

# Banijya Prabha

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VOLUME - I, JUNE, 2013



COMMERCE STREAM  
DISPUR COLLEGE  
GUWAHATI-6

# Baniya Prabha

Volume-I, June, 2013

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Volume-I, June 2013

*The journal 'Banijya Prabha' endeavours to critically analyse and challenges faced by the people of our society.*

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## MESSAGE



*I convey my best wishes to the faculty of Commerce Stream, Dispur College, for bringing out their first issue of annual journal "Banijya Prabha". I am sure, their effort will give an opportunity for research at the faculty level and instill inclination in the minds of the students towards research activities.*

*I wish them all success.*

*C. M. Sharma*  
(C. M. Sharma)  
President, G.B.





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**MESSAGE**



I am pleased to know that the faculty of Commerce Stream, Dispur College is going to publish a research journal "**Banijya Prabha**" which will encourage research activities among the students and faculties.

In the face of diverse challenges, higher education institutions must continue to fulfill their traditional role of providing future 'knowledge workers' with the necessary knowledge and competencies to succeed in an increasingly competitive atmosphere.

*Amar Saikia*

(Dr. A. Saikia))

Principal  
Dispur College, Dispur

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## A FEW WORDS FROM THE CHIEF EDITOR



Globalization, Internationalization and growing economic competition require public and private higher education institution to adapt to change, just like traditional business, so that they can respond better to a complex, demanding and increasingly competitive environment.

Universities and other higher education institutions must meet their own core commitments (teaching and research) while adapting continuously to a series of new situations and challenges, such as maintaining standards of excellence, finding the financial resources in order to preserve their independence and managing partnerships on a new scale with other institutions.

Today, students demand that the university education should be more relevant to the contemporary events. Therefore, the mission of most colleges and universities reflect these various stands : to create knowledge (research) and to apply knowledge (service). There is also usually an acknowledgement that higher education provides an opportunity to prepare for civic life and increase equity and social justice.

The first issue '**Banijya Prabha**' addresses some of the challenges confronting socio-economic aspects and the ways and means of overcoming them. Our recent research studies address the important role that self-regulations play in academic achievement. Research suggests that self regulated learners set strategic process goals and estimate and begin to recognize patterns on their own use of time management, and show high skill acquisition.

It is hoped that readers would find this quite useful and setup many new mile stones.

  
(Jyotish Goswami)



## EMPLOYMENT AVENUES FOR COMMERCE GRADUATES IN ASSAM

Prof. Nayan Barua\*

**"Plants are developed by cultivation and men by education" - J.J. Rousseau**

### INTRODUCTION :

Education is an important instruments in developing the quality of manpower in a country. It must, therefore, be imparted according to the changing needs of the society as the world in which we live is witnessing a sea change in the wake of globalization. The growth and development in each and every sector of the economy is occurring at a rapid pace with significant improvements in the field of commerce, trade and industry. Commerce education, has therefore, evolved a new outlook for infusing in the young aspirants the required knowledge, skills and attitude for the successful handling of commerce, trade and industry. The discipline of commerce has become multitudinous and ample opportunities are made available in this field. The scenario of commerce education in Assam, is however, different as compared to the other developed parts of India. The commerce education in this remote and isolated part of the country is still at its growing stage. However, several developmental efforts have already been initiated with the increment in the number of commerce colleges in the state and more importantly with the increase in the number of private colleges. Now, a large number of students are entering into this discipline by their sweet will and not because they failed to get into other disciplines. It has now become a lucrative career for the younger generation. Several changes have also been made in the commerce courses with the introduction of new subjects related to information technology, financial market operations, environmental studies, accountancy, management, mathematics so as to keep pace with the changes in this dynamic environment. But, still the success achieved in terms of suitable employment opportunities after completion of commerce courses is dissatisfactory. Every year a large number of commerce graduates and post graduates migrate to other universities and other places for further studies and in search of suitable employment opportunities. However, in the upcoming years it is expected to generate ample opportunities in the state itself. But, this has a long way to go and this noble task can be accomplished only when the political environment in the state is stabilized and the big business houses with new ventures and sufficient employment generating capacity can enter into this region with no fear psychosis in their minds. The State Government and the people in the state will

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\* Professor, Ex-Dean & HOD, Faculty of Commerce, Gauhati University.

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have to take a positive approach towards the new entrepreneurs and enterprises from outside the State and imbibe a sense of security in them.

The dearth of suitable employment opportunities have posed new challenges to our society in general and the education system in particular. So, the changes in the education system will invariably require a change in curricular, change in the skills of the teachers, change in the educational methods and technology and change in the attitudes of those who are taught. Education is undoubtedly valued for generating social and moral values but its popularity is more pronounced and recognized as an instrument of economic advantage. Therefore, if the sources are framed as per the requirements of the industry and business and the students are trained on those lines, then the courses become relevant and the products saleable. The content and the delivery system of the courses are designed to meet specific needs of the largest groups for whom the courses are designed. But, even after reorientation of the commerce curriculum as per the changing business scenario one thing that is evidently required is the active participation of the State Government and the people to provide a conducive environment for the business and industry to flourish. This would go a long way for the young and ambitious commerce graduates to get an opportunity to work in their own state and for its development.

#### EMPLOYMENT AVENUES :

Commerce Education has made great strides in India during the recent years. It has gradually occupied the centre stage of Indian education system. The growing demand for commerce education in Assam can be witnessed from the rapid increase in the number of commerce colleges and universities and the number of students entering this stream. This can be cited from the tables given below :-

Table-250  
Number of educational institutions  
(2002-2009)

Institution	Nagaland	Arunachal Pradesh	Tripura	Assam	Manipur	Meghalaya	Mizoram
University	1	2	4	5	6	7	8
Board of Secondary Education	1	1	5	6	7	8	
Arts/Science and Commerce Colleges	8	309	58	49	27	39	14

Source : Selected Education statistics, 2002 - 2003, Ministry of Human Resource Development, Government of India, New Delhi.

**Table-251**  
**Environment By Stages/Classes**  
**(2002-2009)**

Institution	Arunachal Pradesh	Tripura	Assam	Manipur	Meghalaya	Mizoram
123	4	5	6	7	8	
B.Com/	329	16234	887	1603	207	980 1394
B.Com. (Hons)						
M.Com	16	1085	80	66	-	27 88
Ph.D.Sc/ D.Phill	35	750	438	385	-	17 16

Source : Selected Education statistics, 2002 - 2003, Ministry of Human Resources Development, Government of India, New Delhi.

Today the young aspirants choosing this stream finds numerous avenues for rewarding themselves with a lucrative career. The commerce graduates can opt for various professional courses, jobs in financial services sector, marketing jobs and can also become successful entrepreneurs. The different employment prospects equip the students with the required knowledge and skills for the specific jobs. Some of these employment avenues are :-

### PROFESSIONAL COURSES

**Chartered Accountancy** - The demand for chartered accountancy as a profession has increased manifold as the society has increasingly recognized the services of chartered accountants in the field of accounts maintenance, taxation, audit, special company work, companies secretarial work, investigation of financial position and the like. The chartered accountants have various options for pursuing rewarding careers like -

- \* Setting up independent professional practice.
- \* Joining a practicing firm of chartered accountants.
- \* Render services to the field of capital market.

Engage in own industrial business units.

- \* Tax consultancy.
  - \* Take up a suitable position in business or in industry.
- In Assam qualified commerce graduates have been an



**INFORMATION TECHNOLOGY ENABLED SERVICES - BPO AND KPO :****Business Process outsourcing (BPO)**

The concept of outsourcing is not a new thing for India as a vendor or a client. Since a long time the organizations are getting the benefit of outsourcing. But, it has become popular after 1990's and after the emergence of Integrated Telecommunication and Information Technology. Business enterprises now-a-days with the aid of latest information technology are outsourcing many of their operations like technical, marketing, customer care functions etc. to other business enterprises at the national and international level. BPO's are also providing certain web boxed services like -

Live on - line sales and order entry

E-commerce transaction support etc.

The various fields to the advantage of commerce graduates in BPO services are -

- \* Receivables and payables
- \* Inventory management
- \* Budget analysis
- \* Quick book accounts
- \* Financial statement preparation
- \* Payroll processing
- \* Reconciliation
- \* Order processing

A number of young commerce graduates and post graduates have engaged themselves in BPO services and are getting attractive pay packages for successfully accomplishing their tasks with additional incentives from time to time for their good performance.

**Knowledge Process Outsourcing (KPO)**

The globalization concept has accentuated inter-continental dealings in all spheres of activities including business related issues. There has also been a recent tendency of many BPO houses transforming their business in the field of knowledge process outsourcing. The coming decade will perhaps witness a booming market for knowledge workers all over the world and specially to be outsourced from the Indian knowledge workers. These workers inter alia would be required for rendering services in finance, accounts, taxation, audit and also in critical areas of business legal combinations. So, the prime necessity for getting an absorption in such BPO houses is becoming thoroughly

conversant with the rules, regulations and practices of their concerned country for settlements of accounts and safe documentation apart from being knowledgeable in their respective areas of dealing. Thus the KPO's have also become suitable means of employment for the dynamic commerce literates of the state.

#### **SELF - EMPLOYMENT :**

The commerce literates can take the initiative of starting their own business under the different schemes launched by Khadi and village Industries Commission, Swarna Jayanti Gram Sevak Yojna, Prime Minister's Rojgar Yojna, NEDFI. These schemes provide the requisite finance for startig the business depending upon the proposal presented for the business. The commerce literates have an edge over the graduates from other disciplines in setting up their own business since the course content of commerce education specially at the college level has been designed in such a way that it encompasses the various ingredients of a well structured Entrepreneurship Development Programme (EDP). The skills like conceiving a business idea, preparing a project, raising finance, maintaining, proper accounts, developing an effective marketing strategy are the essential components of a well structured commerce curriculum. Hence it can also become a suitable employment avenue for the commerce literates.

#### **ACCOUNTING JOBS :**

A fairly large numbers of commerce graduates of our state have been employed in micro, small and tiny enterprises at a relatively unsustainable wage rate and maintaining the accounts these enterprise. A handful of these enterprises are seen existing in the unorganized sector of economy where the conditions of work have not attained a standard of respect and fairness.

#### **JOBS IN TOURISM SECTOR :**

Tourism has been identified as the sunrise area of growth for the North East India by various government and non-government agencies owing to its huge potentialities. Besides having it as a vocational subject, in commerce stream, the course is offered at the diploma and Masters degree level by various universities of north-east India. The functions as tour operators, travel agents, inkeepers, money changers are fairly suitable to commerce graduates with specialization in the respective field.

#### **EVENT MANAGEMENT :**

The organization and management of events is a tedious task and it requires a great deal of expertise in organizing and successfully managing them. It requires the services of expert professionals namely event managers who can handle big events such as conferences, seminars, workshops, marriage parties, exhibitions, sports events etc. So the commerce graduates can get an absorption in this field by doing an event management course.



## CORPORATE SECTOR JOBS :

Commerce graduates always has an edge over the graduates from other streams as regards company jobs. This opportunity for the commerce graduates can be enhanced much more if they become the Master's in Business Administration by getting their degrees or diplomas in management from a recognized management institutions. As such they can get the prestigious positions in the top and middle level management in reputed companies. Commerce graduates can also get the Masters in Commerce degree and get gainful employment in companies. But their positions in companies is always secondary compared to those holding management degrees or diploma.

## JOB ORIENTATION OF COMMERCE EDUCATION :

Assam has got vast human resources. If developed and nurtured properly, it can do miracle. A human being is a positive asset and a precious national resource which needs to be cherished and nurtured with tenderness and care coupled with dynamism. Commerce education in this complex and dynamic growth process needs to be planned meticulously; managed and executed with great sensitivity. The curriculum of commerce education in this context must match the needs of the society and the business. The objective of commerce should be to bring commerce education into close contact with productivity, develop strong professional bias and relate the education with the needs and aspirations of the people. The academicians and frames of the curriculum should visualize the future needs of the society and business of the country and try to develop the courses so as to more techno - professional bias. The much needed practical subjects which are taught by giving theoretical knowledge only. Due to the lethargic attitude of our university system, some leading corporate houses are setting up institutions related to their core activities, not only for internal consumption but to create a resource pool for the industry in general. Tata, Birla, ICICI Bank - NITT's Institute of finance, insurance and banking are an example to remind us about the changing requirements. So, dedicated approaches for creating skilled professional have been lacking on the part of colleagues and universities. Hence, creation and shaping up of future resources to match with the changing requirement is most. So, in the ever changing economic and industrial environment commerce education will have to be more professional oriented and add techno-professional efficiency in the participants. It must also have first hand information of the nature of demand in the participants. It must also hand information of the nature of demand of professional manpower required by the business and society through a process of conducting market survey. It should adopt a flexible course structure and must update it as per the needs of the society. This will not only help us to consolidate commerce education but also the industry at large. Further, the participation of the state government in this task is urgently required so that the commerce graduates and post graduates do not find themselves at the loss of opportunity as compared to the other states of India.



**CONCLUSION :**

Commerce education in the present era has grown remarkably both in corpus and scope and has achieved new horizons since its inception in 1886. Today it is a growing discipline with a set of multi-dimensional key areas like accounting, finance, marketing, taxation, human resource management and the like. The growth of commerce education which was mainly fostered under the aegis of government sponsorship until the last century has attracted private entrepreneurship specially in the continuing decade. As much numerous avenues have opened up for the commerce graduates at present in wake of globalization, liberalization and privatization. But in the present wave of growing commerce education the capacity of the society to provide job to every commerce graduate is impossible due to inadequate resources. Considering the prevailing condition the syllabi and courses of study ought to be recasted in such a manner that the commerce graduates prove more relevant and useful to the industry and other business organizations. For this emphasis should be given on the practical aspect of the subject. There is also the need for changing the teaching-learning process. The commerce graduates should be so trained that they should think more of self-employment rather than searching for placement in business or government organizations. The government machinery should formulate the policy and programmes to help in the settlement of youth by encouraging them to establish their own establishments.

