking shows that Model I stand first, followed by Model II, Model III and Model IV.

5.2 OWNERSHIP-WISE MULTIPLE DISCRIMINANT ANALYSIS

The sample companies were classified on the basis of their ownership. Foreign ownership companies comprise both business Groups and private companies whose majority stake is held by foreign stakeholders. Indian ownership comprise of again business Groups and private companies which are owned and controlled by Indian counterparts. With the liberalization, there was influx of foreign

companies which brought in fresh foreign capital into the Indian markets. It becomes important to identify whether these companies have created value to the Indian shareholders in return.

5.2.1 MULTIPLE DISCRIMINANT ANALYSIS FOR INDIAN OWNERSHIP COMPANY

Tables 5.55 to 5.60 portray the results of the discriminant analysis for Indian Ownership Companies from computer package.

TABLE 25: CLASSIFICATION RESULTS (A)

		Value Low High	Predicted Membership		Group	Total
			0	1		
Original	Count	0	98	2		100
		1	2	17		19
	%	0	98.0	2.0		100.0
		1	10.5	89.5		100.0

a 96.6% of original Grouped cases correctly classified.

(1) **HOW GOOD IS THE MODEL?:** The classification matrix (Table 5.55) indicates that the discriminant function obtained for Indian Ownership Companies is able to classify 96.6% of the 119 companies correctly. It is a pointer towards the model being a good one. (2)

TABLE 26: EIGENVALUES

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	1.851	100.0	100.0	.806

a First 1 canonical discriminant functions were used in the analysis.

TABLE 27: WILKS' LAMBDA

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.351	116.286	12	.000

(2) **STATISTICAL SIGNIFICANCE OF THE MODEL:** To check the statistical significance of the model, Tables 5.56 and 5.57 gives the Eigen values and Wilks' Lambda. The Eigen value is 1.851 with 100% variance indicating the high spread among the Group means. The value of Wilk's lamda is 0.351. This value is between 0 and 1, a low value (closer to 0) indicates better discriminating power of the model. Thus, 0.351 is an indicator of the model being good. The probability value of F test indicates that the discrimination between the two Groups is highly significant. This is because the Significance value is .000 which indicates that the F-test would be significant at a confidence level of up to (1-.000) x100 or 100 %.

TABLE 28:STRUCTURE MATRIX

	Function
EVA	.533
PE	.451
FGV	.365
NOPAT	.338

CVA	.338
EBIT	.319
EBITDA ^a	.305
CFO	.267
FCF	-.227
EPS	.141
ROCE	.098
TSR ^a	-.089
RONA	.034

a This variable not used in the analysis.

(3) PREDICTOR: To find out which of the independent variables are a better predictor of high value and low value companies, we look at Table 5.58 which provides the standardized coefficients of the independent variables. The larger the absolute value of the standardized coefficient, the better the predictive power of the variable. It is observed that EVA is the best predictor with the coefficient of 0.533 followed by PE with a coefficient of 0.451, FGV with a coefficient of 0.365, NOPAT with a coefficient of 0.338, CVA with a coefficient of 0.338, EBIT with a coefficient of 0.319, CFO with a coefficient of 0.267, EPS with a coefficient of 0.141, ROCE with a coefficient of .098, and RONA with a coefficient of .034.

TABLE 29: FUNCTIONS AT GROUP CENTROIDS

Value Low High	Function
	1
0	-.588
1	3.095

Unstandardized canonical discriminant functions evaluated at Group means

(4) CLASSIFICATION OF A NEW COMPANY: To classify a new company belonging to Indian ownership as a potential High value creating or Low value creating company, one needs to make a decision on investing or not investing in that particular company. For this the means of canonical variables are provided in Table 5.59. The means of the canonical variables, give the new means for the transformed Group centroids. Thus, the new mean for Group 1 (Value High) is 3.095, and new mean for Group 2 (Value Low) is -0.588. Thus the decision rule for classifying the case is, if the discriminant score of a company falls to the right of the mid point 1.253 (between -0.588 and 3.095), we classify it as 'High Value' companies and if the discriminant score of a company falls to the left of the mid point 1.253, we classify it as 'Low Value' companies.

(5) DISCRIMINANT SCORE FOR INDIAN OWNERSHIP COMPANY: Unstandardized coefficients provided in Table 5.60 are used to build the discriminant function.

TABLE 30: CANONICAL DISCRIMINANT FUNCTION COEFFICIENTS

	Function
FGV	.001
EVA	-.016
CVA	-.009
CFO	-.005
FCF	.002
EBIT	.012
NOPAT	.021
RONA	.000
ROCE	.014
EPS	.005
(Constant)	.073

Unstandardized coefficients

DISCRIMINANT FUNCTION FOR INDIAN OWNERSHIP COMPANY IS

$$MVA = .073 + FGV (.001) - EVA (0.016) + FCF (0.002) - CVA (0.009) - CFO (0.005) + EBIT (0.012) + NOPAT (0.021) + EPS (0.005) + ROCE (.014) + RONA (.000)$$

5.2.2 MULTIPLE DISCRIMINANT ANALYSIS FOR FOREIGN OWNERSHIP COMPANY

Tables 5.61 to 5.66 portray the results of the discriminant analysis for Foreign Ownership Companies from computer package.

TABLE 31: CLASSIFICATION RESULTS (A)

		Value Low High	Predicted Membership		Group	Total
			0	1		
Original	Count	0	24	1		25
		1	0	9		9
	%	0	96.0	4.0		100.0
		1	.0	100.0		100.0

97.1% of original Grouped cases correctly classified.

(1) HOW GOOD IS THE MODEL?: The classification matrix (Table 5.61) indicates that the discriminant function obtained for Foreign Ownership Companies is able to classify 96% of the 119 companies correctly. It is a pointer towards the model being a good one.

TABLE 32: EIGENVALUES

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	3.908	100.0	100.0	.892

a First 1 canonical discriminant functions were used in the analysis.

TABLE 33: WILKS' LAMBDA

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.204	42.160	11	.000

(2) STATISTICAL SIGNIFICANCE OF THE MODEL: To check the statistical significance of the model, Tables 5.62 and 5.63 give the Eigen values and Wilks' Lambda. The Eigen value is 3.908 with 100% variance indicating the high spread among the Group means. The value of Wilk's lamda is 0.204. This value is between 0 and 1, a low value (closer to 0) indicates better discriminating power of the model. Thus, 0.204 is an indicator of the model being good. The probability value of F test indicates that the discrimination between the two Groups is highly significant. This is because the Significance value is .000 which indicates that the F-test would be significant at a confidence level of up to $(1-.000) \times 100$ or 100 %.

TABLE 34: STRUCTURE MATRIX

	Function
CFO	.402
CVA	.387
EBITDA	.385
EBIT	.371
NOPAT	.363
EVA	.357
FGV ^a	.347
PE	.311
ROCE	.282
EPS ^a	.220

TSR ^a	-.138
FCF	.026
RONA	.016

a This variable not used in the analysis.

(3) PREDICTOR: To find out which of the independent variables are a better predictor of high value and low value companies, we look at Table 5.64 which provides the standardized coefficients of the independent variables. The larger the absolute value of the standardized coefficient, the better the predictive power of the variable. It is observed that CFO is the best predictor with the coefficient of 0.402 followed by CVA with a coefficient of 0.387, EBITDA with a coefficient of 0.385, EBIT with a coefficient of 0.371, NOPAT with a coefficient of 0.363, EVA with a coefficient of 0.357, PE with a coefficient of 0.311, ROCE with a coefficient of 0.282, FCF with a coefficient of 0.026 and RONA with a coefficient of 0.016

TABLE 36: FUNCTIONS AT GROUP CENTROIDS

Value Low High	Function
0	-1.151
1	3.197

Unstandardized canonical discriminant functions evaluated at Group means

(4) CLASSIFICATION OF A NEW COMPANY: To classify a new company belonging to Foreign ownership as a potential High value creating or Low value creating company, one needs to make a decision on investing or not investing in that particular company. For this the means of canonical variables are provided in Table 5.65. The means of the canonical variables, gives the new means for the transformed Group centroids. Thus, the new mean for Group 1 (Value High) is 3.197, and new mean for Group 2 (Value Low) is -1.151. Thus the decision rule for classifying the case is, if the discriminant score of a company falls to the right of the mid point 1.253 (between -1.151 and 3.197), we classify it as 'High Value' companies and if the discriminant score of a company falls to the left of the mid point 1.023, we classify it as 'Low Value' companies.

(5) DISCRIMINANT SCORE FOR FOREIGN OWNERSHIP COMPANY: Unstandardized coefficients provided in Table 5.66 are used to build the discriminant function.

TABLE 37: CANONICAL DISCRIMINANT FUNCTION COEFFICIENTS

	Function
EVA	.010
CVA	.007
CFO	.014
FCF	.003
EBIT	-.035
EBITDA	.057
NOPAT	-.051
RONA	.000
ROCE	.039
PE	.030
(Constant)	-2.919

Unstandardized coefficients

DISCRIMINANT FUNCTION FOR FOREIGN OWNERSHIP COMPANY IS

$$MVA = -2.919 + FGV (.001) + EVA (0.010) + FCF (0.003) - CVA (0.009) + CFO (0.014) - EBIT (0.035) + EBITDA (.057) - NOPAT (0.051) + PE(0.030) + ROCE (.039) + RONA (.000)$$

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SHARE MARKET

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ABSTRACT

A stock market or equity market is a public entity (a loose network of economic transactions, not a physical facility or discrete entity) for the trading of company stock (shares) and derivatives at an agreed price; these are securities listed on a stock exchange as well as those only traded privately. The stock market is one of the most important sources for companies to raise money. This allows businesses to be publicly traded, or raise additional financial capital for expansion by selling shares of ownership of the company in a public market. The liquidity that an exchange affords the investors gives them the ability to quickly and easily sell securities. This is an attractive feature of investing in stocks, compared to other less liquid investments such as real estate. Some companies actively increase liquidity by trading in their own shares.