The job market for the commerce graduates has become a highly competitive one. It has been observed that until seventies, those educated in commerce did not have to face much competition in the job market. But, soon the episode changed and the offshoots springing out from this mother discipline became more significant owing to changing job market conditions. This had relegated the commerce education to a second class position. Today the management disciplines covered under the AICTE affiliation receive more financial support, recognition and importance than the mother discipline which is still run under the universities system. The present scenario has resulted in such a position that the first class jobs in corporates are grabbed by the management qualified people and the commerce educated are considered only for job in the middle and lower levels of an organization. However, the specialty of a commerce graduate in dealing with practical business matters like accounts maintenance, submission of tax returns are some unique aspects compared to products of their contemporary discipline.

The growth of commerce education is also interlinked to the growth of business environment around the state and the region. The industrial development in the state has however been slow due to the disturbed socio-political conditions and the locational disadvantage of the state. The closure of many a business offices in the north-eastern region and more particularly in its commercial hub namely Guwahati has led to the shrinkage of opportunities for all educated youth including commerce graduates also.

The appointment of C&F as intermediary in business operation by many a business houses in the recent years is a clear testimony to the deteriorating business environment. The poor credit deposit ratio of the banking institutions of the north-eastern region is also a clear manifestation of the deterioration of this industrial and commercial hub. The government sector is almost saturated everywhere in India and this is no exception to the state of Assam. Another painful experience with the corporate houses as regards to employment opportunity is that the demand for physical staff has been dwindling in terms of number owing to increased mechanization, automation and technological advancement. Studies have revealed that while corporate houses are earning more profits and the bottom line has increased manifold whereas the payments made under the heads of salary and wage bill has been diminishing considerably. This will surely have an impact upon the growing demands for employment opportunities. So, in the light of all the charges taking place in this highly globalised environment there is an urgent need of a change in the attitude of the government and educational institutions towards commerce education so that the commerce graduate can be equipped in job market.

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## THE ROLE OF PRIVATE SECTOR IN PROVIDING JOBS IN ASSAM

Dr. Rani Mudiari Deka \*

*"In today's global economy, the world of work is rapidly evolving. Demographic shifts, technological progress, and the lasting effects of the international financial crisis are reshaping the employment landscape in countries around the world. Countries that successfully adapt to these changes and meet their jobs challenges can achieve dramatic gains in living standards, productivity growth, and more cohesive societies. Those that do not will miss out on the transformational effects of economic and social development."*—World Development Report-2013, The World Bank.

In a highly populated country like India, employment sector is always a matter of concern. Here, chronic unemployment is recognised as a basic characteristic of the economy. Underemployment, disguised unemployment, etc. are some of the allied problems that to be taken into consideration while looking into the matter of job creation. Therefore it has to be tackled in a way which may be different from the developed countries. The government is very much aware of this situation and gives due importance to employment generation. Thus, job creation is one of the prime objectives of India's five year plans and programmes. Keeping in mind the recent trends of the world employment scenario, the government of India too has tried to adapt the changes occurred in the field of job creation. Like other areas, the government has asked the private sector to provide helping hand in creating jobs. Government has also reshaped the concept of employment. It has started using the word '*gainful employment*' instead of mere '*employment*'.

One of the basic objectives of the 11<sup>th</sup> five year plan (2007-12) was '*to generate productive and gainful employment with decent working conditions on a sufficient scale to absorb the growing labour force.*' The target was to generate 58 million work opportunities in some selected sectors. Work opportunity does not necessarily mean salaried job, rather it refers to opening up of several areas with job prospects along with the scopes for self employment. Earlier, the government played the main role of employer. The economic reform has reduced the role of the government to a mere facilitator. Accordingly, it has adopted the policy of job-cut in government sector which is reflected

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\* Associate Professor, Deptt. of Economics, Dispur College.

in the growth rate of employment. As per government sources, the rate of growth of employment in the public sector is found to be -0.65 percent per annum on an average during the period of 1994-2008. It was 1.53 percent per annum during 1983-94. On the other hand, the data for private sector have shown an increase from 0.44 percent per annum during 1983-94 to 1.75 percent per annum during 1994-2008. In 1991, the total number of persons engaged in India's public sector was 190.58 lakhs, which fell down to 172.84 lakhs in 2008. Meanwhile, number of employed persons has increased from 76.77 lakhs to 98.75 lakhs in private sector during the same period. (Economic Survey, 2010-11, GOI). Besides these government statistics of organized sector, there exists a huge unorganized sector employing a large section of the country's labour force. However, this is not the lone case of India only. Rather, this can be observed almost in every economy. China is a glaring example. Only 2.3 million jobs were offered by the private sector in China in 1981 against a huge 80 million jobs maintained by the state owned enterprises. After two decades, the data become 74.7 million and 74.6 million jobs in private and public sectors respectively exhibiting radical changes in the field of employment generation. The World Bank observes that "the private sector is the key engine of job creation accounting 90 percent of all jobs in developing countries" (The World Development Report, 2013, p.xiii.).

The employment scenario in the state of Assam is not very encouraging. The state possesses a huge labour force. As per data published by the 66<sup>th</sup> Round National Sample Survey (July 2009-June 2010), the share of working population (belong to the age group of 15-59 years) in Assam is 61% male and 64% female as against 60% of male and 62% of female at all India average. The state has been suffering from an alarming situation of unemployment problem since long back. The state economy is basically an agro based economy. Nearly 86% people live in the villages. Most of them earn their livelihood from agriculture. Therefore, this sector has already been overcrowded. Scope of alternative sources of employment is also very limited in the rural areas. Hence, it results in heavy unemployment and disguised unemployment problems. The magnitude of the problem is also very severe among the educated youths. As registered in the employment exchange offices of the state, as on 2010, the total numbers of job seeker are found to be more than 19 lakhs. A large number of unemployed persons remain outside this figure as they do not register their names with the employment exchanges. The government acknowledges that "the size of the educated job seekers is considerably high, which is a challenge to the growing economy of the state. However, percentage of placement is not encouraging against the number of notified vacancies through Employment Exchanges" (Economic Survey, 2011-12, GOA, p.201).



The tragedy of the state is that the industrial base is very weak. The state has a few public sector large scale industry like oil and coal. In the private sector, the existence of big industrialists is very negligible except the tea sector. The state has a number of medium and small industries scattered in different categories like agro based, forest based, handloom and textile, handicraft, bell and brass metal, cane and bamboo, chemical, engineering, electronic, mineral, leather, plastic, rubber, paper product, food processing and miscellaneous. According to Annual Survey of industries, the total numbers of registered factories are found to be 2211 as on 2009-10 engaging around 1.50 lakh persons (workers and employees). The handloom sector provides scopes both for self employment and employment to a large number of people in the state. Likewise tea industry contributes a lot to the employment sector.

It is noteworthy that the industrial sector is growing at a comparatively higher rate than the agricultural sector. The economic survey of 2011-12 states a 7.19% growth for the industry sector against 6.43% growth rate in the agriculture and allied (forestry, fishery, etc.) sector. The industry sector comprises of construction, mining & quarrying, manufacturing, electricity, gas etc. the growth rate for construction is higher as much as 11.86%. Therefore, job creation is also more in the area of construction. But, these jobs are very irregular and informal. The service sector is also growing at an encouraging rate figuring 9.74% as revealed by the latest survey report. This sector includes trade, hotels, restaurants, transport, real estate, business service, communications, banking, insurance and other social and personal services. This sector too generates huge opportunity for different kinds of jobs. But, enough has not been done by this sector too and therefore, there remains a lapse in providing required jobs to the growing labour force of the state.

The employment data in organized sector are collected through a programme called "Employment Market Information" programme. Such data reveal the employment trend both in public sector (all establishments) and in private sector non-agricultural establishment. As per latest data of EMI, the total numbers of employment provided by the public sector and private sector in Assam are around 5.3 lakh and 5.8 lakh respectively. Data related to this reference expose that the trend had not been changed in Assam. Table:1 clears it.



Table:1 Employment in Public and Private Sector in Assam( person in number)

Sector	1996	2003	2010
<b>A. Public sector (total)</b>	<b>540015</b>	<b>526692</b>	<b>531120</b>
a. central govt.	83306	76801	66498
b. state govt.	304352	313250	313633
c. central Quasi govt.	79968	70556	91803
d. state Quasi govt.	59287	52991	48943
e. local bodies	13102	13094	10243
<b>B. private sector (total)</b>	<b>647693</b>	<b>570956</b>	<b>582989</b>
a. large establishment	638621	562386	573549
b. small establishment	9072	8570	9440
<b>Total</b>	<b>1187708</b>	<b>1097648</b>	<b>1114109</b>

Source: Compiled from the Statistical Handbook, 1997, 2004 & 2011, GOA.

The EMI data reveal that in Assam the private sector is not following the world trend of job creation. Rather, it is clear from the above table that the number of persons employed in the private sector has declined during the last two and half decades from around 6.4 lakh to 5.8 lakh. Thus, it can be concluded that the role played by the private sector is not encouraging in Assam. However, the same result can be observed in public sector establishments too. But, the government has already adopted the policy of job cut in public sector. Instead of that the government has launched several schemes for providing financial assistance and other incentives to the traditional livelihood generating sectors. At the same time, the government has introduced self-employment programmes for educated youths of the state. Assam Bilkash Yojana, Mukhyamantr Karmajyoti Aachari Udyogijyoti Aachani, etc. are some of the recently launched schemes of employment of the Assam government. It has also implementing wage earning schemes of the Government of India like MGNREGA, SGSY, JGSY, PMEGP, and so on.

EMI data do not include jobs in unorganized sector or informal jobs. In developing economies unorganized sector plays very significant role as it absorb vast areas of activities. In Assam also, informal employment is found almost in all three sectors, namely, primary, secondary and tertiary. Even in the organized sector, some jobs are informal. The problem is that these jobs are vulnerable. These are not secured jobs. These kinds of job do not carry the qualitative aspects of a decent job that are prescribed as per international norms. According to the international norms, a job should not only offer a decent earning but also satisfy all the human rights at workplace. Unfortunately in case of informal jobs

there are enormous evidences of human rights violations. Private sector jobs carry much more vulnerability. In Assam too violation of human rights are the day to day happenings, especially at places of informal activities whether these are at construction sites or at shopping malls of private agricultural firms.

It is a fact that people prefer government job. This is because government jobs are less vulnerable towards any future calamities. But, as stated earlier, government can neither stand alone, nor the policy allows doing so. Therefore, the private sector has to perform. Now-a-days, Public Private Partnership (PPP) is the guiding principle for all activities. However, the government can not get rid of its responsibilities. It is the duty of a government to prepare employment policies strategically following the international norms both for the private and public sector and to provide safeguard to each and every job created by the private sector.

As per today's changing world order, government of all countries considers the private sectors as their partners for attaining development. "Jobs are the drivers of development." Hence, private sector should be treated as partner for creating jobs too with all quantitative as well as qualitative aspects. A well defined, strong and public friendly private sector is the crying need for modern development. Assam is lagging behind in this respect. There is enormous scope for expanding the private sector with all kind of safety nets so that the fiery problem of unemployment could be addressed properly.

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## Cost Control and Management: A Case Study of Hospital Entity

Dr. Prashanta Sharma \*

Prof. Sujit Sikidar \*\*

### Abstract

(The intangibility of the service rendered by the health care units necessitates peculiarity in accounting practices. It also stands on few legal formalities to ensure quality and greater social benefit. The nature of cost components and incomes are different from the same of the manufacturing concerns. The incapability of the hospitals to store their services need separate view of measurement of their product. The value of the product of the health care units depends on skill of the doctors, the motherly touch of the nurses and the personal behaviour and traits of other supporting staff.)

### Introduction:

#### Meaning of Health care units

The hospitals do not only try to maximize share holders value creation and satisfaction of patients availing of health care services by way of repaid & sustainable growth of the members in a society in maintaining and preserving good health for all but, they also equally commit themselves to dedicate 365 x 24 hours services towards the society as a whole.

The United Nation has adopted a mission called health for all. All the member nations of the UNO have also accepted within their national agenda to achieve health for all within the target year of 2050.

The Millennium Development Goal (MDG) emphasize on this point as well. The good health of a nation renders manifold avenues –

- 1) The good health reduces aggregate medical expenses.
- 2) It increases the productive ability of the existing manpower.
- 3) It is a true indicator of level of development- a nation has attained.
- 4) Better the health status index of a nation, the higher the level of development.

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- 5) A good health is a store house of a strong mind which encourages creativity to be focused and improved intellectual capabilities and capital of a nation. The benefits of hospital & health care services are generally measured in long term perspectives. It is an intangible item contributing to the economic development of the nation.
- 6) Health care and hospital services are intimately supported by the Medicare Health Insurance and Medical Insurance facilities.

Having considered the aforesaid parameter, it is found prudent to undertake a small research investigation on some select hospital units and health care service providing institutions in a growing economy. With this end in view, we have undertaken the said research enquiry.

### Objectives:

The objectives of the present article are indicated below:

- 1) To examine the related statutory provisions applicable to hospital organized as a limited liability entity.
- 2) To analyse the mechanism of recognising revenue and expenses for hospital as per the relevant accounting standard.
- 3) To identify the relevant cost component, revenue component, assets & liability and their reporting in the financial statement.

### Methodology:

The present study has been undertaken over a select group of ten numbers of hospital and health care units located in the greater Guwahati city.

The reason for selecting greater Guwahati is that the hospitals and health care units located in this city cater to the healthcare services of the inhabitants of not only of the state of Assam, but also of the inhabitants of the entire N.E region.

The relevant information regarding hospital units have been collected mostly from the secondary sources.

Some of the special features of hospital and money spent by the service providing institution have been indicated below. This can be used as a parameter for measurement of cost incurred in providing those facilities and at the same time generating revenues out of them.

- 1) The various community projects are undertaken from time to time.
- 2) The Chain of medishops, is an unique idea in retail form of pharmaceutical business for the first time in the N.E. region. These shops are provided by GNRC, which intended to provide value added customer service at discounted



price. It is a customised product for which services of consultant of international repute are hired.

- 3) Some hospitals have introduced stroke health card as was done by the GNRC.
- 4) Extending services by providing paramedics, Ayurvedic and Unane practices.
- 5) They have also arranged to generate revenue by way of extending training facilities for the learning Nurses. After completion of a given period of study and service, they are given certificates. These enable them to get placement elsewhere.

### Cost component:

In conformity to the objective no. 1 stated above, we hereby undertake the task of identifying the different cost component associated with hospital as indicated below.

- \* Consumables and other operating expenses comprise of opening stock plus purchase made, carriage inward; less closing stock; electricity charges; generator running expenses; medical allowances; hospital upkeepment; OT maintenance; linen etc; fuel, gas cylinder; washing charges, resident doctor consultant fees.
- \* Repairs and maintenance expenses include repairs and maintenance of car machinery and equipment, building, others; car hiring charges; pathological test expenses; hospital maintenance and upkeeping expenses; O.T. equipment repairing charges; intensive care unit (ICU) repairing charges; hospital waste disposal expense; pollution control board expenses; soft furnishing expenses.
- \* Administrative and general expenses include rent, insurance, rates & taxes printing & stationery; postage, telegram & telephone; travelling & convenience; legal & professional fee; retainership fee, consultancy fee newspaper, journals & periodicals; training & conference expenses advertisement & publicity; donation; business promotion & marketing expense; vehicle running & maintenance expense; audit fee; tax audit fee management audit expense; AMC charges; computer expenses; disposable goods; municipal corporation tax; municipal corporation licence fee inspection charges; licence renewal fees; puja celebration, staff salary and allowances, staff bonus; member sitting fees; legal expenses; P.F. contribution Directors' remuneration; xerox expense; interest on bank loan; consultant fees; free health checkup camp expense;
- \* Heads of Income: The various heads of income and revenue identified for the hospitals under our study are indicated below.
- \* The operating incomes include the following:



Equipment charges; indoor registration charges; laboratory charges; nursing charges; OPD registration; OT charges received; recovery room charges; room rent, seat charges; service charges; sonography; ECG charges received; Echocardiogram; protoscopy; lithotripsy; C-ARM- TV/ERCP; colonoscopy charges; registration; Harmonic scalpel; Endoscopy charges; I.C.U. charges; medicines; X-ray; doctor consultation; dressing charges; bed charges; OT medicine; oxygen/Nebulization; pathology receipt; nursing charges; resident doctor fees; sundry procedure charges.

- \* Financing and other incomes comprise of interest on fixed deposit and others; rent received; skill endoscopy centre; sale proceeds of old assets disposed; income from franchisee;

### Special Accounting Treatment

Some peculiar items in relation to health care and hospital services have been observed during the course of research enquiry. The accounting treatment meted to those items is delineated below.

1. One company namely GNRC, contributes to the Employees Provident Fund maintained under the Employees Provident Fund scheme and the same is charged to the profit and loss account.
2. The company has adopted accounting standard (AS)-22, accounting for taxes on income; and accordingly it has computed deferred tax assets; deferred tax liabilities; difference between the net book value of depreciable capital assets as per books vis-à-vis written down value as per Income Tax Act; and net deferred tax liabilities.
3. The company (GNRC) has made elaborate disclosure with regard to gross fee for the entire hospital. Gross fee has been bifurcated into two compartments such as :
  - a. The gross fee amount shown in the profit and loss account is inclusive of the revenue generated by the GNRC Pharmacy division and GNRC food & Beverage division and GNRC Medishop.
  - b. The inter divisional sale by the Pharmacy division amounting to Rs.212 lakh and by the Food & Beverage Division amounting to Rs.14 lakhs have not been accounted for during the financial year 2005-06 and onwards.
4. Capitalised work in progress (W.I.P): A sum of Rs.121 lakh paid as advance to Tata-consultancy Ltd and SAP for development of a customized software for the company; and further an amount of Rs.1,029 lakh incurred for GNRC Hospital at Sixmile (including interest and other finance charges on borrowed capital) has been shown under this head for the year 2007-08, till the completion of the work. On completion of the works the amount was subsequently capitalized.
5. Consumables and other inventories were valued at cost or market value whichever is lower.

6. Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.
7. From our analysis over the financial statements of the company it appears that there was a complaint against the company (GNRC) regarding custom duty for the period 1989 to 1993 with non-compliance with Duty Exemption norms; which is subjudice in high court. Besides there was an income tax demand disputed under sec 154 of the income tax act outstanding up to the assessment year 2007-08. However, on the basis of expert legal advice and on the interpretation of related provisions of the concerned acts, no provision for those items has been made in the accounts.
8. All income and expenditure having a material bearing on financial statement are recognized on accrual basis. Financial statements have been prepared under the historical cost convention; on the basis of going concern and on accrual method of accounting as per GAAP.
9. No income tax provision has been made by a company (North East medical care & Research centre Pvt. Ltd. Guwahati) as the company will get the tax holiday as per NEIP Policy 2007. However, provision for income tax has been made as per minimum alternate tax (MAT) as per section 115 JB of income Tax act 1960. The same company has also calculated deferred tax asset and deferred tax liability for the year ended 31<sup>st</sup> March, 2009 as per the Income Tax Act. It has been computed as under:

**Deferred tax liability during the year:**

	Rs. Lakh
Writer down value (WDV) as per companies Act	609.24
WDV as per Income Tax Act.....	581.47
Deferred tax asset as on 31 March 2009	27.77
Statutory requirement	..... 8.58

- Each health care unit is required to receive permission from Municipal Corporation & local authorities before commencing its business.
- They are also required to consider the fact that their operations do not create any civic nuisance and any inconvenience to the residential locality.
- They shall have to adopt waste disposal mechanism and other environment pollution control devices. They are to ensure that hospital wastages are burnt in a remote area.



4. They shall have to comply with other laws of the land and provide qualified doctors, nurses, trade licenses.

### Conclusion

- \* Having analysed the accounting practices followed over the health care practices under our study, we find that all of them although are small units in their size and capacity, but they are compliant with the necessary legal stipulation.
- \* We have also observed in cause of our research enquiry, the accounting system in respect of health care units is different from other manufacturing enterprises.
- \* In respect of manufacturing enterprise the products can be stored for consumption in future in that case generation of income is also deferred till the products are sold off in the market. In contrast, in respect of a service unit, health care service cannot be stored and consumed in future.
- \* When a customer doesn't turn up to avail of a service from the hospital it misses the revenue. In case, a fresh customer comes in, additional revenue is generated instantly on rendering of service.
- \* A product is produced by a machine for final consumption in the market; whereas the health care service is produced by the skill of a doctor, the motherly touch of the nurses and the personal behaviour and traits of other supporting staff.
- \* We can account for all other material product in a manufacturing enterprise but the health care service which is invisible, intangible cannot be measured in truest sense in accounting measurement parameter. Hence, the message & mission of a health care unit must be 'service before self' in order to sustain the organizational goal of a health care unit.
- \* Thus we conclude that better the health care services, the greater is the level of satisfaction of the consumer, and consumers themselves become the ambassador of the health care unit.

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- 2) The Annual Accounts of Nemcare Hospital, Guwahati-781005 (2005-06 to 2008-09)
- 3) The Annual Accounts of Swagata Hospital, Guwahati-781009 (2006-07 to 2008-09)
- 4) The Annual Accounts of Saikia Nursing Home, Guwahati-781014

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## Teenage Depression: Effective Prevention and Intervention Strategies

Dr. Moyuri Sarma \*

### Introduction:

Teenage or adolescence falling between childhood and adulthood had been referred as a period of 'storm and stress' by Stanley Hall. It is a phase of life characterized by rapid physical growth and development, a move from the earlier childhood socio-economic dependence towards relative independence. Adolescents experience very special and distinct needs, which when overlooked may lead to engagement in risky behavior. High Risk behavior such as drug abuse, depression- suicide, pre-marital sexual activity and antisocial behavior are often observed among the adolescents. However, among the leading health related problems in adolescence; teenage depression is very critical leading to disequilibrium in the organism. Furthermore, depression during adolescence is associated often with suicide; a phenomenon that is going up among adolescents in India in recent times. According to Registrar General of India's 1<sup>st</sup> National Survey, 2001-03, suicide claim twice as many lives per year as HIV- AIDS and could take over maternal mortality with an estimated 1,87,000 suicide cases in 2010. In Assam too it is a cause of great concern, as there has been a rapid jump in the number of suicidal deaths resulted by depression among the young generation.

Depression affects 2% of pre-pubertal children and 5-8% of adolescents. The clinical spectrum of the disease can range from simple sadness to a major depressive or bipolar disorder. Studies have found that 3-9% of teenagers meet criteria for depression at any one time, and at the end of adolescence, as many as 20% of teenagers report a lifetime prevalence of depression. The last decade have shown the rates of depression in adolescents to range from 8% to above 20%. Many adolescents start getting depressed due to academic failure. Their inability to find meaningful vocations and increasing societal pressures compound this trend. There have been a few reported studies on depression which reveal that psychiatric morbidity among school samples of adolescents was found in about 29% of girls and 23% of boys with depression being the most common disorder.

Depression can affect anyone at any age, from infants to senior citizens and everyone in between. Adolescence is a time when there is added risk for developing

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depression because they are happening in the brain and bodies of teens. It is especially important to know the signs of depression in adolescents because they are at a high risk for attempting suicide. It is a disorder that is defined by certain emotional, behavioral and thought patterns. Petersen and colleagues defined adolescent depression at three levels: (1) Depressed mood which is sadness at various times in response to an unhappy situation. (2) Depressive syndrome which implies experiencing anxiety with other symptoms such as feeling sad, lonely, unloved and worthless. (3) Clinical depression is manifestation of five or more depressive symptoms lasting continuously for two weeks and impairing current functioning. Depression is under recognized among adolescents because depressive syndromes are considered a familiar part of adolescent experience.

#### **Recognizing teen depression:**

Depression may be defined as the state of extreme melancholy, where patients who exhibit this condition may develop severe apathy towards their environment. Their physical activity may lessen considerably and can even spend hours in any single posture. Younger teenagers may not be able to express their feelings as the older ones and hence the symptoms of depression may be expressed as phobias, bodily complaints, behavior problems, or as separation anxieties. Teens suffering from psychotic depressions may report hallucinations. Hence, it is extremely important for the parents to identify depression and seek for the required medical care

Some common symptoms of depression are following:

- \*Decline in academic achievements.
- \*Behavioral problems in friendship.
- \*Withdrawing from contact with family and other inhabitants.
- \*Lack of enthusiasm and energy.
- \* Difficulty in self- motivation, unnecessary aggression, anger and rage.
- \* Report feelings of sadness and helplessness.
- \*Over-reaction to criticism.
- \*Feels incapable of living up to the parental expectations.
- \* lacks self esteem and suffers from guilt.
- \* Unable to concentrate.
- \* Feeling restless and agitated, changes in eating and sleeping habits.
- \*Having suicidal thoughts or suicidal attempts.

#### **Risk factors for Teenage Depression:**

1. **Academic pressure.** The more pressure a teen feels to perform at a certain level, the more difficult it will be for them to reach those standards. When they don't, they may internalize this as an inherent flaw as opposed to something that they can change. This is how negative thoughts form that perpetuate depressive cycles.

2. **Family history of depression.** Depression is one of the many emotional health issues that have a genetic contribution. If a parent or sibling has been depressed in the past, it increases the risk that the teen will develop depression as well.
3. **Increased stress:** Stress in general is a risk factor for depression. This stress can take any form: stress from peers and fitting into a social group, from academics, extracurricular activities, applying to college, etc. This stress can also include family conflict, death of a loved one or discord in the parents' marriage.
4. **Chronic illness.** The teenage years are a time when there is a belief that everything is still possible. When those dreams are negatively affected by a chronic illness and this can set the stage for developing depression.
5. **Abuse or neglect.** Most abuse towards children and teens occurs at the hands of someone that they know well and not at the hands of a stranger. Experiencing physical, emotional or sexual abuse or neglect has long lasting effects on the teen including becoming depressed.
6. **Teen dating violence.** When the relationship becomes violent, the teen's self-esteem begins to plummet and not have any resources on how to protect themselves since they cannot approach their parents. This double risk factor has significant impacts on developing depression.

While teens are generally more articulate than children, it can still be very difficult for them to identify their emotions and express how they are feeling. Thus, even if teens have an open relationship with their parents, it is possible they do not know how to explain that they are feeling depressed. Parents should educate themselves on the symptoms of teen depression to aid identification of early signs. Depression is not just feeling sad and is also not a phase that the teen will get past. It is a real and serious emotional health issue that affects the physical and emotional development of teens. Since the teenage years are a crucial time for development, treating depression as soon as the signs present themselves can improve the teen's quality of life even as an adult.

#### **Treatment:**

Teen depression tends to come and go in episodes. Once a teenager has one bout of depression, he or she is likely to get depressed again at some point. The consequence of letting teen depression go untreated can be extremely serious, even deadly. There are a variety of methods used to treat depression, including medications and psychotherapy. There are three different approaches to treating adolescents with moderate to severe depression:



- § One approach is use of the antidepressant medicine Prozac, which is approved by the FDA for use with pediatric patients, aged 8-18.
- § The second treatment is use of cognitive behavioral therapy, or CBT, to help the teen recognize and change negative patterns of thinking that may increase symptoms of depression.
- § The third approach is a combination of medication and CBT.