KEYWORDS: *Basic Rule of Indian Stock market, Function and purpose, How to earn in Bullish Indian stock market, How sharetipsinfo can help you, Have good knowledge about the market, How To Invest In Stock Market, Stock Market Right Option for Investment for me?, Stock Market Forecasts, Stock Market Research, Think before investing, Types of stocks in Indian stock market.*

INTRODUCTION

In 12th century France the courtiers de change were concerned with managing and regulating the debts of agricultural communities on behalf of the banks. Because these men also traded with debts, they could be called the first brokers. A common misbelief is that in late 13th century Bruges commodity traders gathered inside the house of a man called Van der Beurze, and in 1309 they became the "Brugse Beurze", institutionalizing what had been, until then, an informal meeting, but actually, the family Van der Beurze had a building in Antwerp where those gatherings occurred,^[8] the Van der Beurze had Antwerp, as most of the merchants of that period, as their primary place for trading. The idea quickly spread around Flanders and neighboring counties and "Beurzen" soon opened in Ghent and Amsterdam.

In the middle of the 13th century, Venetian bankers began to trade in government securities. In 1351 the Venetian government outlawed spreading rumors intended to lower the price of government funds. Bankers in Pisa, Verona, Genoa and Florence also began trading in government securities

during the 14th century. This was only possible because these were independent city states not ruled by a duke but a council of influential citizens. Italian companies were also the first to issue shares. Companies in England and the Low Countries followed in the 16th century. The Dutch East India Company (founded in 1602) was the first joint-stock company to get a fixed capital stock and as a result, continuous trade in company stock emerged on the Amsterdam Exchange. Soon thereafter, a lively trade in various derivatives, among which options and repos, emerged on the Amsterdam market. Dutch traders also pioneered short selling - a practice which was banned by the Dutch authorities as early as 1610. There are now stock markets in virtually every developed and most developing economies, with the world's largest markets being in the United States, United Kingdom, Japan, India, China, Canada, Germany (Frankfurt Stock Exchange), France, South Korea and the Netherlands.

FUNCTION AND PURPOSE

The stock market is one of the most important sources for companies to raise money. This allows businesses to be publicly traded, or raise additional financial capital for expansion by selling shares of ownership of the company in a public market. The liquidity that an exchange affords the investors gives them the ability to quickly and easily sell securities. This is an attractive feature of investing in stocks, compared to other less liquid investments such as real estate. Some companies actively increase liquidity by trading in their own shares.

History has shown that the price of shares and other assets is an important part of the dynamics of economic activity, and can influence or be an indicator of social mood. An economy where the stock market is on the rise is considered to be an up-and-coming economy. In fact, the stock market is often considered the primary indicator of a country's economic strength and development. Rising share prices, for instance, tend to be associated with increased business investment and vice versa. Share prices also affect the wealth of households and their consumption. Therefore, central banks tend to keep an eye on the control and behavior of the stock market and, in general, on the smooth operation of financial system functions. Financial stability is the raison d'être of central banks.

Exchanges also act as the clearinghouse for each transaction, meaning that they collect and deliver the shares, and guarantee payment to the seller of a security. This eliminates the risk to an individual buyer or seller that the counterparty could default on the transaction. The smooth functioning of all these activities facilitates economic growth in that lower costs and enterprise risks promote the production of goods and services as well as possibly employment. In this way the financial system is assumed to contribute to increased prosperity.

BASIC RULE OF INDIAN STOCK MARKET

1. Whenever market is high it will fall soon.
2. Whenever market is low ,if there is no external factor then it will rise.
3. Same rules applies to stocks scripts also.

Everyone say's that when market is high we will invest in shares , as doing intraday trading is risky. However we say that when market is going high investment is not that safe as it doesn't make any

point blocking your money when SENSEX and NIFTY are already zooming high. Wait for correction to come and then buy at lower price. Till the time stick to intraday stock trading.

Best time for investment - when market is down, though by keeping fundamental's in mind.

Best time for intraday trading - Everyday is best day for it. Condition being some professionals are assisting you with there analyzes of stock market.

HOW TO EARN IN BULLISH INDIAN STOCK MARKET

1. Always remember this is your hard earned money not anyone's. So you have to take care of it and be cautious at every level, if you are taking calls from processionals then also.
2. Always follow Indian stock market.
3. When market falls, don't panic, when market zooming don't be overjoyed as you can earn and loose both ways around.
4. If market goes up you first buy and then sell and if Indian stock market goes down, you first short and then buy.
5. Never hesitate to ask for professional's advice.

HOW SHARETIPSINFO CAN HELP YOU

Sharetips info is a leading Stock market call Provider Company based in India. We are a professionally managed company with focusing on high quality deliverables and client satisfaction, we analyzing Indian Stock Market daily. Our customers have realized some important benefits with us apart from high quality deliverables such as:-

1. We Provide less but highly accurate calls.
2. We excel in Mid Market calls, Stock levels and Nifty levels. All are highly accurate.
3. We provide stock market recommendations in cash, future and option, nifty and commodities with high accuracy.
4. We work as per our customer requirements. We take care of individuals requirements.

STOCK MARKET RIGHT OPTION FOR INVESTMENT FOR ME?

The stock market can be said to be as a platform for individuals and companies who use to trade with a commodity that is better known as company stocks. It is commercial in nature and more often can also be define as bond market in the same breath. The stock and bond markets are generally over the counter nature. It behaves quite different from that of the other commodities and are sold in specific market with their own norms of buying and selling. You should understand is stock market right option for investment for me? So let's have a look at what should you know about the share market.

HAVE GOOD KNOWLEDGE ABOUT THE MARKET

As far as trading in a stock market is concerned, most of the investors base their decision as per the price they come across. A good price of stock indicates that the quality of the stock is superior and there can be an increase in the value of stock. But it does not mean that one should take trading

decisions in stock market as per the price of the stock. There are many other ways to deal decisions regarding the purchase of stock. An individual must have the knowledge of where he is investing in before dealing. To have a much better insight of the nature of the stock and its intended movement in the market one should know the nature of the company and corporation attached in the stock. You should also know what are NSE, BSE and so on.

Looking at the growth curve of the corporation in question is the best way to know how the stocks are going to behave. Most companies and individual analysts would provide independent growth analysis over a five to ten period. Therefore it is very important to look at the growth curve. When it comes to deciding how a company will behave in the near future and what value will its stock hold this technical analysis is going to help. It is quite co-related to each other that how much you initially invest in any kind of investment, depending on it one is going to make money. An investor should always ensure that in case the invested money is in loss then the life style of the particular individual should not be hindered.

THINK BEFORE INVESTING

What should be kept in mind by an individual before investing? Firstly an individual should sell the stock at the right time because not selling of the stocks at the right time cause to a huge loss to the investor. Therefore the investor must also ascertain as to when the stock should be sold. Secondly an individual should not have fear in him rather should be able to take risk up-to some level. He must foresee some opportunity to make money, only then he can make some but if he fears then there would be no earnings rather he would face loss. Thirdly one should not be greedy. If due to greediness an investor wants to sell a stock at more than the stock is worth, it would be troublesome as he is going to face loss. Lastly an individual should avoid ignorance because it is going to feed him nothing more than loss. The investor must update himself as per The Indian stock market to keep himself out of any loss. Therefore keeping in mind the above mentioned tips one should come to a conclusion that **is** stock market right option for investment for me?

HOW TO INVEST IN STOCK MARKET

The stock market is an enticing business, which has the power to attract people in a very succinct manner. The investors often get trapped with its changing patterns and moods. But before getting into this complex but challenging game of buying and selling, it is very important to understand what exactly Stock Market is and how to initiate trading in stock market. First of all, you must know what unerringly it means when you talk of stocks. The number of shares deciphered by a company for public participation through trading is called stocks. On purchasing share, you become a member of that company. Mostly the companies declare two forms of shares - common shares and preferred shares. Where preferred shareholders are bound to get certain dividends unlike common shareholders.

Opening a brokerage or a demat account is the first step to make an investment in the stock exchange. There are several websites that can help you in this procedure. After this a quality research is required to decide on what to buy. And at this point you must seek assistance. You may hire a full time stock market consultant who can guide you on various investment ideas and plan reports regarding investments. Another option is of a discount broker who will simply implement on your orders. The discount brokers are comparatively less expensive, and perfect selection for

investors who are familiar with the work strategy of the stock market. Second most frequently used way of investment is direct investment plans of the companies. These are direct associate dealings with the company, where you save yourself from extra expense of commission. Investors who have made up their minds with which company to invest in can opt for this method. You just have gather information about the company's running direct investment plans and rate of the shares to choose on how many you can pay for.

You may also invest on following the concept of dividend reinvestment plan or popularly known as DRIP. This is the second optional choice for companies with no set of direct investment Plans. The only condition with this sort of investment is that you must procure at least one share of the company. Once a shareholder, you get entitled to buy fraction shares and create your portfolio on your own. Other than these ways and useful guidelines, you need assistance regarding why to invest, where to invest and how much to be invested in total contrast to the time management. Do not forget that Stock Exchange is a fervently active sort of marketing that demands a lot to for big fruitful results.

STOCK MARKET FORECASTS

For any stock market investor, speculation of the stock price is the most crucial thing. Their buying and selling decisions are primarily based on the prediction. These predictions or stock market forecasts are done by experts after considering so many factors that directly or indirectly influence the stock prices. As an investor you can get stock market forecasts from different sources. You can get the forecasts from the TV channels, business magazines and newspapers and from internet. Stock market analysts make these forecasts after technical and fundamental analysis of the market trends.

While making the stock market forecasts the overall market trend is considered along with other factors like the economic and political scenario of the market. Other stock exchanges and performance of the prime indexes are also considered while making forecast about the stock market. While predicting about individual stocks and a particular sector there are so many other things that need to be considered like the past performance, earnings, assets of the company and the overall trend in the sector. Technical analysis and fundamental analysis play a vital role in the stock market forecasts as it helps the experts to identify the trend of the market from the numerical data that is the basis of these forecasts.

Though the *stock market forecasts* are effective in most cases and especially for those new comers to the stock market trading, you need to be careful about the forecasts. That means you should never blindly follow these forecasts. You must have your own research and analysis for picking up the right stocks to invest in. These forecasts can only help you with the decision and should never be your only guide in the stock market. Remember each analyst and experts have their own method of analyzing a particular situation. So the opinion is bound to vary from one forecast to another, if not radically but to some extent. Therefore, you need to be well aware of the whole scenario before taking any decision.

TYPES OF STOCKS IN INDIAN STOCK MARKET

There are so many different types of stocks that are traded at the Indian stock market. These classifications of the stocks are done based on different aspects. Here we are presenting just some of the varieties of the stocks.

STOCK CLASSES – The class of the stock is the primary factor that is used for the classification. This class of stock is actually based on the voting rights of the shareholders. There are some stocks that do not let the shareholders vote at the annual meeting of the company to decide the company management and other issues. Then there are stocks that let the share holders to cast vote to take decisions in the company matters. Then there are certain stocks that give the shareholders a chance to cast multiple votes in different aspects of the company.

MARKET CAPITALIZATION – Stocks are also classified based on the market capitalization of the company. Market capital of a company is calculated by multiplying the current price of the stock of the company with the total outstanding shares of the company in the market. Stock types like Large Cap, Mid Cap, Small Cap and penny stocks are some of the examples of stock types that are done on the basis of the market capitalization of the company.

SECTOR STOCKS – Stocks are also classified on the basis sector that the company is in. Stocks are grouped in according to the sectors like – banking stocks, realty stocks, IT stocks, steel stocks, oil stocks and so on.

CYCLIC STOCKS – Stocks that rise and fall according to the cyclic pattern of the market are called cyclic stocks. These stocks are highly sensitive to the market and respond quickly to the prevailing trend in the market.

DIVIDEND STOCKS – Stocks that give dividend to the shareholders on the regular basis are called dividend stocks. These companies give away some portion of the annual profit to the shareholders in the form of dividends.

STOCK MARKET RESEARCH

The moment you come up with an idea of stock investment, you open yourself to a huge world of related questions such as how to invest, where to start from and many more. Thus, it is highly recommended to perform basic research before investing in stocks and companies. Indeed for novice investors the most inevitable piece of guidance comes from the good compiled stock market investment research. But this extensive research about company and stocks can sometimes lead to several confusing aspects of stock market.

On starting with step-by-step detail about researching stocks the first thing to do is to analyze the stock prices and companies you want to invest in. This can be done through newspapers or stock tickers where the stock quotes are offered. On reading, the prices allocated to per share signify that how many shares one could afford to buy with the given financial account. But that's not all. For better results you must look out for the details of the company you want to buy shares of, since you buy a partial ownership of the company after making investment. The company's status, commercial phenomenon, and consistency can radically impinge on your investment portfolio and your profits. And fortunately, the detailed study about the company and its reputation in the market can save you from these issues. The size of the company is an unavoidable feature to be focused.

A bigger company would be more stable, especially today, when large firms have the option to overcome smaller companies simply. To people with minimal interest in business, the stock market is ignorant. However, with just little interest and sensible research a person can manage to make commendable profit. Like any other business, even the stock market has both negative and positive

aspects and to have fruitful results, all that's required is some rational guideline and serious attention matched with perfect sense of timing. Other than these steps, the research can be made intense through numerous books available in the library with good informative examples. Along with the substantial websites, many software and programs are available in the market to help the avid individuals keenly interested in investing in the stock market.

CONCLUSION

For any serious investor of the stock market, it is very important to keep up to date information of the stock price and the overall condition of the market. Therefore it is important for them to know how the stock market is today. As prices at the equity market is governed by a lot of factors, a minimal change in them causes huge difference in the stock prices. So, it is important for the investors to keep regular watch on the market news.

There are so many mediums to keep watch on the stock market. There are so many business news channels like the cnbc that offer live stock prices throughout the day. These channels simultaneously show stock prices of different stock market along with different other matrices like the currency market, commodity market and so on. By regularly following these prices on real time you can take timely decision to buy or sell the stocks.

Apart from the news channels, you can also get regular information on the stock market from your broker and share market consultants like sharetipsinfo as well. As they are professionals and keep closely associated with day to day functioning of the stock market, they get the latest buzz in the market as soon as there is news. If they pass on the news to their clients it will also help you take the investment decisions promptly and eventually will increase your chance to make profits from your investment.

If you are trading online thorough an online broking website, you can keep tab on the happenings of the stock market quite effortlessly. All these portals that offer online stock trading facilities, have a real time streaming of the stock prices at their portal. Whenever you are logged in at their website you can watch the real time up and down of the selected stocks in which you are interested. These live stock market prices help you to buy and sell stocks or closely watch the movement of the market. The best thing about the online trading is that you can get all the relevant information regarding a stock from one single place. All you need is an account for online trading.

In whatever way you do that, what matters is that you keep yourself informed about the stock market and all other factors that directly and indirectly influence the stock prices. Keep yourself constantly updated about the stock market and make profitable investments.

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CORPORATE SOCIAL RESPONSIBILITY PROFILE OF MANUFACTURING UNITS IN INDIA – A COMPARISON

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ABSTRACT

Corporate Social Responsibility (CSR) is emerging as one of today's most important topics for firms big or small. Especially, manufacturing firms in developing countries such as India, the world's 'manufacturing floor' – are under heavy scrutiny from many parties. This paper aims to describe the CSR profile of manufacturing units in India and to compare the profile with the CSR towards five stakeholders, namely, customers, employees, environment, community and corporate governance (for shareholders). Also, a prediction of the future level of CSR has been made. This paper obtains data through a survey of 50 manufacturing units belonging to automobile, cement, chemical, pharmaceutical and textile industry in India by using a structured questionnaire. Stakeholder approach has been applied. The findings reveal that chemical units, units belonging to public sector, units located in South India, those existing for more than 50 years, units having turnover above Rs. 100 crore and those employing workforce above 3000, have the highest level CSR when compared to their counterparts. Literature review shows little is available on the CSR profile of the Indian manufacturing sector. Also this is the first empirical investigation of CSR from a stakeholders' perspective.

KEYWORDS: *Corporate Social Responsibility, CSR profile, Stakeholder-based CSR, CSR in Indian Manufacturing Units.*

1 INTRODUCTION

Corporate Social Responsibility (CSR) has recently been the subject of increased corporate attention. CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis (EU Commission, 2001). It is a proposition that companies are responsible not only for maximizing profits, but also for recognizing the needs of such stakeholders as employees, customers, demographic groups and even the regions they serve. So it seems that there is a natural fit between the idea of CSR and an organization's stakeholders (Carroll, Archie B., 1991). Experts have taken a broader view that any company with a short term in view, only maximizing profits for the shareholders, will destroy value in the long term. In India, there are efforts to identify the concerns of the significant stakeholders, the

practices of many of these are voluntary (Gautam, Richa, 2010). Companies have adopted several mechanisms to engage the stakeholders, some which are mandated by law (UNDP, 2002).

Globalization and the associated growth in competition are forcing the adoption of the best business practices. Businesses need CSR to improve market share and recruit and retain employees. Increased size and influence of companies accompanied by retrenchment or repositioning of government and its roles have also driven CSR in the Indian context. An increasing number of companies are adopting a variety of 'voluntary initiatives' associated with codes of conduct, improvements in environmental management systems and occupational health and safety, company reporting on social and environmental performance, increase in community development projects and philanthropy (Baxi, 2005). The social responsiveness has increased in the recent years and the emerging perspective on CSR focuses on responsibility towards stakeholders (Balasubramanian, et.al., 2005). Nearly all leading corporates in India are involved in CSR programmes in areas like education, health, livelihood creation, skill development, and empowerment of weaker sections of the society (IBEF, 2010). Majority of the organizations started CSR during 1991-2005 (Times Foundation, 2010).

CSR movements and initiatives have emerged in countries such as China, India, South Africa, the Philippines and Brazil, among others (UNDESA, 2007). Business responsibility is by no means a new phenomenon. As early as the 18th and 19th centuries, businessmen's religious and ethical convictions manifested themselves in socially responsible activities in European countries as well as in India (Mohan, 2001). When compared to other Asian countries, India ranked at the top in terms of levels of CSR (Chambers, et. al., 2003).

2 BENEFITS OF CSR

In India, CSR aspects are referred as an important characteristic of business success (Brown, Kate, 2001). The positive outcomes that can arise to various stakeholders when business adopts CSR are manifold.

Customers are considered as the most important stakeholder (Brown, Kate, 2001). The benefits to the customers are minimization of environmental impacts arising out of product usage, ensuring of safety during usage or storage of the product, ensuring of health issues and after sales service, cause-related marketing of products, addressing of customer grievances, effective advertisement campaigns and adopting ethics in supply chain.

After customers, employees are considered as important stakeholders (Brown, Kate, 2001). In a survey, one-third of the corporate mentioned that their responsibility to their employees is an element of CSR and majority of them stated that the success of a modern Indian company depended on HR strengths (Brown, Kate, 2001). It is believed that employees take CSR performance into account in their assessment of the company (UNDP, 2002). Awareness on company's policies, conducive environment to female employees, availability of employee guidelines concerning human relations management, motivational incentives to employees, identification of training needs of employees and assessment of employee satisfaction through surveys, prevention of labour disputes, availability of employee health care system, counselling for onsite nutritional, health and stress disorders, health seminars for employees, safety at workplace, lesser turnover rate are the benefits of employee CSR to the employees.