### **Mental Health Therapy:**

#### **Family based depression prevention programmes –**

This is a type of psychotherapy which can be helpful, especially when there is a family history of depression. During a therapy, a mental health provider tries to help a child to learn about depression, develop skills to handle stress in a positive manner, to understand the effect that stress and depression can have on a person's life.

#### **Mind-body connections**

Complementary and alternative medicine practitioners believe that the mind and body must be in harmony to stay healthy. Examples of mind-body techniques that may be helpful for depression includes:

- v Yoga
- v Meditation
- v Guided imagery
- v Massage therapy
- v Relaxation techniques
- v Music or art therapy
- v Spirituality
- v Acupuncture

But relying solely on these therapies is generally not enough to treat depression. But they may be helpful when used in addition to medication and psychotherapy.

#### **Prevention begins with Parental support:**

Parenting teens can be very challenging. There are, though some effective parenting and communication techniques which can be helpful to lower the stress level of the teenager-

- § When disciplining a teenager, it is suggested to replace shame and punishment with positive reinforcement for good behavior. Shame and punishment can make an adolescent feel worthless and inadequate.
- § Overprotection or making decisions for teens can be perceived as a lack of faith in their abilities. Therefore, it is better to give them freedom to take own decision and develop the sense of self confidence.
- § It is suggested to avoid trying to relive one's youth by means of one's teenage activities and experiences.
- § If there are any symptoms of depression, it is very important to listen to because a very trivial matter may sound very genuine for someone who is growing up.
- § It is very important to ensure good interpersonal communication between the teen and the parents.
- § If there is any difficulty in reaching to the problems of a teen or if there is any cause enduring cause of concern, it is suggested to seek for help from a qualified health care professional.
- § Regular physical activity- regardless of the level of intensity; might play a role in reducing teenage depression and anxiety. The Department of Health and Human Services recommends one or more of physical activity a day.
- § The relation between sleep and depression goes both ways. Lack of sleep might boost the risk of depression- depression itself can make it harder to sleep. A good night's sleep can help a person feel best, both physically and emotionally. If the teenager is having trouble sleeping, it is good to ask for doctor's advice.
- § Smoking, drug abuse and alcohol may seem helpful to lessen depression symptoms, but in the long run they worsen the symptoms and make depression harder to treat. Hence, teens should be educated about their ill effects and should be encouraged to form healthy habits.

### Conclusion:

In the contemporary world depression has emerged as a challenging social issue. According to a recent research study, India has the highest suicide rates in the world and soon it may turn out to be the biggest killer in the country. Again, the condition gets worsen due to lack of appropriate mental health facilities. Hence, it is high time for



creating awareness among the adolescents, parents and teachers and providing necessary guidance and support services. In Assam the National Rural Health Mission (NRHM) has established adolescent-friendly health clinics (AFHC) in 24 district hospitals to provide counselling to girls and boys regarding health and hygiene. These clinics have full-time dedicated counsellors, who provide counselling and referral service to adolescents on all working days. The needs of adolescents vary according to their age, sex, stage of development, life circumstances, socio-economic status, class, region and cultural context. Hence it is important to provide intervention that is flexible and responsive to their needs. Adolescents are to be inspired with ample opportunity for application of their creative zeal in family, academic institutions and in different platforms of the society.

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# INTERNATIONAL BUSINESS TRANSACTION USE OF TRANSFER PRICING

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## INTRODUCTION :

India needs massive foreign investment in infrastructure such as national highway, road, river bridges, power sea port, airport and railways. Rising foreign investment can restore the balance of payment and stimulate the economy. Import of crude oil, coal and gold has given rise to the Current Account Deficit (CAD). Raising domestic investment, both private and public, would be an economic stimulus. For attracting foreign investment the stumbling blocks that the government have to face are in the forms of the conditions imposed from the investors, changing rules and regulatory frameworks, tax issues and transfer pricing.

There is innate confidence in the dollar as reserve currency and in the innovative ability of the US economy. This has been in the back of our mind to participate in global export-import trade. We need a stable, transparent and consistent taxation matter which will carry a strong positive signal to the global investors and prospective traders.

Transfer price is the amount used in accounting for transfer of goods or services from one place to another or from one company to another which belongs to the same parent company. In the case of acquisition, a company floats an overseas. Special Purpose Vehicle (SPV) which raises money for completing the acquisition. Since the SPV does not have any asset of revenue stream it relies on a guarantee by the parent.

SEBI tried to define Related Party (RP) transactions in the following manner in February 2011 : RP transactions are dealings between companies within the same promoter group. For instance, such transactions include loans to group companies, purchase or sale of products within group companies, purchase or sale of products to companies in which the director of the present company has an interest.

Corporates for long have side-stepped the legal framework to engage in a web transactions with group subsidiaries controlled by the management. They indulge in unhealthy practices of diversion of funds at high valuations from the main company to subsidiaries involved in non-core business activity at the expense of minority investors. According to Section 92A of the Income Tax Act, 1961 persons are said to be unrelated if

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they are not associated or deemed to be associated enterprise.

While section 2(31)(v) of the Act defines association of Persons (AGP) as the one in which two or more persons join for a common purpose or common action with a view to produce income, profit or gains. The association need not necessarily be on the basis of a contract, consent and understanding may be presumed.

In all forms there is a commonality of interest among the controlling interest of the group or association. Till that stage it is fine. The debate and complexities arise when the controlling interest of the group entity undertakes international business transactions, exchange of goods, services, capital movement, investment of money across political territory of a sovereign at the detriment of general investors, stakeholders in that entity the transactions become subject to scrutiny by the tax authorities of a country when it purports to be a evasion of tax. Transfer pricing through an international invoice is adopted with regard to pricing of goods, services between the two or more entities within the same group company controlling the operations of the subsidiaries.

#### **OBJECTIVES OF THE ARTICLES :**

With this background the present researchers undertook a research enquiry with the following objectives :

1. To analyse the mechanism of transfer pricing for international business transactions.
2. To examine the different legislative measures adopted in regard to the levy of tax on international transactions and its bearing on related parties entangled in it.

#### **TRANSFER PRICING MECHANISM :**

With the proliferation in intra-group cross border transactions in the present globalization era, transfer pricing has emerged as one of the most significant international tax issues especially among multinational companies (MNCs). It will be prolific to discuss the meaning and use of some terms used in international business transactions vis-a-vis analyzing the transfer pricing mechanism adopted by the MNCs as elucidated hereunder.

- \* **Transfer Price (TP) :** When supply of goods, services or finance is made to mother related company, the negotiated price is called the transfer price. Often the TOP mechanism is used by manipulating transfer prices in related party transactions, MNCs can reduce the global incidence of tax by transferring higher income to low tax jurisdictions or greater expenditure to those jurisdictions where the tax rate is very high.

There has been a conflict of interest, the taxing authorities in a sovereign and a taxing jurisdiction in a country force the MNCs to recognize more profit and consequently pay more tax in its jurisdiction. In view of this the Indian government introduced new transfer pricing provisions in our income tax law mostly in line

with the Organisation for Economic Co-operation and Development (OECD), Paris, OECD's guidelines and has incorporated certain components of the legislation of China and South Korea.

Sections 92-92E in Chapter 10 of the Income Tax Act 1961 were amended to include TP guidelines. TP regulations are not applied in domestic transactions between two Indian tax residents. It is applied in international transactions; although Supreme Court has directed to consider whether it can be applicable to domestic deals as well as (CII vs. Glaxo Smith Kline Asia)

**Income :** Section 92 sets the broad outlines of TP, section 92(1) of the Income tax Act states that any income arising from an international transaction shall be computed having regard to the Arm's Length Price (ALP). Hence two conditions are to be complied with here a) there must be an international transaction and b) income must arise from such international transaction.

Income has not been defined in the act, instead it says for tax purposes the items that are included are income and the various sources of income will constitute an income. Income was defined to consist of a series of separate receipts. In CIT vs. Shree Jari Merchants Association 1977, Gujarat, it has been held that anything which comes from an outside source is treated as income. Section 92 of the Income Tax Act further explains that allowance for any expense or interest from an international transaction shall also be determined having regard to an ALP.

**Interest :** As per Section A (2&A) of the Income Tax Act, interest means payable in any manner in respect of any money borrowed or debt incurred.

The next question arising is whether the payment is made to a related party, in that case is it really interest which is a deductible expenditure, or is it in substance a dividend payment upon an equity investment. Sometimes appropriation of profits is done by disguising equity investment as loan and the interest paid to the related party is then claimed as a deduction from taxable income.

**International Transaction :** International Transaction has been defined under Section 92B(1) of the Income Tax Act, according to which international transaction means a transaction which is between two or more associated enterprises, either or both of whom are non-residents. It broadly covers the following :

- ❖ Purchase, sale or lease of tangible or intangible property;
- ❖ Provision of services;
- ❖ Lending or borrowing of money;
- ❖ A transaction of business restructuring or reorganization entered into by an enterprise with an associated enterprise;



- ❖ Any transaction having a bearing on the profits, income, losses or assets of such enterprises;
- ❖ Mutual agreement or arrangement for the allocation or apportionment of, or any contribution incurred in connection with a benefit, service or facility provided to any one or more associated enterprises.

\* **Transaction :** Transaction has been defined in Section 92 F (v) to include an arrangement, undertaking or action in concert; whether it is formal or in writing; or whether it is intended to be enforceable by legal proceedings. If there is any transaction between two associated enterprises, one of whom is a non-resident, it would also fall within the ambit of an international transaction.

\* **Arm's Length Price (ALP) :** According to Section 92E(ii), ALP means a price which is applied in a transaction between persons other than associated enterprises. It is applied between unrelated persons. Further the price between unrelated persons would constitute an ALP only if such persons have transacted to uncontrolled conditions. Thus, ALP is price applied between unrelated parties and uncontrolled conditions. Section 92(1) says arm's length principle would only apply to an international transaction, ALP may need to be carried out and documented. Section 92(D) provide that every person entering into an international transaction shall keep and maintain certain documents regarding the same, while Section 92(E) provides that such person shall furnish it report from an accountant. The ALP was triggered mainly by the US regulations in 1990 on intangible, tangible and cost sharing. As per Section 92C the different methods of computing ALP are as follows :

- ❖ Comparable Uncontrolled Price Method
- ❖ Resale Price Method
- ❖ Cost Plus Method
- ❖ Profit Split Method
- ❖ Transaction Net Margin Method
- ❖ Such other method, as may be prescribed by the Central Board of Direct Taxes (CBDT)

ALP is set forth in Article 9 of the OECD, Paris, Model Tax Convention as follows:

1. Where conditions are made or imposed between the two enterprises in their financial relations, then any profits which would have accrued to one of the enterprises, may be included in the profits of that enterprise and taxed accordingly (OECD 2010).
2. ALP is the price for the hypothetical transaction which the associated enterprises would have agreed if they would have made comparable transactions on the open market

rather than the controlled transaction that was in fact made. The ALP involves a valuation of controlled transactions where the yardstick is the market transaction. Transfer Pricing demands that TOP be determined in such a way that it complies with ALP.

In the last part of this article we shall try to examine the different legislative measures adopted in regard to the levy of tax on international transactions and the conditions under which a RP becomes a controlling interest in an enterprise.

### LEGISLATIVE MEASURES ADOPTED FOR LEVY OF TAX ON INTERNATIONAL TRANSACTIONS :

There are some standing guidelines with regard to transfer pricing by the OECD Mr. Dev Kar in his article measuring illegal outflows argued that illicit capital flows is Abusive Transfer Pricing (ATP), and transfer pricing per se. According to OECD Guidelines, transfer pricing by multinationals is abusive if the pricing falls outside the guidelines. The World Bank residual method adjusted for trade mis-invoicing remains a favoured tool for analysis and illicit capital flow.

From Germany the doctrine of *Rechtsmissbrauch*, abuse of law pervades the whole civil law, Switzerland does not have a General Anti Avoidance Rule (GAAR) but it is considered 'tax avoidance-by abuse of law'.

From the aforesaid discussion we find there is reference of Related Party and Associated Enterprise. These terminologies assume significance owing to control and management exercised by the concerned parties inter se for international transactions. Control and management of an entity has been mostly decided by various courts of law. Control and management has been held to mean the controlling and directing powers. The Supreme Court has held that control and management means de facto control and management and not merely the right or power to control and manage (CIT vs. Nandlal and Gandlal, 1960).

While Regulation 2 of SEBI Takeover Code 1997, provides that the expression control shall include the right to appoint majority directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert. RF transactions, associated enterprise has been covered under Section 92A(1) of the Income tax Act. As per this section associated enterprise in relation to another enterprise means an enterprise.

- a) which participates directly or indirectly or through one or more enterprises in the management or control or capital of the other enterprise, or
- b) in respect of which one or more persons who participate, directly or indirectly, or through one or more intermediaries, in its management or control or capital are the same persons who participate in the management or control or capital of the other enterprise.



There are some conditions stipulated to determine an associated enterprise as indicated below :

1. Section 92A(2) stipulates that two enterprises shall be associated, if at any time during the year, the conditions for association whether by holding of capital or granting of loans are satisfied.
2. Section 92A(2) provides that if an enterprise holds shares carrying 26 percent or more of the voting power in the other enterprise, then the two enterprises will be deemed to be associated.
3. Further holding shares which constitute at least 26 percent share capital of an enterprise would not per se trigger off these provisions if the shares do not carry voting rights.

In case of supply of raw materials, according to Section 92A(2), two enterprises shall be deemed to be associated enterprises only if one of the enterprise or any persons specified by it -

- a) supplies 90 percent or more of raw materials and consumables required by the other, and
- b) the price and other conditions relating to the supply are influenced by such enterprise.

In course of our present research enquiry we have come across a situation where the pricing of raw materials under transfer pricing mechanism depends upon the type or agreement and undertaking between supplier - a non resident in one country and buyer of raw material in mother country. The income tax law cannot define the pricing mechanism to be followed by two non-resident enterprises. It gives rise to the personal assessment of the pricing determined by the measuring officer in the supplier country and income tax derived there from will be levied tax.