Majority of Indian companies referred to their responsibilities to the environment while defining CSR, especially in the form of pollution control and efficient use of fossil fuels (Brown, Kate, 2001). It was felt that the main role of corporations in the society in the coming years was protecting the environment. Environmental, health and safety issues have been integrated into CSR practice by many companies (UNDP, 2002; Times Foundation, 2008). The environmental benefits due to practice of environment CSR arise out of recycling of pollutants or waste or effluent, effective disposal of waste, proper treatment of smoke or ash, installation of equipment to protect environment, regular environmental audit, tree plantation, natural resource management, integrated watershed development, rain water harvesting, reclaiming of waste land and conducting of environmental awareness programs in schools or colleges.

The benefits to the community are proper assessment of social requirements and community needs, operation of trust or foundation, provision of key positive impacts and employee volunteer programmes and corporate involvement in community education, employment. Large proportion of Indian companies are active in the areas of education and training, followed by health care, welfare of underprivileged and rural development (Mehta, Bindi, 2003; Gautam, Richa, 2009). The main issues supported by Indian companies are health and education (IndianNGOs.com, 2002; Balasubramanian, N.K. et al., 2005; Karmayog, 2007, 2008, 2009, 2010; Times Foundation, 2008). Even a few corporate define CSR by addressing the area of education and training (Brown, Kate, 2001).

Activities relating to education or training such as construction of school building, merit scholarship to employees or others, adult literacy classes, vocational training to women and youth, scholarships for studies, enhancing teachers' performance and funding support for higher learning are beneficial.

Benefits arising out of health related activities are medical camps, mobile medical services, pulse polio program, construction of municipal hospital, cancer or AIDS awareness, prevention and treatment, oral health awareness in schools, blood donation camps, national leprosy eradication and infant health.

Activities enhancing the welfare of the underprivileged sections of society are cooperative store in tribal areas, training for women, computer literacy classes for rural people, construction of hostels for physically challenged children, free coaching classes in urban slums, construction of public toilets and funding of libraries in slums.

Activities of the companies which lead to rural development are agricultural guidance, provision of drinking water, veterinary service, drip irrigation or recharging of wells, provision of rural roads and other infrastructure and promotion of rural income generation schemes.

Corporate governance, by discouraging fraud and mismanagement provides incentive for corporations in the form of attracting investment. Enhanced corporate governance, prevention of illegal activities and availability of codes of conduct for better discharge of activities by managers builds trust which gives companies benefit of doubt when dealing with customers, workers and even regulators. It also gives an edge in attracting and retaining good employees and customers.

Therefore, this study underlines the various issues - current CSR practices in general and in relation to major stakeholders with regard to specific manufacturing sectors in India.

3 OPERATIONAL DEFINITIONS

Corporate Social Responsibility (CSR) the concept that an enterprise is accountable for its impact on all relevant stakeholders. CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interests of diverse stakeholders.

Stakeholder is any group or individual who can affect, or is affected by the activities and achievements of an organisation.

Non-Governmental Organization (NGO) is an organization formally independent of the state and private sector and has its own constitutional identity that does not seek profit for individuals and shareholders.

Manufacturing Industry includes businesses that convert raw materials into finished products or component products, and those that convert or assemble component products into finished products. **For example, automobile industry is an industry involved in** the business of producing and selling self-powered vehicles, including passenger cars, trucks, farm equipment, and other commercial vehicles.

Private Sector Indian company – are those in which goods and services are produced and distributed by individuals and organizations that are not part of the Indian government or state bureaucracy.

Multinational Corporation is a corporation or enterprise that manages production establishments or delivers services in India.

Public Sector Company - are companies run by various levels of government.

Score of CSR – is the percentage of mark obtained by the sample unit for their CSR activities.

Effectiveness of CSR – is the level of execution of the CSR activities by the sample units based on the responses given by them.

4 STATEMENT OF THE PROBLEM

The motivation for businesses to become involved in CSR is to address the wide ranging and constantly changing set of demands that stakeholders have. The stakeholder concept is a central theme in CSR. Stakeholders are groups and individuals who benefit from or are harmed by corporate actions. Companies are increasingly embracing these stakeholders by considering or including them in decision making. The term 'stakeholder' puts CSR into a specific direction as to whom the corporation is responsible (Frederick et al, 1992; Freeman, 1984; Lodge, 1977; Wheeler, David and Maria Sillanpaa, 1990). Indian companies have started facing pressures from stakeholders to adopt CSR practices. Also, manufacturing industries are important for an economy as they employ a huge share of the labor force and produce materials required by the society. So, the study focuses on the stakeholder-based CSR initiatives of specific manufacturing industries, which include automobile, cement, chemical, pharmaceutical and textile industries.

In this context, the present study was conducted with a view to find answers to the following questions: What are the characteristics of CSR in general and in India specifically? Who are the main stakeholders affecting and are affected by the manufacturing companies in India? What are the CSR activities relating to the stakeholders in the automobile, cement, chemical, pharmaceutical and textile sectors? What is the level of CSR penetration in the Indian companies? What is the effectiveness of those CSR activities in India? Is there any difference between the CSR relating to

the five stakeholders namely, customers, employees, environment, community and corporate governance and the profile of the sample units such as type of organization, region, experience, turnover and workforce? What is the prediction of the level of CSR in the future? What are the ways in which Indian manufacturing companies can improve their CSR activities for the stakeholders?

Hence, the present research study was undertaken to assess the CSR initiatives for various stakeholders in the manufacturing companies in India.

5 OBJECTIVES

The following are the objectives with which this study has been taken up –

- To describe the general and CSR profile of the sample manufacturing units in India.
- To analyse and compare the CSR related to stakeholders namely, employees, customers, environment, community and corporate governance in the sample manufacturing units across six classifications, manufacturing sector, type of organization, region, experience, turnover and workforce.
- To predict the probabilities of high and low level of CSR across their socio-economic characteristics.
- To suggest on enhancement of CSR in the manufacturing sectors in India.

6 HYPOTHESIS

Following are the various hypothesis formulated for the study:

- H1: There is a significant difference among the sample units classified according to the manufacturing sector as well as their stakeholder-based CSR.
- H2: There is a significant difference among the units according to the type of organization as well as their stakeholder-based CSR.
- H3: There is a significant difference among the units according to the region as well as their stakeholder-based CSR.
- H4: There is a significant difference among the units according to their experience as well as their stakeholder-based CSR.
- H5: There is a significant difference among the units according to their turnover as well as their stakeholder-based CSR.
- H6: There is a significant difference among the units according to their workforce as well as their stakeholder-based CSR.

7 METHODOLOGY

An empirical study was conducted on the manufacturing companies in India. The sample survey method has been used. The population of the study comprises of the companies in the selected industries. This information was obtained from the website of a Business directory of companies belonging to different industries in India namely, www.fundoodata.com. The total number of companies belonging to these five manufacturing sectors was 2554 in number comprising of 95 automobile companies, 218 cement companies, 692 chemical companies, 908 pharmaceutical

companies and 641 textile companies. Companies were ranked according to annual turnover which was greater than ten crore rupees. The questionnaire was sent to the top 20 companies in each sector. Only those companies which responded to the questionnaire have been included in the study. Only 50 companies responded after repeated reminders and follow-ups. This works out to approximately 2 percent of the population.

A structured questionnaire was designed to collect the data from the sample units in the study area. The questionnaire was based on the following – company’s general information, CSR profile of the companies and CSR of the companies with respect to the five stakeholders. The stakeholder-based CSR initiatives have been identified from Golden Peacock Award, SCOPE Award for CSR, TERI Award. Factor analysis was used to analyse the factors affecting the CSR relating to stakeholders. The extraction method used was principal component analysis, along with varimax rotation. All the variables were retained for the factor analysis. The results of the sample adequacy test (KMO and Bartlett’s test) are for customer CSR 104.688, 239.70 for employee CSR, for environment CSR 241.33, community CSR 89.313 and for corporate governance 74.671 at 1% level. All stakeholders were found to be significant. The reliability of the scale was assessed and the reliability coefficient of CSR was found to be 0.713. The reliability analysis shows that Cronbach alpha values are 0.730 for customer CSR variables, 0.780 for employee CSR variables, 0.721 for environment CSR variables, 0.811 for community CSR variables and 0.802 for corporate governance variables.

The 5-point Likert scale format used to measure CSR was ‘Always, Frequently, Sometimes, Occasionally and Never’ and ‘Highly Effective, Effective, Moderately Effective, Less Effective and Very Less Effective’ with a scoring of 5, 4, 3, 2 and 1 respectively if the question is positive and reversed if the question is negative. The respondents were asked to rate their company with an unconditional assurance of complete confidentiality. The collected data were analyzed by using SPSS version 12.0.

8 ANALYSIS AND DISCUSSION

8.1 GENERAL AND CSR PROFILE OF THE CEMENT UNITS:

This part presents the general and CSR profile of the study units belonging to the manufacturing sector in India. The CSR profile includes variables which indicate how CSR is embedded into the structure and system of a company.

8.1.1 GENERAL PROFILE: The study units are evenly spread across with 34% located in Mumbai and Pune (West India), 34% in Delhi, Indore and Kolkata (North East India) and 32% in Chennai and Hyderabad (South India). In 60% of the units, the designation of the contact persons is either ‘Chairman’ or ‘General Manager’ and in 66% of the units, CSR activities are carried out mainly through the human resources department (38%) or the marketing department (28%). A majority of 72% of the manufacturing units are ‘private sector Indian companies’, having an experience of more than 25 years (74%), having an annual turnover above Rs. 100 crores (80%) and employing a workforce greater than 1500 (54%).

8.1.2 CSR PROFILE: The focus of vision of 62% of the sample units is primarily on their ‘customers’ apart from other stakeholders. 42% of the units have separate department or cell for their CSR activities undertaken by them, 70% have a formalized ethics code or policy, 34% have employed an ethics officer or ethics counselor to manage the ethical dimensions of the operations of

the study units, and 50% of them produce an annual sustainability or CSR report. 58% of the units have incurred CSR expenditure of 3 to 6% of the profits earned by them. 34% of the sample units have indicated that they 'always' have a monetary limit or limit set in terms of profit. 40% of the study units have stated that CSR activities are undertaken 'due to own interest only' rather than only performing activities which are mandatory by law or responding to specific requests. 38% of the sample units implement their CSR initiatives through an in-house department rather than collaborating with voluntary organizations or NGOs or involving a large number of employees. A majority (68%) of the sample units 'perform review' of their CSR activities out of which 44% perform mid-term reviews of their CSR activities. A majority (62%) of the manufacturing units have adopted ISO 9001-2000, the standard for Quality Management Systems Certification whereas 20% of them have adopted ISO 14001, the standard for Environmental Management Systems.

8.2 COMPARISON OF CSR PROFILE ACROSS VARIOUS STAKEHOLDERS

This part highlights the comparison of CSR profile of the study units namely, manufacturing sector, type of organization, region, experience, turnover and workforce, with respect to all the five stakeholders, namely customers, employees, environment, community and corporate governance. Two-way ANOVA test has been applied to observe differences.

8.2.1 MANUFACTURING SECTOR: The total scores secured by the manufacturing units for all the five stake holders based on the manufacturing sector have been tabulated and presented in table 1. The total score of the sample units based on manufacturing sector for all stakeholders was found to be high at 85.20%. The highest CSR score was obtained by the 'chemical' units (87.52%). 'Corporate governance' has been considered as the most important, by all the manufacturing units (97.33%), namely, automobile (96%), cement (98%), chemical (100%), pharmaceutical (96%) and textile (96.67%). The scores for 'Community' (77.65%) and 'environment' (77.85%) are the least among the five stake holders. The maximum scores have been achieved by the 'chemical' sector in customer CSR (95.56%), employee CSR (91.64%) and corporate governance (100%) and the automobile sector in 'environment CSR' (82.73%) and community CSR (86.25%).

The results of two-way ANOVA applied in order to find out if there existed a significant difference between the sample units based on manufacturing sector and their CSR has proved that at 1% level, there is a significant difference between the stakeholders-related CSR activities of the sample units based on the manufacturing sector (F-value = 263.894, p-value = 2.19E-14, p-value<0.01) (Hypothesis 1 proved).

8.2.2 TYPE OF ORGANIZATION: The CSR scores based on the type of organization for all stakeholders have been displayed in the table 2. The table 2 has shown that 'public sector companies' have scored the highest (89.52%) when comparing the CSR towards all the five stakeholders. This is followed by 'private sector Indian companies' (87.33%) and 'multinational companies' (83.82%).

The results of two-way ANOVA applied in order to find out if there existed a significant difference between the sample units based on type of organization and their CSR has led to the conclusion that at 1% level the sample units based on the type of organization differ in the CSR activities (F-value = 37.550, p-value = 8.59E-05, p-value<0.01) (Hypothesis 2 proved).

8.2.3 REGION: The total CSR scores obtained by all the three regions for all the five stake holders are displayed in table 3. 'Region 1' (South India - Chennai and Hyderabad) has topped among the three regions with the highest CSR score (86.96%) followed by Region 2 (West India – Mumbai and Pune) with (84.68%). All the three regions have secured high scores for the stakeholder 'corporate governance' (above 97%) followed by the stakeholder 'customer' (94.03%, 89.41% and 93.86% respectively). The least score has been obtained for the stakeholder 'environment' by Region 1 and 2 (80.45% and 77.75%) respectively, where as Region 3 has the least score for the stakeholder 'community' (71.03%).

The results of two-way ANOVA applied in order to find out if there existed a significant difference between the sample units based on region and their CSR have indicated that at 1% level, there is a significant difference between the stakeholder-related CSR activities of the sample units based on region (F-value = 213.523, p-value = 3.68E-08, p-value<0.01) (Hypothesis 3 proved).

8.2.4 EXPERIENCE: The CSR scores obtained by the study units based on their experience is shown in table 4. The highest CSR scores have been obtained by the sample units having experience 'above 50 years' (86.14%) followed by those having experience 'between 25 to 50 years' (86.08%).

The results of two-way ANOVA in order to find out if there exists a significant difference between the sample units based on experience and their CSR have indicated that at 1% level there is a significant difference among the stakeholders (F-value = 48.559, p-value = 1.19E-05, p-value<0.01) and between the sample units based on experience (F-value = 30.256, p-value = 0.000186, p-value<0.01) (Hypothesis 4 proved).

8.2.5 TURNOVER: The CSR scores of the sample units based on their annual turnover is shown in table 5. The table clearly shows that the highest CSR score was obtained by the sample units having turnover 'above Rs. 100 crore' (88.57%) while the lowest total score is that of the sample units having turnover 'less than Rs. 50 crore' (65.71%).

The results of two-way ANOVA in order to find out if there exists a significant difference between the sample units based on turnover and their CSR, confirm that there is a significant difference between the CSR of the sample units based on turnover at 1% level (F-value = 35.278, p-value = 3.13E-06, p-value<0.01). Thus, the turnover of the sample units has an influence over their CSR (Hypothesis 5 proved).

8.2.6 WORKFORCE: The CSR scores of the study units based on the workforce (in number) have been displayed in table 6. CSR scores are the highest for the study units having workforce 'above 3000' (92.60%) whereas the least scores are that of the study units having workforce 'less than 1500' (81.28%). The study units having workforce 'less than 1500' have obtained the highest scores for corporate governance (95%) and the least score for community based activities (67.20%). The highest scores of the study units having workforce between '1500 to 3000' has been that of their corporate governance (100%) and the least score is that of their environment activities (81.80%). With respect to the study units having workforce 'above 3000' their corporate governance scores are the highest (98.40%) whereas their environment CSR scores are the lowest (85.20%). Thus, the CSR scores were the highest for the study units having workforce above 3000 (92.60%).

The results of two-way ANOVA to examine out if there exists a significant difference between the sample units based on workforce and their CSR have shown that at 1% level, there is a significant

difference between the study units based on workforce (F-value = 34, p-value = 4.55E-05, p-value<0.01) and among stakeholder-related CSR activities (F-value = 27.273, p-value = 0.000268, p-value<0.01) (Hypothesis 6 proved).

8.2.7 BAYES' THEOREM: Bayes' theorem has been used to analyse the socio-economic characteristics of the study units associated with probabilities of high and low level of CSR. The posterior probabilities for low level (W_1) and high level (W_2) CSR, when priori probabilities $P(W_1)$ and $P(W_2)$ of (W_1 and W_2) are known, are displayed. Details of the categorization and results are given in table 7.

The posterior probabilities for the CSR of the study units based on manufacturing sector show that the pharmaceutical units would have the highest level of CSR in the future (90.08%). This is followed by automobile units (89.82%) and chemical units (89.44%).

For the sample units based on type of organization, the overall CSR seems to be high in the future in private companies (89.87%) followed by multinational companies (89.54%) and public companies (89.13%).

When analyzing the posterior probabilities of the study units based on region, the CSR of region 3 comprising of Delhi, Kolkata and Pune is likely to be the highest among other regions (90.14%). The next one is region 1 with a probability of having high CSR at 89.77% followed by region 2 (89.62%).

A comparison of the posterior probabilities of the sample units based on turnover reveals that the sample units with turnover above Rs. 100 crores have better chances of having a high level of CSR (89.13%) than those with turnover between 50 to 100 crores (88.79%), between 10 to 50 crores (87.57%) and those having less than Rs. 10 crores (88.13%).

When comparing the posterior probabilities of the study units based on experience it was found that the probability that CSR would be high is more for units having experience between 25 to 50 years (89%) followed by those with experience less than 25 years (87.98%) and units existing for more than 50 years (84.99%).

Finally, the posterior probabilities based on workforce were studied. The sample units having a workforce of 1500 to 3000 have shown a high posterior probability of CSR (91.02%) in the future. This is followed by sample units having workforce less than 1500 (88.29%) and those with workforce above 3000 (87.12%).

9 SUGGESTIONS

General CSR Suggestions have been offered based on the analysis performed.

- CSR must be linked to the region / location of the company. Companies must first undertake CSR activities in the areas where their factories, plants, offices, etc. are located and focus on improving conditions in the communities in which they operate.
- Formalisation of CSR in the form of availability of formalised ethics code or policy and existence of separate department or cell and ethics officer for CSR initiatives is necessary.
- A Corporate Sustainability section could be included in the Annual Report and preferably a separate Corporate Sustainability Report could be published.

- A Minimum Annual CSR Expenditure is suggested. Every company must do a minimum of 6% of its Profit after Tax or Net Profit on CSR activities (i.e., Rs. 6 lakhs per Rs. 1 crore).
- Establish strong partnerships with NGOs will go a long way in identifying the right issues to be addressed. This makes it necessary to establish strong partnerships involving all parties especially NGOs, governments, and international organizations.
- Industry specific guidelines help companies in betterment of their processes. Common guidelines on Environment, Health and Safety (EHS) applicable to most industries and industry-specific guidelines linked to the processes of that sector could be adopted.
- CSR is linked to the skills and core competence of a company. Since the common Foundation of the group undertakes all the CSR activities, companies often do not connect CSR to their processes, core competence, skills and strengths while undertaking CSR activities.
- CSR applies not only to large sized firms but also to medium sized firms and firms with experience less than 50 years.