#### CONCLUSION :

The subject matter has assumed contemporary significance because international business transactions between the nations are governed by tax laws of the concerned trading nations engaged in such trade. The challenges, therefore, is to establish some kind of similarity among the tax laws by the legislative bodies of the nations. One nation or sovereign cannot live in isolation to meet its requirement for supplies, intermediary goods, services, capital flight, investment foreign exchange inflow, trade related custom duties, other trade and non-trade barriers. There is need for dispute settlement, trade grievances among the trading entities of the sovereigns. All matters cannot be decided by law. Substantial terms in this regard can be addressed in the form of redressal measures and out-of-court settlement which have to be resorted to by mutual agreement and understanding for this purpose OECD, Paris has provided a set of globally accepted best practices for

tax and other matters in respect of global trade. Reciprocity, commonality of interest, protection of each trading nations can best be served by co-operative attitude which is necessary and sufficient condition for promotion of global trade on a sustainable basis.

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## NEED FOR A GOOD WORK PLACE

C.S. Ananta Dev Goswami \*

### Abstract

(Everyone prefer a pleasant working environment since most of us spend the greater part of our life at our workplace which is not ignorable. In a society of good workplace, one can enrich his life, forgetting his personal stress, erosion of physical and mental stress and lower productivity and so on. If one can realize himself and control himself better, then he may be a respected member of the society of good workplace. For society to be good, the members of the society to be good who knows and realize itself better.)

### Introduction

A good workplace is that place, where we can trust the people we work with, have pride in what we do and enjoy the people we are working with. In a profound sense, good work places declare that the people working for the organization and their need should not always be subordinated to other goals of the organization. Most of good workplaces have their reputation for paying off well. But building trust is not determined by the size of the perks alone. What is important is that the organization is fair and is making an honest attempt to pay out as much as it can afford. However, unusual benefits or opportunities have little effect in the long run if it appears to be taking financial advantage of employees. Unfairness in the basic time-for-money exchange poisons the trust reservoir. Good workplaces provide beacons in a fog of mediocrity and insensitivity. A great workplace is one where everyone, employees and management, is pulling together and it helps the society in general. Generally speaking, people who work for good employers mean something very positive when they say their workplaces have a family-like atmosphere. Among other things, following are also involved in a good workplace:-

#### \* A caring, nurturing environment:-

Where people talk a lot about how they feel valued as individuals. There is a pervasive feeling that their personal concerns are important to others in the organization.

\* **A long – term commitment:**

Where one can feel like in a family for life and one cant leave at will. By the same line, people at good work places often remark that they feel that they have made a lifelong career commitment to the organization. Good employers recognize and appreciate that commitment.

**3. We are all in it together:**

One of the best things about being part of a family is that it is assumed that every one can play a distinct and valuable role.

**Factors of good workplaces**

**Trustworthiness:**

A good relationship & trust between employer and employees is the foundation of a great work place. Trust implies risk. An act of trust promotes a kind of social bonding with which most of us are familiar. By bestowing trust, the Organisation is in effect saying that the employees are a vital part of the business. It creates a new kind of relationship with the employees. However, trust involves risk and vulnerability. It involves judgments about other peoples attitudes and abilities. It involves question of power and control. Trust is not extended lightly but it is, however, part of the fabric of some good work places.

**Excellent manager**

Excellent managers constantly tries to instill the “passion” in employees for an excellent workplace.

Conflict between individual employees and the organization can be overcome through the use of various motivational techniques. As the interests of the organization is paramount, there is no provision for the individual who will not give his or her all to the company. There is, of course nothing wrong with individuals willingly and rationally agreeing to work as hard as possible. But employees rights as individual must be protected to make sure that people do not get trampled over by the organization or by charismatic leader. Without strong mechanisms to make management accountable to employees, it is difficult to build the kind of trust inherent in a good workplace. When we have a true passion for excellence and when we act on it, we will stand straighter. We will look people in the eye and see things happen. We will have something to fight for, to care about and to share with other people.

**Relationship**

Relationship among the employees is the strong pillar of good workplace. This contributes to the quality of a healthy workplace. In the best working environment, every member of the workgroup enjoy being co-worker. There is a feeling like a part of a harmonious



community and where people help each other to develop and grow personally and professionally.

**Sharing of information broadly**

Sharing of information as much as possible which is not too confidential help to other members of the workgroup which contributes to overcome the difficult situation in day to day work life. It is felt that when people understand what is one trying to do and how he complete the task, they can tie into it and grab hold of it faster without having to be involved with the actual development because not everybody can be involved with everything.

**Management to demonstrate their trustworthiness:**

Management of good workplaces seem to acknowledge the fact that everyone inevitably has doubts about the Organizations credibility and reliability. Rather than ignore this natural skepticism, they act in ways that allow employees to make up their own minds about the organizations trustworthiness. How these management demonstrate trustworthiness can be summed up as follows:-

- **Patience and consistency:**  
Managers at good workplaces avoid surprises. They implement and change their policies and practices with great care and deliberateness.
- **Openness and accessibility:**  
When there is a free flow of information, employees have plenty of opportunity to learn for themselves what the management is upto, and they can make queries directly to the concerned authorities.
- **Willingness to go beyond the conventional relationship with employees:**  
While a company does more than the expectation of the employees, the employees feel free to do more than they have to do for the company.
- **Delivering on promises:**  
While high sounding promises may generate enthusiasm and excitement, they also increase peoples expectation. People are too conscious when others dont do what they say they will. It undermines trustworthiness.
- **Sharing equitably the rewards of mutual effort:**  
This is a sophisticated human-relation oriented techniques to obscure fundamental inequities in the sharing of rewards.

**Enriching job:**

For enriching the job, there should be motivation to work that is people feel motivated to work harder when they can achieve something tangible in doing their job, get recognized for their work, feel the work itself is interesting and so on. The Manager including the Humane Manager are responsible for implementing the job enrichment program which is to increases workers happiness, reduce absenteeism, decrease turnover and also increase

productivity. The Union of employees can also play a crucial role in the job enrichment.

### **Behave like a leader**

We are all born with certain individual talents. However, to achieve the success requires the support and the cooperation of others. And gaining this support and cooperation requires the leadership ability.

**The leadership principle are:**

1. Trade minds with the people we want to influence.
2. Think progress, believe in progress, push for progress etc.

**The job of leader is:**

- (a) to achieve the set goal.
  - (b) to build an effective and cohesive team; and
  - (c) to 'grow and develop each individual, so that each has the satisfaction of knowing that they are also a valued member of an effective team etc.
2. **A bad work workplace.**

There are so many replies like lack of job security, more work for less pay, daily humiliations, long working hours, ideas of influential management thinkers, inefficiency and negative attitude of the employees, implicit manipulative attitude of the management, feeling of Managers that they are not covered under the word 'employees too etc. etc.

### **Factors of bad workplace**

#### **Size of the organization:**

Size of a company may be a major reason for bad workplace. When more employees are employed/ engaged, the personal touch gets lost. The founder, who used to know the name of each employees children, does not even recognize the newest employees. As the organization grows more, newer employees often understand neither the organisations goals nor the importance of their role in the enterprise. The organization issues ID cards and the employees identity becomes a digital code only. As the business becomes more complex, professional managers appear on the scene with their bags of human-relations techniques that supplement the informal ways of doing things. In the same way, bureaucratic structures appear and memos starts replacing personal conversations between employees and Management.

#### **Politics:**

People who play political games are real obvious here. People say what is on their minds and the management will listen. Those in charge of the organization are often responsible for encouraging a politicized working environment.



Some openly promote rivalries among managers vying for higher positions. More common, however, are top officers who simply turn a blind eye to actions that contribute to politicizing the company. Politicking destroys a sense of community, the sense that everybody is working together for a common goal. It may also be a slow poison for the organisation which leads to make it a sick unit.

**Conclusion:**

The people on the service really have lot of ideas about how their job could be done better. And if we create an atmosphere under which we let them know that we will listen to them carefully, it explodes.

*NB: Article has been written with the help of few renowned book.*

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## DIFFERENT SOURCES OF INSTITUTIONAL FINANCE FOR WOMEN ENTREPRENEURS

Dr. Kasturi Bora \*

### INTRODUCTION

A women entrepreneur is sometimes known as an entrepreneuse. However, with the word 'entrepreneuse' being the French feminine form of entrepreneur, its usage in English in delineating sexes detracts from the meaning of the word 'entrepreneur'. Entrepreneur in English is a term applied to the type of personality who is willing to take upon herself or himself a new venture or enterprise and accepts full responsibility for the outcome. In India, a women entrepreneur is one who owns and controls an enterprise having a share capital of not less than 51% as Partners/ Shareholders/ Directors of Private Limited Company/ Members of Cooperative Society.

Since the turn of the century, the status of women in India has been changing due to growing industrialization and urbanization, spatial mobility and social legislation. Over the years, more number of women are going in for higher education, technical and professional education and their proportion in the labour force has also increased. With the spread of education and awareness, women have shifted from the extent of kitchen, handicrafts and traditional cottage industries to non-traditional higher levels of activities. During the 1970s, the decade of the International Women's Year, efforts to promote self-employment among women received greater attention from the government and private agencies. The new industrial policy of the Government of India has laid special emphasis on the need for conducting special entrepreneurial training programmes for women to enable them to start their own ventures.

During the last few years, a lot has been done in the country to develop new women entrepreneurs through training, and at present most of the states are involved in WED (Women Entrepreneurship Development) programming and SEP/IGP (Self Employment and Income Generation Programmes). A number of institutions/agencies are rendering assistance to women entrepreneurs by giving training, providing financial assistance and marketing assistance.

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It is believed that economic strength is the basis of social, political and psychological power in the society. Thus the lower status of women mostly stems from their low economic status and subsequent dependence and lack of decision making power. Therefore, if women gain economic strength, they gain visibility and voice.

## INSTITUTIONAL SUPPORT FOR WOMEN ENTREPRENEURS

### [1] National Level Standing Committee on Women Entrepreneurs:

A National Level Standing Committee on Women Entrepreneurs was constituted under the chairmanship of the Minister of State for Sports, Youth Affairs, Women and Child Welfare to look into the problems of women entrepreneurs and evolve policies for promotion of entrepreneurship among women in the country. The committee is represented by all agencies connected with the entrepreneurship development, women entrepreneurs and officials.

The committee has evolved certain policies for the promotion of entrepreneurship amongst women. The committee has also recommended a definition of women entrepreneurs, which has been subsequently adopted by Small Scale Industries Board. A women's cell has also been functioning in the office of the DC (SSI) to attend to the problems faced by them and to provide necessary liaison. A model syllabus has been developed for conducting exclusive programmes for women under different categories including tiny units.

### [2] Small Industries Development Organisation (SIDO):

It is an apex body which formulates, coordinates as well as monitors the policies and programmes for promotion and development of small-scale industries in the country both at central and state level. It maintains close liaison with central ministries, Planning Commission, State Governments, Financial Institutions, voluntary organisations and other agencies concerned with the development of Small-scale industries. The activities of SIDO exclude those which fall within the purview of specialised Board such as All India Handloom, Handicrafts, Sericulture, Coir boards, and Khadi and Village Industries Commission.

The office of the Development Commissioner (Small Scale Industries) headed by the Development Commissioner (SSI) and ex-officio Additional Secretary, is an attached office of the Ministry of Industry. Office of the DC (SSI) is commonly called as SIDO.

### [3] National Institute for Entrepreneurship and Small Business Development (NIESBUD):

It was established in 1983 by the Ministry of Industry, Government of India, as an apex body for coordinating and overseeing the activities of various institutions / agencies in entrepreneurship development, particularly in the area of small industry and small

business. The institute is also the secretariat for the National Entrepreneurship Development Board (NEDB), the apex body which determines policy for entrepreneurship development in the country. The institute, thus, performs the task of processing the recommendations made by the board.

[4] Entrepreneurship Development Institute (EDI):

It is the first of its kind in Asia and was set up in May, 1983 at Ahmedabad by All India Financial Institutions, Industrial Development Bank of India, Industrial Credit and Investment Corporation of India, Industrial Finance Corporation of India, and the State Bank of India.

The institute conducts result-oriented Entrepreneur Development Programmes in a systematic and methodical manner, which are so designed to suit the intellectual level and socio-economic background of target group. Special EDPs are conducted for target groups, science and technology graduates, women, for rural self-employment and existing entrepreneurs. EDI also provides expertise for choosing prospective projects and offers Achievement Motivation Training (AMT). Women are treated as a speentrepreneurial development.

[5] National Institute of Small Industries Extension Training, Hyderabad (NIESIET):

The Government of India established an institution known as the Small Industry Extension Training Institute (SIET) in 1960 under the Ministry of Industry for promotion and development of small industries. The institute has been raised to the level of National Institute and renamed as National Institute of Small Industry Extension Training (NISIET) from September, 1984.

The institute is conducting training programmes in the area of development, promotion and management of small, rural and artisan industries including entrepreneurship development, preparation of feasibility reports, project reports, project management, financing, self-infrastructure planning, marketing, information storage and retrieval systems, training methods etc. and state government departments/organisations, financial and other promotional institutions in their programmes for small industry development. Some studies on women entrepreneurs based on the EDP programmes for them are being done by the institute.

[6] National Research Development Corporation of India:

It is a Government of India enterprise established in December 1953 as a non-profit organisation, under Section 25 of the Companies Act. It is a repository of indigenous technologies and inventions. The corporation is engaged in the development and promotion



of appropriate technologies, and in carrying the same to rural areas for improving the quality of life of the weaker sections of the population. Realising that economic independence would accelerate the improvement in the status of women. NRDC is also promoting technologies, which are appropriate for women. The corporation has brought out a publication, which serves as a ready reference for women entrepreneurs and voluntary agencies working for the uplift of women in India.