10 CONCLUSION

It seems clear from the research that the CSR of all the manufacturing units stands enhanced. The sample units give importance to their 'customer' as a stakeholder and ensure that customers' expectations are handled responsibly (92.4%). The sample units consider 'employees' as an important stakeholder (88.84%). Environment CSR (77.85%) and community CSR (77.65%) are considered as less important stakeholders by the sample units and therefore have shown less performance. But, on an overall basis, 'Corporate Governance' has emerged as the most significant stakeholder, which means that corporate governance is intensely viewed upon by the sample units (97.33%).

Chemical units have emerged as the best manufacturing units in practicing CSR towards all stakeholders. Public sector companies have exhibited the best CSR towards all stakeholders. So, public sector undertakings are more responsible than private sector and multinational companies. The companies located in South India (Region 1), particularly in Chennai and Hyderabad better carry out their responsibilities towards all the stakeholders since they have revealed the best CSR practices among other regions in India. Another emerging conclusion of the study is that large companies (in terms of experience, turnover and workforce strength) are better equipped to handle CSR in an effective way than medium and small companies. So, bigger companies with numerous employees and a large turnover have more CSR practices in place.

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TABLE 1: CSR BASED ON MANUFACTURING SECTOR
(Fig in %)

Stakeholders	Scores According to Manufacturing Sector					Average Score (N = 50)
	Automobile (n = 10)	Cement (n = 10)	Chemical (n = 10)	Pharmaceutical (n = 10)	Textile (n = 10)	
Customer CSR (9)	86.22	95.56	96.44	92.22	91.56	92.40
Employee CSR (11)	90.00	86.18	91.64	91.09	85.27	88.84
Environment CSR (11)	82.73	76.00	81.82	80.00	68.73	77.85
Community CSR (8)	86.25	78.75	75.00	76.00	72.25	77.65
Corporate Governance(3)	96.00	98.00	100.00	96.00	96.67	97.33
Average Score (42)	87.00	84.95	87.52	85.90	80.62	85.20

Source: Primary data; Figures in the parenthesis indicates number of factors.

TABLE 2: CSR BASED ON TYPE OF ORGANISATION

(Fig in %)

Stakeholders	Scores According to Type of Organization			Average Score (N=50)
	Private (n=36)	Public (n=9)	MNC (n=5)	
Customer CSR (9)	91.56	96.05	91.60	92.40
Employee CSR (11)	92.00	93.54	87.22	88.84
Environment CSR (11)	84.00	85.45	75.10	77.85
Community CSR (8)	78.00	79.17	77.20	77.65
Corporate Governance (3)	94.67	97.78	97.59	97.33
Average Score (42)	87.33	89.52	83.82	85.20

Source: Primary data; Figures in the parenthesis indicates number of factors.

TABLE 3: CSR BASED ON REGION

(Fig in %)

Stakeholders	Scores according to Region			Average Score (N=50)
	Region 1 (n=16)	Region 2 (n=17)	Region 3 (n=17)	
Customer CSR (9)	94.03	89.41	93.86	92.40
Employees CSR (11)	87.05	88.88	90.48	88.84

Environment CSR (11)	80.45	77.75	75.51	77.85
Community CSR (8)	83.91	78.38	71.03	77.65
Corporate Governance (3)	97.50	97.25	97.25	97.33
Average Score (42)	88.96	86.68	84.06	85.20

Source: Primary data; Figures in the parenthesis indicates number of factors.

TABLE 4: CSR BASED ON EXPERIENCE

(Fig in %)

Stakeholders	Scores According to Experience (in years)			Average Score (N=50)
	Less than 25 (n=13)	25 to 50 (n=17)	Above 50 (n=20)	
Customer CSR (9)	88.38	94.25	93.44	92.40
Employee CSR (11)	86.71	89.52	89.64	88.84
Environment CSR (11)	73.80	79.20	79.40	77.85
Community CSR (8)	77.00	77.80	78.00	77.05
Corporate Governance(3)	98.00	96.40	97.60	97.32
Average Score (42)	82.60	86.08	86.14	85.20

Source: Primary data; Figures in the parenthesis indicates number of factors.

TABLE 5: CSR BASED ON TURNOVER

(Fig in %)

Stakeholders	Scores According to Turnover (in crore)			Average Score (N=50)
	Less than 50 (n=6)	50 to 100 (n=4)	Above 100 (n=40)	
Customer CSR (9)	88.89	82.22	93.94	92.40
Employee CSR (11)	71.82	90.45	91.23	88.84
Environment CSR (11)	48.79	75.91	82.41	77.85
Community CSR (8)	42.50	68.13	83.88	77.65
Corporate Governance (3)	97.78	91.67	97.83	97.33
Average Score (42)	65.71	80.71	88.57	85.20

Source: Primary data; Figures in the parenthesis indicates number of factors.

TABLE 6: CSR BASED ON WORKFORCE

(Fig in %)

Stakeholders	Scores According to Workforce (in number)			Average Score (N=50)
	Less than 1500 (n=23)	1500 to 3000 (n=15)	Above 3000 (n=12)	
Customer CSR (9)	89.40	94.00	96.00	92.40
Employee CSR (11)	83.40	93.20	93.60	88.84
Environment CSR (11)	71.40	81.80	85.20	77.85
Community CSR (8)	67.20	83.80	89.80	77.65
Corporate Governance (3)	95.00	100.00	98.40	97.33
Average Score (42)	81.28	90.56	92.60	88.20

Source: Primary data; Figures in the parenthesis indicates number of factors.

TABLE 7: BAYESIAN ANALYSIS

	P(W)	Priori Probabilities	Posterior Probabilities
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		Low	High	Low	High
Manufacturing Sector					
Automobile	0.2042	0.0208	0.1834	0.1018	0.8982
Cement	0.1994	0.0213	0.1781	0.1071	0.8929
Chemical	0.2055	0.0217	0.1838	0.1056	0.8944
Pharmaceutical	0.2017	0.0200	0.1817	0.0992	0.9008
Textile	0.1892	0.0206	0.1686	0.1087	0.8913
Type of organization					
Private	0.7084	0.0718	0.6366	0.1013	0.8987
Public	0.1891	0.0206	0.1685	0.1087	0.8913
MNC	0.1025	0.0107	0.0918	0.1046	0.8954
Region					
Region 1	0.3266	0.0334	0.2932	0.1023	0.8977
Region 2	0.3379	0.0351	0.3028	0.1038	0.8962
Region 3	0.3355	0.0331	0.3024	0.0986	0.9014
Turnover					
< 10 Crores	0.0179	0.0021	0.0158	0.1187	0.8813
10 – 50 Crores	0.0747	0.0093	0.0654	0.1243	0.8757
50 -100 Crores	0.0758	0.0085	0.0673	0.1121	0.8879
> 100 Crores	0.8317	0.0904	0.7412	0.1087	0.8913
Experience					
< 25 yrs	0.2521	0.0303	0.2218	0.1202	0.8798
25 – 50 yrs	0.3435	0.0378	0.3057	0.1099	0.8900
> 50 yrs	0.4044	0.0607	0.3437	0.1501	0.8499
Workforce					
< 1500	0.4284	0.0502	0.3783	0.1171	0.8829
1500 - 3000	0.3138	0.0282	0.2856	0.0898	0.9102
> 3000	0.2578	0.0332	0.2246	0.1288	0.8712

ENVIRONMENTAL EDUCATION: A BRIDGE BETWEEN MAN AND ENVIRONMENT**Dr. Sunita Arya*; Dr. Parveen Rani Khatri*****C.R. College of Education,
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ABSTRACT

The Environment is both physical and biological concept including living and non-living components. The physical components include land, air and water where as biological components are plants, animals including man, his functions organizations and institutions. Environment and society are closely related and they are interdependent. Social Components are very important to determine the role of educational institutions. The educational process helped in the development of different structures of society on one hand, the quality of environment on the other hand. Education is the creature and creator of Society. The structure of the society is evolved by the process of education. The educational process utilizes the natural environment and its resources. Different social structures depend on the environment and leads to social change and social control which are essential to utilize resources of the environment. The article deals with the present environmental conditions which urged the need for environmental awareness in the form of environmental education. It talks about the various aspects and components related to environmental education, then objectives of the same formulated at the Tbilisi conference (UNE SCO, 1997) have been discussed in detail. Lastly it reflect how the education of environment has put a powerful positive impact on the physical, biological, cultural and psychological environment of man which leads to sustainable development of a country (The utmost goal of man kind).

KEYWORDS: Environment, Resources, Environmental Deterioration, Sustainable development.

INTRODUCTION

In this present era of rapid urbanization and industrialization, we people are continuously making misuse of our environment, thus creating a lot of environmental problems. The situation of our country is worse from this point of view. More than 70 percent population lives in rural areas and 40 percent population is below the poverty line. A large population has migrated to big cities but they are deprived of necessities such as water, electricity, residence, etc. They live in jhuggi and jhopri or on roads. They are mostly illiterates and have no idea of environmental awareness. They are polluting environment through their day –to-day activities. Therefore, it is the responsibility of society and nation to provide the environmental education to them.

Environment consists of the sum total of the stimulation that the individual receives from conception until death. It covers all those circumstances which assert their influence on the individual since conception to death. Whatever found around the individual may be covered by the term

environment. Environment consists of various types of forces like physical, intellectual, social, moral, economic, political, cultural and emotional forces which affect the life nature, behaviour and the growth, development and maturation of living organisms. This definition was given by Douglass and Holland. The term 'Environment' refers the surrounding of an organism which includes both living and non-living components. Thus environment is viewed in different ways with different angles by different groups of people but it may be safely argued that environment is an inseparable whole and is constituted by the interacting system of physical, biological and cultural elements which are inter-related individually as well as collectively in myriad ways. Physical elements include space, landforms, water bodies which determine the variable character of the human habitat. Biological elements include plants, animals, microorganisms and man whereas cultural include all the economic, social and political elements.

Man's environment consists of natural as well as socio-cultural environment. Man has to improve the quality of his environment, because there is environmental pollution or crisis. It is due to over consumption of natural resources, over population, uneven urbanization and industrialization and unscientific attitude of human beings.

Natural resources have been utilized to meet the demand of better living to such an extent that has caused serious ecological and environmental imbalances. Man's positive participation is the only way to improve environment protection. The best insurance for the environment is a commitment to prevent the deterioration of land, water and air. It requires an introduction of environmental education. This term has been discussed in various national and international seminars who tried to define it. UNESCO Working Committee (1970) defines Environmental education as "the process of recognizing values and clarifying concepts in order to develop skills and attitudes necessary to understand and appreciate the interrelatedness among man, his culture and his bio-physical surroundings. It also entails practice in decision making and self formulation of a code of behaviour about problems and issues concerning environmental quality". Environmental education is a process of providing learning experiences to obtain desirable attitudinal change about man's relationship with his natural and man made surroundings which includes the relation of population, pollution, resource allocation, transportation technology and a broad array of educational approaches to teaching learning about and from the environment with due stress on practical activities and first hand experience. The area of environmental education includes both formal and non-formal education. In the formal education four different but inter-related components are recognized-

1. Awareness of environment
2. Environment and real life situation
3. conservation of resources and
4. Sustainable development of an individual.

These components are related to the four levels of education

1. Primary education – awareness.
2. Secondary education – real life situation.
3. Higher Secondary education – conservation.

4. Higher education – sustainable development

There should be four major areas-

1. Environmental Engineering.
2. Conservation and Management.
3. Environment Health and
4. Social Ecology.

The non- formal education caters to adult education, rural youth, tribals, administrators and foundation courses and different services. Thus, education has the very significant areas of environmental education.

OBJECTIVES OF ENVIRONMENTAL EDUCATION

A number of objectives for developing environmental education at all levels in both formal and non-formal levels, were formulated at the Tbilisi Conference (UNESCO, 1977). These are as follows –

1. Awareness i.e. acquire an awareness of an sensitivity to the total environment and its allied problems.
2. Knowledge i.e. gain a variety of experiences and acquire a basic understanding of the environment and its associated problems.
3. Attitude i.e. acquire a set of values and feelings of concern for the environment and the motivation for active participation in environmental improvement and protection.
4. Skill i.e. acquire skills for identifying and solving environmental problems.
5. Evaluation ability i.e. evaluate environmental measures and education programmes in terms of ecological, economic, social, aesthetic and educational factors.
6. Participation i.e. provide an opportunity to be actively involved at all levels in working towards the resolution of environmental problems.

Thus environmental education should be a continuous life- long process, beginning at the pre- school stage level and continuing through all formal and non- formal stages and should be interdisciplinary discipline in making possible a holistic and balanced perspective.

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THEME OF HOPE AND DEVELOPMENT IN SHASHI DESHPANDE'S A MATTER OF TIME**Mrs. Usha***

INTRODUCTION

A Matter of Time is one of Shashi Deshpande's latest novels, published in 1996. In the present novel, Deshpande depicts the subtle process of oppression at work in marriage. The novel portrays a woman who is more mature and dignified than her predecessors. While the protagonists of her earlier novels can not think of themselves outside marriage, Sumi, the protagonist of the present novel, finds herself unperturbed in such a crisis. She manages herself admirably and becomes self-dependent. But, like Deshpande's earlier novels, this novel has also been interpreted in the light of feminist theories by most of the critics.

N.B. Masal deals with the novel as an exploration of a woman's inner life. He tends to analyse the novel as a feminist writing: "Shashi Deshpande's writing is gender-specific. Feminism is at the core of her novels. She deals with a woman's psyche and the way she is made to feel an inferior being, an unwanted child, a burden on the family for instance, Kalyani in A Matter of Time Marginalised men and silent women are depicted in A Matter of Time."¹ Some other critics describe it as a novel voicing the struggle of woman to achieve an identity in a male-chauvinistic world. According to Anita Singh, the novel "deals with theme of quest for a female identity."² Gur Pyari Jandial also expresses the same view when she says: "Shashi Deshpande's A Matter of Time particularly deals with the theme of the quest for a female identity. The complexities of man-woman relationships especially in the context of marriage, the trauma of a disturbed adolescence, the attempt to break traditional moulds in which women are trapped, sexual discrimination, the rejection of the dependency syndrome and introspection are some of the concerns which give the novel a feminist bent."³ R.S. Pathak⁴ sees the novel as a web of human bonds and bondages among three generations of a middle class family.

But the perspective of these critics is not balanced. It would be unjust to describe the novel only as a feminist writing. A penetrative study of the novel reveals that it raises many issues pertaining to marriage. This analysis of the institution of marriage in the novel provides useful insights into Deshpande's art and fiction. Here the theme of marriage is explored in its different forms and complexities along with the changes which are coming in this institution with the changing socio-cultural milieu. One important aspect dealt in the novel is the exploration of male psyche. Male characters are also dealt in full length and shown in positive light. But all these aspects have not been fully explored by the critics. They fail in analysing the institution of marriage in its different dimensions in the novel.

The novel, A Matter of Time, depicts a society in transition with the portrayal of the institution of marriage. A comprehensive picture of the Indian women belonging to different generations, different educational and economic levels emerge on the large canvas of the novel. The story comprises four generations of women of a middle class family. Deshpande's perspective of marriage is elaborated through these four different generations : Manorama, an uneducated woman representing the first generation; Kalyani, the grandmother, who is not really educated; Sumi who is educated but has not worked outside home; Aru, Charu and Seema, who all aspire for independence and careers. All co-

exist in a family that is modern but with certain old values. All of them have their own mindsets and values about marriage.

Manorama, who represents the first generation, came from a humble background and married to the rich Vithalrao. After her marriage, she broke off all the ties with her family except her younger brother, Shripati, who was born after her marriage. Manorama failed in giving a male heir to the family. She had a daughter, Kalyani, whom she regards as a symbol of her failure to have a son. In fact, woman is not treated at par with man as Ernestine also observes: "Humanity recognizes no sex; mind recognizes no sex; Life and death, pleasure and pain, happiness and misery recognize no sex. Like man, woman comes involuntarily into existence; like him, she possesses physical and mental and moral powers ... like men she also enjoys or suffers with her country. Yet she is not recognized as his equal!"⁵

Vithalrao, Kalyani's father, never grudged the birth of Kalyani. Manorama wanted to have a son. But for Vithalrao, it made no difference whether he had a son or a daughter. Vithalrao was an educated man for whom the patriarchal values and ideals had little value. He was not like any other traditional father who put restrictions on his daughter. He allowed Kalyani to study. He wanted Kalyani to become an engineer. But Manorama was tormented by the fear that Vithalrao might marry again to have a son. She very well knew that a husband is traditionally allowed to leave his wife if she can not give birth to a male heir. This fear affected her whole life and she could not establish a healthy relationship with her daughter, Kalyani.

Moreover, Kalyani was average in looks and this led to disappointment to Manorama. Manorama wanted Kalyani to be beautiful so that she could find a better match for her. In fact, a girl's appearance is given much importance by society as it is an important consideration in match-making. Deshpande depicts this aspect of matrimony in *The Dark Holds No Terrors* also. In *The Dark Holds No Terrors*, the protagonist's mother says to her, "Don't go out in the sun. You'll get even darker We have to care if you don't. We have to get you married."⁶

A boy's interest in Kalyani infuriated Manorama. Manorama did not allow Kalyani to complete her studies. Moreover, in order to prevent the property from going away to another family, Manorama got Kalyani married to Shripati, Manorama's youngest brother. Manorama forced Shripati to marry Kalyani by appealing to his sense of gratitude to her. So, Kalyani was married to her uncle for monetary purpose as Deshpande states in the novel: "Perhaps, after this, Manorama felt secure. The property would remain in the family now. Her family."⁷

Manorama emerges as an insecure woman in the novel. She represents the domineering woman who takes the traditional superior place of her husband. She breaks the image of suppressed wife. Both Kalyani and Shripati are forced into a loveless marriage by her. It is a clear dig at the conservative society where marriage and son are the only things that matter.

Through the portrayal of the second generation pair, Kalyani and Shripati, Deshpande depicts the predicament of women who are confined in the framework of traditional marriage and lead a life of self-denial and suffering. Kalyani's life is an example of forced incompatible arranged marriage in which a woman has to suffer endlessly. Even if marriage fails in giving happiness of any kind to woman, it is preferred because it gives a security and a sense of dignity to woman in society. Kalyani is the only daughter of her parents. She is not allowed to complete her studies because marriage is

the main consideration for her mother. She has to accept her uncle as a husband in order to prevent the property from going away in the hands of others. This is the main reason of “the hopelessness that lay within the relationship, that doomed it from the start” (p. 143).

Manorama’s bitter attitude towards Kalyani gets soft when Kalyani gives birth to a son. But this child turns out to be mentally retarded. Kalyani loses this child at the railway station while going to her parental home. With this, her married life comes to an end. She is never forgiven by her husband for being responsible for the loss of her male child. She has to suffer because of the loss of her male child and the ruthless withdrawal of her husband thereafter. Kalyani returns home as a deserted wife. This is considered to be a disgrace to the family. Kalyani’s father, a man of science, turns from science to astrology to know about her daughter’s future life. He is hurt to see the misery of his daughter.

Shripati comes back after two months, but he never speaks to Kalyani. They live like strangers under the same roof. She considers her situation better than widows. Sumi, her daughter, questions this kind of existence: “Is it enough to have a husband, and never mind the fact that he has not looked at your face for years, never mind the fact that he has not spoken to you for decades? Does this wifedom make up for everything, for the deprivation of a man’s love ...” (p. 167).