[7] Small Industries Development Bank of India (SIDBI):

- provides training and extension services support to women entrepreneurs according to their skill and socio-economic status;
- extends financial assistance on concessional terms to enable them to set up industrial units in the small scale sector;
- the programmes for training, consultancy support and extension services for women entrepreneurs are organised through designated agency, such as Technical Consultancy Organisations, Entrepreneurship Development Institute of India, Central; State Social Welfare boards, KVIC or other recognised training and management institutes under Mahila Udyam Nidhi scheme.

[8] National Small Industries Corporation (NSIC):

- The corporation provides industrial finance by way of supply of machines on hire purchase to small industrial units all over the country.
- The corporation envisages larger markets for the products of small-scale industries.
- Ensures availability of certain scarce raw materials, indigenous as well as imported.

[9] State Bank of India:

The State Bank of India offers several schemes suitable for women entrepreneurs. The bank has a number of schemes for financing small-scale industries. The liberalized scheme caters to all the financial needs of SSI entrepreneurs, viz. term loans, cash credit for working capital, letters of credit, bank guarantees, packing credits for exports, etc. In addition to this the Bank has special schemes for SSI units, viz. Entrepreneur scheme and equity fund scheme where loans can be given at a very low/nil margin to technically qualified and experienced persons. The *Equity Fund Scheme* provides equity support to needy small-scale units by way of interest free long-term loans repayable over a period of 5 to 7 years after a moratorium of 5 to 7 years. To make the assistance to women entrepreneurs more effective and insure a wide coverage, the banks have consolidated the above schemes under the *Sthree Shakti* package. This involves a financial package aimed at reinforcing the Bank's efforts in the area of developing entrepreneurship among

women. Concession in respect to margin and rate of interest has been built into this package. A 5 per cent reduction in margin for all categories of advance, and concession in the rate of interest varying from 0.5 per cent to 1.5 per cent are the two distinct benefits of this package. Also envisaged in the package are Entrepreneurship Development programmes, designed exclusively for providing entrepreneurial and managerial skills to those women entrepreneurs who have no formal training on exposure to business, thereby to put them on a sound footing. These programmes are free of cost. A beginning has already been made in this direction.

[10] Industrial Development Bank of India (IDBI) :

The IDBI has floated a special scheme for women entrepreneurs with twin objectives namely, (1) to provide training and extension services support to women entrepreneurs through a comprehensive package suited to their skills and socio-economic status, and (2) to extend financial assistance on concessional terms to enable women entrepreneurs to set up industrial units in the small scale sector. These programmes (EDPs) for women are to be organised through recognised institutions such as TCO, EDI, Khadi Village Industries Commission (KVIC), voluntary agencies, etc. The IDBI provides assistance upto Rs. 10,000 per women trainee, an amount expected to take care of training, stipends, cost of course material, market visits, consultancies, post-training follow-up and escort services. The IDBI has set up a fund of Rs.5 crores called *Mahila Udyam Vidhi Scheme* to provide seed capital assistance to women entrepreneurs.

[11] IFCI Scheme of Interest Subsidy for Women Entrepreneurs:

The main objective of the scheme is to provide incentives to women having business acumen and entrepreneurial skills so that avenue of self-development and self-employment are created for them. The scheme covers all industrial projects, whether in rural, cottage tiny or small-scale (including ancillary) sectors (with project cost upto Rs. 10 lakh), if set up by a woman entrepreneur, on her own with the minimum financial stake of 51 per cent in the unit. Eligibility conditions for availing the subsidy under the scheme are as follows:

- She should have preferably (though not necessarily) undergone a full course of an Entrepreneurship Development Programme (EDP).
- She should be unemployed before taking up the industrial venture and after taking up the industrial venture should not have engaged herself on a part time or full time basis in any other business, trade, profession or vocation.
- The enterprise should be owned and administered by the woman entrepreneur herself with a minimum financial interest 51 percent in the share capital of the venture and must be giving at least 50 percent of the employment generated in the enterprise to women.



- The industrial venture undertaken should be her first venture and she should be devoting full time to her venture.
- She must have been sanctioned and disbursed financial assistance by and SFC or a state level financial institution performing the role of SFC or a bank for block capital/meeting capital cost of the project.

[12] National Association of Women Entrepreneur and Executives:

The National Association of Women Entrepreneurs and Executives (NAWEE) is an all India body, which is nonpolitical, non-profit, membership organisation. It performs the following functions.

- Acts as a clearinghouse on problems and opportunities facing women entrepreneurs and executives of all levels and to assist them in their self-development and protection.
- Acts as a Training and Development Institute so as to further equip women to be able to meet the various challenges in their respective environments.
- Works closely with industries and organisations concerned with women entrepreneurs and executives in establishing benchmarks on successful operations through research and analysis.
- Establishes hostels, dormitories and apartment facilities for women entrepreneurs and executives and provide any other facility required for such working women.
- The assistance under the schemes will be in the form of one time subsidy, determinable on a case to case basis, and will be equivalent to the amount of interest payable by the industrial unit set up by the women entrepreneur(s) to the SFC or the state level financial institutions performing the role of SFC or bank, for the loan assistance dispersed for the project for a period of one year, subject to a ceiling of Rs. 20,000 per annum, provided the unit is promoted wholly by a women entrepreneur and there is no other corporate investment, otherwise.

On review of the functions of various institutes listed above, it was observed that there exists no separate institution exclusively dedicated to the promotion of women entrepreneurs. Various institutes formulated for general entrepreneurial development and assistance were also operating separate schemes for women entrepreneurs. However, women entrepreneurs receive more attention and additional concessions than general entrepreneurs in the small-scale sectors.

## CONCLUSION

Economic development is essentially a process of upward change whereby the real per capita income of an economy increases over a period of time. Entrepreneurship plays

a premium role in promoting the economic development of the country. Men have been the part of the entrepreneurial culture for long. But it's only recently that Indian woman joined their counterparts. They have steadily moved from the status of housewives to educated women, employed women and now women entrepreneurs. They are now contributing their share of potential towards economic development of the country though not equally but to some extent. Initially they confined themselves to the traditional business of pickle and papad making. But now they can also be seen in the technical fields such as engineering, electronics, and energy. Government support and social changes have been largely responsible for the development of women entrepreneurs. But still the growth is not satisfactory. Women entrepreneurs constitute a negligible proportion of the total number of entrepreneurs. An array of factors could be ascribed as hindering the growth of the women entrepreneurs. The most dominant ones are the lack of proper training, inadequate financial assistance, inherent weaknesses in Indian women namely poor self image, inadequate encouragement and motivation, lack of courage and confidence, fear of failure and criticism, and last but not the least societal attitudes. To rectify the situation a lot is needed to be done on the part of the government, women herself and society at large.

It can be said that women entrepreneurship has crossed the stage of transition and it is finally in flight, but still there is a long way to go till they actually can compete on par with men, and emerge as successful business giants. Thus the need of the hour is the creation of congenial social, political and economic environment where the entrepreneurial skill of the women can be nurtured and developed which, in turn results in the economic development of the country.

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## The Indian way of management

Dr. Rinku Agarwal \*

**Abstract:** *Is there an Indian way to do business? To understand this, we need to first understand the Indian landscape. Until the 90s - India was a closed economy. The general perception was that once the economy opens up, it would be taken over by the large multinationals. Instead, the opposite happened - Indian businesses reacted positively to the opening of the economy.*

**Keywords:** India, Leader, Business, Organization etc.

### India's evolving economic landscape:

The India of today is very different from the country which the British ruled and equally distant from the early post-independence India. Under British rule, the Indian economy stagnated, with economic growth averaging 0.8 percent between 1900 and 1950. With the population growth matching it, the per capita income was stagnant. Following independence, the Indian government embarked on an import-substitution policy that entailed extensive governmental controls on all facets of business activity. It is fair to say that this policy combined the worst aspects of capitalism and socialism and significantly hampered India's ability to grow rapidly between 1950 and 1980. During this period the Indian economy grew at a rate of 3.5 percent per annum, a rate that many analysts often came to deride as the "Hindu rate of growth."

The first step towards reforming the Indian economy took place when Rajiv Gandhi became the Prime Minister. However, the main impetus for reform came in 1991 when a series of bold policy initiatives were taken in light of the acute balance of payments crisis that the country was facing. Tariff levels were lowered, industrial licensing was eliminated, foreign investors were granted 51% equity in their ventures in India as a matter of routine, and the exchange rate policy was reformed.

The initiation of economic reforms has been widely beneficial. Poverty levels have declined by about a third and the information technology sector has grown, with India having captured 75 percent of the IT services export market. The manufacturing sector is once again growing and there is an overall shift in the composition of India's GDP, with services now accounting for 51 percent of a country's GDP and agriculture constituting only 20.5 percent. The rapid growth of the Indian economy since the economic reforms in 1991 has resulted in a growing middle class.

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India is now also emerging as a major hub in the knowledge-based economy. This is reflected in a number of different indicators. For example, more than 225 of the Fortune 500 companies have established R & D and product design centers in India. The R & D design centers span a wide spectrum of industries.

Indian Businesses restructured, improved their capital structures, brought in good management skills, and, over a period of time, they professionalised and globalised themselves as well. As Indian businesses have become bigger and globally more important, there is something that can be identified as The India Way of management or doing business. There are quite a few unique aspects that can be attributed to Indian managers and The India Way of doing business.

First, unlike other countries, Indian companies are largely led by family promoters. Unlike in the US, an Indian entrepreneur tends to stay with his business till the end. In India, it is also a norm for the promoters' children to take over the business, which is less common in the US or other western countries. The legacy issues are much stronger here than in any other country.

But at the same time, Indian promoters also recognise the need for professional managers. India, therefore, has a situation of both promoters and professional managers running a business and working seamlessly with each other. This is clearly visible in family-promoted Indian conglomerates such as the Tatas, Birlas, Mittals, etc.

As a result, it's a mix of organisational capabilities, management practices, and company culture that sets Indian enterprises apart from firms in other countries. The Indian business is characterised by greater employee engagement, an ability to improvise and creatively deliver value to customers, and missions that extend beyond delivering shareholder value.

The second uniqueness of India is the fact that we have developed very good management talent over the years and this is perhaps most aptly demonstrated by the graduates from the Indian Institutes of Management (IIMs). Now there are more students passing out of Indian B-schools and these young managers are collectively coming together with older experienced managers to create a managerial cadre that has diverse skill sets and who are able to operate successfully both in India and internationally.

The third uniqueness about India is the dexterity required to operate a business here. If one can operate a business in India he can do so anywhere. It's not that Indian managers are inherently more creative than their counterparts elsewhere. But they operate in a complex, often volatile environment with much red tape. They, therefore, have to be nimble footed to be able to move with a constantly-changing and evolving policy framework, low quality of infrastructure that reduces smooth flow of physical and financial capital, corruption, bureaucratic procedures that increase transaction costs - all hurdles for doing business in India.



Indian managers are used to finding ways around obstacles, including lack of resources. It's a mindset captured by the Hindi term "jugaad", which refers to a willingness to persistently improvise creative solutions. But, there is also a downside to jugaad - it often leads to less sustainable or lower quality solutions which do not create lasting improvements.

The Indian management style is still being explored and developed. A typical style of Indian management is still to be identified. For example, the Japanese style of management had Total Quality Management, or Just in Time Management, etc. In India we don't really have any such commonalities across geographies or across different companies.

More than an Indian management style, it's rather the Indian managers themselves who are better-qualified and better equipped to run companies efficiently and successfully in a difficult environment.

There is pragmatism, flexibility, ability to work in a difficult operating environment, knowledge of English and democratic values, ability to work in mixed environments with promoters, etc. These are the important facets in The Indian Way of management.

Making money in India today needs varied skills to be able to see monetary light that at the end of this dark tunnel. But that is only one part of the Indian way. Those wanting to understand and exploit it need to understand India's cultural values and attitudes and embed them into their business plans. Still evolving, it needs the conviction of economic success before it can be ratified. Until then, exposing the Indian people to the vagaries and brutalities of the selectively free market mechanism needs a little toning down.

#### Four distinctive Indian business capacities:

**1. Holistic engagement with employees.** Indian business leaders see their firms as organic enterprises where sustaining employee morale and building company culture are treated as critical obligations and foundations of their success. People are viewed as assets to be developed, not costs to be reduced; as sources of creative ideas and pragmatic solutions; and as bringing leadership at their own level to the company. Creating ever-stronger capabilities in the workforce is a driving objective.

**2. Improvisation and adaptability.** In a complex, often volatile environment with few resources and much red tape, business leaders have learned to rely on their wits to circumvent the innumerable hurdles they recurrently confront. Anyone who has seen outdated equipment nursed along a generation past its expected lifetime with retrofitted spare parts and jerry-rigged solutions has witnessed *jugaad* in action. Adaptability is crucial as well, and it too is frequently referenced in an English-Hindi hybrid, "we will adjust or accommodate."

**3. Creative value propositions.** Given the large and intensely competitive domestic market with discerning and value-conscious customers, most of modest means, Indian business leaders have of necessity learned to be highly creative in developing their value



propositions. Though steeped in an ancient culture, Indian business leaders are inventing entirely new product and service concepts to satisfy the needs of demanding consumers and to do so with extreme frugality.

**4. Broad mission and purpose.** Besides servicing the needs of their stockholders — a necessity of CEOs everywhere — Indian business leaders stress broader societal purpose. They take pride in company success — but also in family prosperity, regional advancement, and national renaissance.

Bundled together, these principles constitute a distinctive model, and one that contrasts with combinations found in other countries, especially the United States, where the blend is centered more on delivering shareholder value. Indian business leaders as a group place greater stress on social purpose and transcendent mission, and they do so by devoting special attention to surmounting innumerable barriers with creative solutions and a prepared and eager workforce.