Kalyani finds herself in a situation in which she has no choice but to accept the pain of loneliness. The lack of communication between Shripati and Kalyani raises various issues related to matrimony. In spite of all this, Kalyani does not turn bitter to other family members, rather she becomes the support for the rest of the family. She brings up her daughters alone. She fears a similar fate to her daughter, Sumi. Her fears are based on the patriarchal oppression in the framework of marriage where a woman has to suffer silently. She is made to realize that she has lost her right as a wife by losing her son. She becomes very upset when she comes to know about Gopal’s decision of leaving Sumi. She never wants that her daughter should suffer like her. She cries, “No, ... no, my God, not again” (p. 12). She goes to Gopal and takes the entire responsibility of Sumi’s carelessness, if any, on herself. In spite of her own bitter experiences of marriage, Kalyani does not turn pessimistic. She has a very bright and optimistic attitude towards life. She is very enthusiastic about getting a good match for Aru, her grand daughter. With Shripati’s death, Kalyani’s hope of reconciliation and her hopeless marriage both come to an end. Though Shripati had no feelings for her, she cries bitterly after his death.

So, through the portrayal of Kalyani, Deshpande has shown that the institution of marriage is designed to reduce woman to the other of man and deprive her of her freedom to live her own authentic life. This leads to the denial of reciprocal relationship and harmony between the two sexes. But Deshpande does not limit her vision to the portrayal of woman’s oppression in marriage, rather she broadens her vision by suggesting the possible way-out and the power a woman can exercise within marriage. In Indian culture, where responsibilities outweigh desires, marriage is considered the be-all and end-all of existence. In the novel, a father, named Gopal, walks on in his wife and his three almost grown up girls. Sumi, Gopal’s wife, seeks shelter in her parents’ home with her three daughters. The three girls are confused and they want normalcy back in their life. How Sumi and her three daughters cope with the situation is the main focus of the novel.

Sumi is shown as the epitome of silent suffering and passive resistance. She has a remarkable capacity of endurance. When Gopal leaves her abruptly, she even does not ask for an explanation. In

fact, Sumi's marriage is an example of love marriage. Before their marriage, Sumi and Gopal had decided that if either of the two wanted to be free, he or she would be allowed to go. Sumi's early marital life was full of happiness and their relationship was based on love and mutual understanding. It was considered an ideal marriage by all. Gopal did everything that a husband should do—caring the babies, tending them and caressing them with joy. It is strange for all that he walks out on his wife and children, but Gopal feels some inner emptiness because of which he deserts all this.

The main reason of Gopal's walking out on his family is his childhood experiences. His childhood was not normal. His father took his brother's widow for wife. Gopal used to think that he was born of that incestuous relationship. Secondly, seeing his half-sister, Sudha, reduced from her affectionate self to be a peevish and self-centred one after her surgery and the loss of her husband, Gopal realizes the truth that one is inescapably alone. Apart from all this, Gopal's writing an article, the students' attack on him and his feeling of emptiness lead to this desertion. Gopal himself knows that "marriage is not for everyone. The demand it makes – a lifetime of commitment – is not possible for all of us" (p. 69). He feels that he was failing the idealistic expectations of his marriage. Sumi accepts Gopal's decision with patience and with a matter-of-fact attitude. The stoicism of Sumi makes her an enigma in the eyes of other people.

Through the portrayal of Sumi's life, Deshpande questions the tradition which permits a man to abandon his responsibility of a householder in the name of religion or anything else. But a wife is unable to do so. Y.S. Sunita Reddy remarks in this context, "Episodes from history and mythology bear witness to men who were venerated for their selflessness while no thought was given to the silent suffering and martyrdom of their wives. Lakshmana's steadfastness and devotion finds no parallel in Indian mythology, while Siddhartha is hailed for spurning the luxury and comfort of princely life in pursuit of knowledge. Their respective spouses Urmila and Yashodhara, however, remain shadowy figures in the background, doomed to live a life of anonymity and insignificance."⁸

Sumi takes Gopal's decision with resignation and moves towards achieving an independent identity. She is so self-controlled that she never talks about Gopal. She understands that they can not get along. She meets Gopal after this, not deliberately but accidentally, only for a brief while. No doubt, Sumi is hurt but she does not crumble to pieces. Sumi faces the trauma of a deserted wife and the anguish of an isolated partner. But she is different from Indu in *Roots and Shadows* and Jaya in *That Long Silence* as she is not affected by the crisis. After Gopal's departure, she does not behave like a traumatized person. She does not behave like a child who has lost his way. She realizes that Gopal is "going his way and I have to go mine" (p. 161). Sumi has the support and help of her family members – her parents, her daughters and her sisters. This support of the family helps her to withstand the trauma of desertion. But Sumi does not want any kind of economic assistance either from her parents or her other relatives. The step taken by Aru against Gopal for providing them maintenance is not approved by Sumi. She wants to be independent. She tries to transform her emptiness into meaning in order to redefine her identity. Sumi starts a new phase of her life and devotes herself to her job and her children.

A woman's happiness is considered to be dependent on marriage. But Sumi revolts against this tradition. She brings normalcy back in her life and also in her daughters' lives. She starts writing and her first play, *The Gardener's Son*, becomes successful. Now, Sumi decides to deal with more daring themes like female sexuality. She decides to rewrite the story of *Surpanakha* from a different

perspective : “Female sexuality. We’re ashamed of owning it, we can’t speak of it, not even to our ourselves. But Surpanakha was not, she spoke of her desires, she flaunted them. And therefore, were the men, unused to such women, frightened? ... It is this Surpanakha I’m going to write about” (p. 191).

Sumi gets a job and decides to go to Devgiri. Aru is shattered when she comes to know about it, but Sumi says, “Be happy for me, Aru. This is the first thing in my life I think that I’ve got for myself” (p. 220). Sumi dies just before she is about to begin a new life. But she has established her identity and found a meaningful existence before her death. Traditionally, marriage is considered to be the “only means of support and the sole justification”⁹ of a woman’s existence. But Deshpande has shown that a woman can also find meaningful existence even outside marriage. Sumi’s daughters also establish their identity. Aru is going to be a lawyer and Charu is on her way to become a doctor. They are pursued by two capable young men-Rohit and Hrishi. The novel ends not on Sumi’s death, but on Aru and Kalyani standing together to face the life with the hope of betterment.

Concludingly, it can be said that Deshpande has minutely analysed the institution of marriage in its different dimensions in the novel. She has shown different types of marriages in the novel – love marriage as in the case of Sumi and arranged marriage as in the case of Kalyani. She has shown that a wife’s individual self is given no importance in patriarchal society and self-effacement is her normal way of life. But in this novel, Manorama, Kalyani, Sumi and Aru emerge ultimately as strong women who claim and achieve independence. They learn to live harmoniously in society neglecting neither the family relations nor the modern aspirations for autonomous self.

But Deshpande has also suggested the possible solutions so that woman can get out of the engagement and entrapment of marriage and establish her own identity. The role of education is particularly emphasized in this connection. Both Sumi and Aru are educated and they succeed in achieving an independent stand. Meena Shirwadkar observes, “As women received education they began to feel an increasing urge to voice their feelings. The awareness of individuality, the sense of compatibility with their tradition-bound surroundings, resentment of male-dominated ideas of morality and behaviour problems at home and at place of work or in society—all come up in a welter of projection.”¹⁰

Deshpande suggests that “self-pity is not the answer. It is only through a process of self-examination and self-searching, through courage and resilience that one can change one’s situation from despair to hope.”¹¹ This is the message conveyed in the novel as Deshpande puts it down: “If it is indeed true that we are bound to our destinies, that there is no point struggling against them, even then this remains – that we do not submit passively or cravenly, but with dignity and strength” (p. 246).

NOTES

¹N.B. Masal, “Shashi Deshpande’s A Matter of Time ‘As an Exploration of a Woman’s Inner Life,’ ” Shashi Deshpande : A Critical Spectrum, ed. T.M.J. Indra Mohan (New Delhi : Atlantic Publishers and Distributors, 2004), p. 15.

²Anita Singh, *Indian English Novel in the Nineties and After : A Study of the Text and its Context* (Delhi : Adhyayan Publishers and Distributors, 2004), pp. 112-113.

³Gur Pyari Jandial, “Towards a New World Order : The Female Self in Shashi Deshpande’s A Matter of Time,” Shashi Deshpande : A Critical Spectrum, p. 50.

⁴R.S. Pathak, "A Matter of Time : Of Human Bonds and Bondages," *The Fiction of Shashi Deshpande*, ed. R.S. Pathak (New Delhi : Creative Books, 1998).

⁵Ernestine, qt. in S. Prasanna Sree, *Woman in the Novels of Shashi Deshpande : A Study* (New Delhi : Sarup and Sons, 2003), p. 1.

⁶Shashi Deshpande, *The Dark Holds No Terrors* (1980; rpt. New Delhi : Penguin Books, 1990), p. 45.

⁷Shashi Deshpande, *A Matter of Time* (New Delhi : Penguin Books, 1996), p. 129.

All subsequent textual references are from this edition and page numbers, in all such cases, have been given in parentheses following the quotations.

⁸Y.S. Sunita Reddy, qt. in Urvashi Sinha and Gur Pyari Jandial, "Marriage and Sexuality in the Novels of Shashi Deshpande," *Shashi Deshpande: A Critical Spectrum*, p. 160.

⁹Simone de Beauvoir, *The Second Sex*, trans. and ed. H.M. Parshley (1949; rpt. U.K: Vintage Classics, 1997), p. 446.

¹⁰Meena Shirwadkar, qt. in S. Prasanna Sree, *Woman in the Novels of Shashi Deshpande : A Study*, p. 9.

¹¹Gur Pyari Jandial, "Towards a New World Order : The Female Self in Shashi Deshpande's *A Matter of Time*," *Shashi Deshpande : A Critical Spectrum*, p. 56.

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