#### **India Way: How India's Top Business Leaders Are Revolutionizing Management:**

Exploding growth, Soaring investment, Incoming talent waves- India's top companies are scoring remarkable successes on these fronts and more. Instead of adopting management practices that dominate Western businesses, they're applying fresh practices of their own in strategy, leadership, talent, and organizational culture. In *The India Way*, the Wharton School India Team unveils these companies' secrets drawing on interviews with leaders of India's largest firms - including Mukesh Ambani.

India has a diverse workforce, and the approach will depend on where the team are based, and the type of industry they work in – for example, rural workers may think and behave in very different ways from those working for multinational companies in major cities. So every situation need to be treated on a case by case basis. Although religion is unlikely to affect a person's work, it is a major part of Indian life. It's also common for Indian organizations to take a more flexible approach to holidays if they work closely with departments or organizations in other countries.

India has a social system, known as the caste system. The caste system is unlikely to affect working relationships, especially in the larger cities. However, it's possible that it could directly influence how the team members relate to, and work with, one another. Therefore, it's important to be aware of it.

In many Western Organizations, managers often motivate their teams with pay incentives or flexible working hours. But in India, these methods may not be as effective. Instead, many Indian people are inspired by their task significance – in other words, by how their efforts contribute to a larger goal. Understanding their task significance empowers them, and gives them a sense of purpose.

Also, in many Western organizations, customers come first, profits second, and employees third. But in India, organizations may put employee first, customer second, and profit third, so that their employees are their top priority.

"The India Way" also states that human resources are a major part of many Indian organizations' business strategies. People are often much less concerned about labor costs such as recruitment, training and development, and benefits, than Western organizations. This is partly due to the "employees first" idea. People in India are more likely to be motivated by knowing that what they are doing is contributing to organization's overall goals.

Whether we have something that is definably "Indian" in our management style will require further exploration, research and articulation. But the thought process in this direction has certainly started.

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## MARKETING PROSPECTS FOR HANDLOOM PRODUCTS OF ASSAM

By Fakaruddin Ahmed \*

The Handloom sector plays a very important role in India's economy. It is a part of our culture and heritage and one of the largest economic activities after agriculture having the capacity of absorbing a greater number of manpower. In 2009-10 this sector provides direct employment to over 65 lakhs persons in India of which 60.40% are women. This sector contributes nearly 19% of the total cloth produced in the country and also adds substantially to export earnings.

The Assam handloom products have a distinct place in the world of fabrics. This is not just a cloth material or traditional wear; it is symbolic to the Assamese civilization, which is one of the oldest on the planet. We had a long tradition of excellence in making high quality of handloom products with extraordinary skills and craftsmanship when there are no such skills were available anywhere in the world.

The Handloom sector is not only our past glory but also it plays a vital role even in the context of present Indian economy. The level of artistry and intricacy achieved in the handloom fabrics is unparalleled and beyond the scope of modern machinery. It represents diverse cultural ethos ranging from exquisite fabrics, which take months to weave, to popular items of mass production for daily use. Hand weaving is one of the richest and the most resilient media of ethnic expression

The reservoir of handloom skills is concentrated in the North-Eastern states of India, who together account for 16.83 lakh (60.5%) handloom households out of the total 27.83 lakh units engaged in the Country.

Assam alone accounts for 12.41 lakh (44.6%) handloom households, whereas Manipur and Tripura have 1.79 lakh (6.4%) and 1.21 lakh (4.3%) such households, respectively. However, only 13.4% of the commercial looms of the country are in NEI and their contribution to the country's total production of handloom fabrics is merely 20%. In 2009-10, a total of 1403484 weavers are found engaged in this profession in Assam of whom 147042 are full time weavers while 1256442 are part time weavers. Handloom weaving has an overwhelming presence in the socio-economic life of Assam since time immemorial. The loom is a prized possession and has been a way of life in the state. As one of the oldest and largest industry it is known equally for its pristine simplicity

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and unequalled charm. The techniques of weaving are handed down over generations, allusions to that are available in Assamese literature and scriptures.

Assam's handloom industry is basically silk-oriented. The salubrious climate of Assam is suitable for sericigenous flora and fauna. The most prominent and prestigious being muga, the golden silk. Muga silk is not only sensuous and beautiful but also strong and durable. Assam's golden silk is obtained from the caterpillar; *Antheraea assama* Westwood. Widely distributed and cultured in the Brahmaputra valley, the silk worm is multivoltine and non-hibernating. As many as 260707 families are associated with sericulture in Assam in 2009-10. Out of these families the highest 8902 families are involved in Muga culture followed by 7623 and 4704 families respectively in "eri" and mulberry culture. The "eri" (Non-mulberry) silk is used in manufacture of warm clothes for winter. According to tradition, the skill to weave was the primary qualification of a young girl for her eligibility for marriage. This perhaps explains why Assam has the largest concentration of handlooms and weavers in India.

Assam also has the largest number of weavers in the country. Many industries have come up in the state but they don't come even close to the demand created by the handmade textiles in the global market. The tradition of handlooms has stayed alive through the many tribes that are residing in the state.

The handloom products of Assam are mainly marketed in the domestic market and a little amount exported to different part of India as well as Abroad. There is a great demand of Muga plain fabric in Japan for making their traditional dress called "Kimanu". The main fabrics exported are Plain muga fabrics and design "Saree" of Muga and Mulberry silk.

Sualkuchi is the place where the world famous Assam silk is grown. Various varieties, such as, Golden Muga, the White Pat and the warm Eri are grown here. It is located at a distance of 32 kilometers from Guwahati. This village is often called the Manchester of the East. What is striking is that the entire population of the village is engaged in weaving silk fabrics. Amongst all varieties of silk that are grown here the best is Muga. The golden silk of Assam is unique to this state.

There is potential for handloom exports from Assam as the US is a major importer of these products. Products such as Muga, Eri and Mulberry silk have good demand in world markets. Countries such as Japan, the EC, South Africa and Syria were emerging markets for handloom products from Assam.

The Government is exploring the possibility of making optimal use of the resources to enhance production capabilities of exportable handloom products. A provision of Rs. 26 crores was made to implement the Handloom Export Scheme during the 10th plan. From 2002-03 to 2006-07, 57 Export Projects were sanctioned and Rs. 802.42 lakhs were released to various agencies covering 3942 weavers. During the same period, financial



assistance of Rs. 1165.20 lakh was released for participation in 47 international trade events to the Handloom Export Promotion Council (HEPC), Association of Corporations and Apex Societies of Handloom (ACASH) and Handicrafts and Handlooms Export Corporation of India Limited (HHEC). During the year 2008-09, 399 marketing events were organized, which includes 17 National Handloom Expos, 74 Special Handloom Expos, 301 District Level Events and 7 Craft "melas" (exhibition) besides promotion of Handloom Mark through publicity.

As a part of product diversification, the Govt. Promoted organization for silk that will be used for making Jeans. According to Chairman of Central Silk Board (CSB), Govt. of India, the CSB has also developed fabrics that will be used for making every day wear T-Shirts other than "Saree"s and women's dress material. The CSB has been trying to revamp the image that Indian silk is often associated with women's wear and is meant for rich and well-to-do. In a move towards product diversification, the CSB have introduced a slew of items like carry bags and visiting cards made out of soft yarn, due to recession, the demand for Indian silk has gone down drastically and exports have fallen by Rs.1000 crore in the last one year. Cheap Chinese silk is giving stiff competition to Indian Silk in the International and National market. Chinese textile products are 10-20 percent cheaper than Indian ones. The Ministry of Textiles, Govt. of Assam has taken an initiative to promote the "Silk Mark", an official mark on items made of silk, on the lines of "Hallmark" for precious metals and "Wool mark" for woollen products in order to differentiate pure silk from fake silk. These steps will not only help to promote Indian Silk but also help to beat the double whammy of the economic slowdown and slump in demand.

For upliftment of handloom sector it is most essential to identify the problems faced by this industry. Poor marketing and insufficient market linkage outside the state ails the industry from growing and earning more revenue. Apart from other, innovations in design to cope up with the latest market demand are not sufficient and have posed a threat to this indigenous industry. Therefore, it is high time that all round efforts are made to revive this important and unique industry.

Artist and sculptors, masons and architects, and others practicing minor crafts such as weavers, spinners, potters, goldsmiths, artisan's of ivory, wood, bamboo, cane and hide flourished in Assam from ancient times. Weaving is one of the most significant aspects of Assamese culture. From the ancient times Assamese people are weaving their own cloth from cotton and silk from tree fiber as raw materials. Every household possesses a handloom used to produce silk and (or) cotton clothes of exquisite designs. The Eri, Muga and Pat are the important silk products of Assam.

The moment anybody step in Assam, can get to notice the different forms of arts and crafts that are prevalent in the state. Every single item that can see on the walls and



windows of homes are a perfect example of the states tradition in arts and crafts and must have seen similar items produced in other parts of the world as well, but none are as original and creative as the articles can find in Assam.

Handloom industry in Assam is an old industry. It is most important cottage industry in Assam, which has glorious past from the time immemorial. It is closely related with art and culture of Assamese society. It has always been held to be the one of the highest attainment of Assamese women. From time immemorial the handloom has been maintaining its position as vital industry in state. Most of the weavers of N.E. region are part time weavers and large number of weaving output are produced in noncommercial firms, the quality of handloom products are very fine in form of texture and durability. But now most important is the colour combination and design. According to the design and colours it will help to tackle up market inside of nation and in abroad".

**MARKET:** Despite the reputation of handloom cloths and its popularity, even in neighboring countries, the market of handloom production never developed on the expected line due to proper design and colour combinations. As a matter of fact the fine texture and durability of handloom products with proper design and colour are saleable in India and abroad" Value addition through diversification in design, colour combinations for suit the urban test will definitely change the demand of Handloom product. The present marketing mechanization for handloom fabrics in the state can be classified into three heads.

- \* Marketing under the co- operative organization.
- \* Marketing under Government organization Corporation/ Department
- \* Marketing by independent weaver through wholesale and retail sale

#### **Marketing under Co-operative organization:**

Since the beginning of Handloom Co-operatives, the marketing of the handloom fabrics had undertaken in the co-operative sector by providing a network of service to augment the marketing of cloths produced by them. Under the patronage and schemes of handloom development undertaken by the All India Handloom Board, the cooperative outlet in Assam and other states help in improving market system for handloom fabrics.

The Assam Apex Weavers & Artisans Co-operative Federation Ltd. (ARTFED) was formed on 27th July 1977 by reorganizing the Assam Apex Weavers Co-operative Society Ltd. with the aims and objects that the Apex Society shall organize Handloom Weaving and other Cottage Industries in the state on Co-operative basis. The area of operation of this Apex Co-operative Federation is in the entire state of Assam. The Federation has now 16 districts and 988 number of primary level Co-operative as its members. The Co-operative Federation is creating employment opportunities to lakhs of weavers and artisans in Handloom Weaving as well as in Handicrafts activities throughout the year. The



Federation is also bearing responsibilities for social development of weavers and Artisans of the State apart from economic development.

The Federation has expanded its business to a considerable extent and made reasonable profits during the last few years, ARTFED has established 53 showrooms inside and outside the state and propose to open another 5 showrooms within the financial year. Out of 53 showrooms, 48 showrooms are located inside the states and 5 showrooms are located outside the state. The showrooms at Kolkata, Jaipur, Kanpur, Indore, Delhi (yet to be opened), Lucknow (yet to be opened) and Bangalore (yet to be opened) are owned by ARTFED as its Capital assets. ARTFED has already opened 8 showrooms in Guwahati city of which the showroom at Rehabari is constructed at its own land as a very sophisticated Air Conditioned showroom of the North-Eastern Region. Another showroom near Borjhar Airport is also under construction at its own land and almost completed for opening.

ARTFED has also entered Global Market with exportable products. It has obtained orders from foreign buyers from Japan, U.S.A., East European Countries Taiwan, Israel etc. Goods worth several million rupees have already been exported to the aforesaid countries. With a view to strengthen the export base ARTFED has participated in the Heimtextile Fair in Frankfurt, Germany consecutively for the three years.

#### **Marketing under Government Department:**

The only department which engaged in marketing of handloom fabric in the state is the Directorate of Handloom & Textiles, Assam. As the department has network of 52 weaver's extension service unit in all over Assam.

#### **Government own corporation:**

The Assam Government Marketing Corporation Ltd. (AGMC): AGMC since its inception has provided the facilities of marketing in different part of Assam and also outside the state opening its Emporia or selling center. Presently there 27 numbers of emporiums including three outside the state.

b) North East Handicraft & Handloom Development Corporation: As a part of selling programme, the corporation has established five emporiums one each in Guwahati, Shillong, Madras, Delhi and Bangalore.

#### **Marketing by independent weaver through wholesale and retail sale:**

The entrepreneur can sale their product directly to customer through retailer or wholesaler.

*Sources: internet websites*

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# **"FINANCIAL APPRAISAL IN STATE FINANCIAL CORPORATION": A CASE STUDY OF ASSAM FINANCIAL CORPORATION.**

Dipak Chakrabarty \*

## **INTRODUCTION**

In the present business world, no business organization can justify its existence without reflecting a reasonable degree of efficiency in the management of its finance. That is to say an efficiency management of finance is necessary for strengthening of the financial position of an enterprise.

A business firm is daily confronted by financial decisions- Some are important and others are less. So, some with the long run implications and some which are crucial in the Short - run. Some which are easily quantified and which must rest on judgment alone. Whatever the case may be, an enterprise has to be efficient enough in managing its finances not only in totality but also in Segmental performance as far as possible.

## **OBJECTIVE OF THE STUDY**

To appraise the financial position of "Assam Financial Corporation" in regard to its solvency and liquidity.

## **METHODOLOGY:**

### **Data:**

The data used in the present study is secondary in nature. It was collected from the annual reports and website of the corporation.

### **Tools:**

To study the performance of the corporation in depth, ratio analysis, comparative financial statements analysis and bar diagrams have been used.

## **About the Corporation:**

Assam Financial Corporation is only one State financial corporation of Assam covering 27 districts in Assam and the State of Meghalaya, Manipur and Tripura. The corporation was established under the SFC ACT-1951 in the years 1954 on 19<sup>th</sup> April. The AFC was incorporate as govt. of Assam undertaking with an object of extending credit in order to sustain overall development of industrial sector of Assam. Although, the corporation has contributed in different sectors through various

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activities, yet the performance is not satisfactory due to number of factors such as loan sanction and disbursement policy, poor recovery of outstanding loan political interference in management etc.

### FINANCIAL APPRAISAL: AN OVERVIEW:

Appraisal or analysis of financial statements is the process of identifying the financial strengths and weakness of a firm by applying the necessary tools.

Ratio analysis: solvency ratios

Debt-equity ratio

Debt- equity ratio = Long Term Loans+Share holder Funds

For financial year 2009-10

Loans = Rs.40,000,000

Capital=Rs.134,296,900

=0.298

For financial year 2011-11

Loans = Rs.140,000,000

Capital=Rs.183,996,900

=0.761

### **Inference:**

On comparing 2010-11 with 2009-10 it is seen that in the former year there was a low debt equity ratio as compared to the ratio in the latter year, For the creditors, a low debt-equity ratio means a larger margin of safety since owners equity is treated as a margin of safety by creditors. But in 2010-11, the debt equity ratio increased, indicating greater risk to the creditors.

The financial soundness is further evident from the debt to total funds ratio.

Debts to total funds ratio= Long term debts÷ Capital Employed

Capital employed=Net fixed Assets + Current Assets – Current Liabilities.

For financial year 2009 – 10

Long term debts =Rs.40,000,000

Capital employed = (Rs.11514429+Rs.74571538-Rs.13279180)

= Rs.72806787

=0.549 times

For financial year 2010-11

Long term debts =Rs.140,000,000

$$\begin{aligned}\text{Capital employed} &= (\text{Rs.}11444459 + \text{Rs.}94241323 - \text{Rs.}26568122) \\ &= \text{Rs.}79117660 \\ &= 1.770 \text{ times.}\end{aligned}$$

**Inference:**

In the year 2009-10 the debt to total fund ratio was 0.549 times, which increased to 1.770 times, in 2010-11 because of the increase in amount of debt. It implies a margin of safety for the creditors. This would make difficult for the corporation to raise additional debts. Also the condition would exercise pressure on the management.

**Liquidity Ratio:****Current ratio**

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current liabilities}}$$

For financial year 2009-10

$$\begin{aligned}\text{Current Assets} &= \text{Rs. } 7,45,71,538/- \\ \text{Current Liabilities} &= \text{Rs. } 1,32,79,180/- \\ &= 5.62: 1\end{aligned}$$

For financial year 2010-11

$$\begin{aligned}\text{Current assets} &= \text{Rs } 24,77,46,152/- \\ \text{Current liabilities} &= \text{Rs. } 2,65,68,122/- \\ &= 9.33 : 1\end{aligned}$$

**Inference:**

The current ratio increased with the increased in the unit of assets available for each unit of liability from 5.62 to 9.33. Current ratio of 2 : 1 is considered to be satisfactory. Since the corporation had a current ratio of more than 2 in both the financial year, it showed that the corporation was adequately liquid and had the ability to meet its current obligations. The higher the ratio the greater the margin of safety for short time creditors and vice versa.

Absolute liquid Ratio

$$\begin{aligned}\text{Absolute Liquid Ration} &= \frac{\text{Absolute liquid Assets}}{\text{Current liabilities}}\end{aligned}$$



For Financial year 2009-10

Absolute Liquid Assets	= Rs.5,88,25,066/-
Current liabilities	= Rs. 1,32,79,180/-
	= 4.43 : 1

For financial year 2010-11

Absolute Liquid assets	= 2,22,26,37,842/-
Current liabilities	= Rs.2,65,68,122/-
	= 8.38 : 1

**Inference:**

Absolute liquid ratio indicates the half of rupee of quick assets available for each rupee of current liability. Traditional an absolute liquid ratio of 0.5:1 is considered to be satisfactory. The increased in the ratio from 4.43 to 8.38 is good. But a firm having a ratio of more than 1 may not be meeting its short term obligations and a firm having a ratio of less than 1 may be meeting its short term obligations because of an efficient management.

**Financial Structure Analysis:**

Particulars	2009-10	2010-11	Absolute Change	Proportionate Change(%)
(A)Fixed Assets	11514429	10530141	(984288)	(8-55)
(B)Working Capital	61292358	2211780030	159885672	269
(C)Capital Employed (A+B)	72806787	231708171	158901384	218
(D)Less : Long-Term Debts	40000000	140000000	100000000	250
(E)Share holders Fund (C-D)	32806787	91708171	(58901384)	(180)

**Inference:**

- ❖ It is evident from the above figures that there has been a considerable change in the amount of fixed assets. That sale of fixed assets has accounted for as 8.557 increased.
- ❖ The working capital has increased since the amount has been used realized from fixed assist.
- ❖ The capital employed has increased in the from of increase debts.
- ❖ There has been a significant amount of borrowing by the company, which indicates a growth of 250% in terms of debts.

- ❖ The shareholders fund has reduced one of the reasons could be the written off accumulated lost in the FY 2010-11

### CONCLUSION:

The sense of the financial Soundness of a Corporation lies in balancing of goals, commercial strategy, Product market choices and financial needs. It can be concluded that the increase in fixed interest bearing the debts and utilization thereof in low return investment in 2009-10 is not a healthy sign for the corporation. There has been increasing in working capital due to investment in current assets and also discharge of current liabilities. Further, in order to enhance the strength the corporation needs to pull up its stocks in terms of providing an adequate margin of safety for the investors at large.

### RECOMMENDATIONS

- ❖ The money should be invested in such ventures wherein the return an investment is higher than the fixed rate of interest on debt.
- ❖ The repayment of debts in time should be ensured so that there is enough working capital for paying off the creditors and BOD and avoiding interest payment.
- ❖ The corporation should also try to improve the profitability aspect.

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# BANANA PLANTATION AND ITS COMMERCIAL VIABILITY IN GOALPARA DISTRICT

PANKAJ KR. RABHA \*

## INTRODUCTION

A banana plantation is a commercial agricultural facility found in tropical climates where bananas are grown. Banana plants may grow with varying degrees of success in diverse climatic conditions, but commercial banana plantations are primarily found in equatorial regions, in banana exporting countries. The four leading banana export countries worldwide are Ecuador, Costa Rica, Philippines, and Colombia. Ecuador provides more than 33% of the global banana export. In 2004, banana producing countries total 130. Production, as well as exports and imports of bananas, are nonetheless concentrated in a few equatorial countries. 75% of total banana production in 2004 was generated in 10 countries. India, Ecuador, Brazil and China produced half of total bananas. Latin American and Caribbean countries lead banana production up to the 1980s, and Asian nations took the lead in banana production during the 1990s.

Banana (*Musa accuminata* L.) belongs to the family Musaceae. It is one of the oldest fruits known to mankind. Banana plants are the largest plants on earth without a woody stem.

Banana is the most delicious fruit used as subsidiary food. It is consumed as table purpose as well as culinary fruit, its leaves are universally used for serving meals in South India and chopped banana stems are used as cattle feed. Some species of banana yield fibre, which is used for making ropes. The tip of inflorescence is cooked as a vegetable in some places. The plant is also used for decoration purpose in wedding, festivals and fairs. It is used as raw material in industries for preparation of banana powder, chips, juices and beer. The juice of banana stem is used in making paper bond, tissue paper etc.

The banana is considered to be one of the most primitive, cultivated tropical fruits in India which ranks next only to mango in area and production. It is not only the staple food of millions of people, but also the most important commercial fruit of the tropical areas of the world now. The cultivated banana is botanically named as *Musa paradisiaca* belonging to the family Musaceae. It is believed to have originated in the hot tropical regions of south east Asia. It is extensively grown in many countries like Mexico, Egypt, Israel, South Africa, Indonesia, Philippines, Brazil, and Sri Lanka. Next to Brazil, India is the second largest banana producing country in the world. The chief banana growing

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states in India are: Maharashtra, Karnataka, Kerala, Tamil Nadu, Andhra Pradesh, Orissa, Bihar, West Bengal and Assam. Banana occupies an area of about 2.83 lakh hectares with an annual production of 46.26 lakh tonnes.

Banana is a rich source of energy in the form of sugars and starch, available almost throughout the year and is the cheapest fruit in India. Almost all the parts of a banana plant are useful and today, it is the leading tropical fruit in the world market with a highly organised and developed industry.

### **RATIONAL OF THE STUDY:**

Banana is the cheapest and most nourishing of fruits. It has got a number of uses. Almost all the part of banana is useful in some on other ways. It is used for industrial raw materials and it has also medicinal uses. Banana is used in industrial sector to prepare products like banana pulp, canned slices, jam, flakes, juice, banana sigs, chips, fruit bar, powder etc. Its uses differ from one region to another. For example in Tamilnadu, banana is especially cultivated for leaves to make dinner plates and wrapping material. Besides, banana is also used for household purposes as fruit, vegetables for preparing curry, leaves and sheathes for various purposes. Moreover, it has a vast scope for generating income. Therefore it can be easily assumed that banana is not only useful for household consumption but it generates scope market viability.

### **OBJECTIVES OF THE STUDY:**

- i) To estimate the costs and returns of tissue culture banana and sucker propagated banana.
- ii) To compare the resource use efficiency of tissue culture banana with sucker propagated banana.
- iii) To identify the marketing channels and marketing cost incurred by the producer.
- iv) To identify the problems encountered in production and marketing of banana.

### **PROFILE OF THE GOALPARA DISTRICT**

Goalpara district is one of the few hilly districts of the state of Assam with the headquarters located at Goalpara town. The district is bounded by Barpeta district in the North, Meghalaya state in the south, Dhuburi in the west and Dispur on the west. The mighty river Brahmaputra flows from east to west on the Northern boundary of the District and the main tributaries are River Dudhnoi, Krishnai, Jinjiram and Jinary. Goalpara district has many worth visiting sites to explore.



## Facts &amp; Figures

Year of formation	1983
Area	1911 sq. km
Latitude	25.53 and 26.30 N
Longitude	90.07 and 91.05 E
Population (2001)	8, 22,306
Male	4, 20,707
Female	4, 01,599
Population density	451 per sq. km
Literacy Rate	58.56%
No. Of Sub-Division	1
No. of Tehsil	5
No. Of Blocks	8
No. of Towns	2
No. Of Villages	834
Average rainfall	2424.01 mm
Temperature	Max.: 33°C; Min.: 7°C
Postal Code	783101
STD Code	03663

## How to reach

**Air:** The nearest Air Port is Lokopriya Gopinath Bordoloi air port situated at Borjhar near Guwahati. It is a 4-hour Bus journey from Guwahati to reach Goalpara.

**Rail:** The nearest rail head is New Bongaigaon station, which is connected by train services from all places in the country. From New Bongaigaon it takes nearly one hour to reach Goalpara by Bus.

**Road:** Goalpara town is located on the south bank of river Brahmaputra. The district is well connected by Road & NH-37, NH-51, NH-31B are passing through the districts. After construction of the Naranarayan Setu (Bridge) over the mighty Brahmaputra, road communication from the north bank has become easy and convenient. Buses ply regularly from Guwahati (150 km), Dhubri, Bongaigaon, Cooch Behar and Siliguri.

## METHODOLOGY:

### 1. Data collection methods.

#### a. Primary data

Primary data are collected through the observation, field survey and personal interview by asking unstructured question.

#### b. Secondary data

For the conduct of the study secondary data are used from the following source:

##### i. Books and periodicals

##### ii. Last but not the least from the internet website.

### 2. Method of sampling.

By using of simple random sampling method for the observation, field survey and personal interview we have selected some random villages.

### 3. Questionnaire design

The data are collected through the help of unstructured questionnaire keeping in mind of the various objectives of the study.

### 4. Research approach.

Observation and survey approach are the basic technique use in order to know the commercial viability of the banana plantation.

### 5. Sampling plan.

For the study on commercial viability of banana plantation we have taken base as the people of different villages of Goalpara district.

## FACTORS OF BANANA PLANTATION WHICH INCREASES ITS COMMERCIAL VIABILITY OF BANANA IN THE MARKET:



### 1. *Climate*

Banana is essentially a tropical plant requiring a warm humid climate, but it is adapted to a wide range of climatic conditions ranging from wet tropical to dry sub-tropical.

### 2. *Soil*

Banana requires a well drained, rich in organic matter and moisture retentive soil for its proper growth. Depth and drainage of soil are the two most important criteria which need attention while selecting soil for banana cultivation. The soil should be well drained and at least 3 ft deep.

### 3. *Varieties*

More than 300 varieties of banana are known in India. Banana can be grouped into five main categories.

- ◆ **Dessert bananas:** This group consists of table varieties for consumption as such, after they are ripe, eg. Champa, Rasthali, Robusta, Dwarf Cavendish, etc.
- ◆ **Culinary bananas:** These bananas can be used only after cooking, such as Monthan, Bankel.
- ◆ **Varieties suitable for making chips,** eg. Nendran.
- ◆ **Varieties for jam making,** eg. Virupakshi.
- ◆ **Varieties fit for making powders (baby food),** eg. Kunnan.
- ◆ **Varieties commonly grown in different regions are given below.**
  - a. Western and Central India: Basrai, Harichal, etc.
  - b. Southern India: Poovan, Dwarf Cavendish, Robusta, Nendran, Rasthali, Chakrakeli, Virupakshi, Monthan.
  - c. Eastern India: Kabuli, Champa, Kothia, Batheesa, Martaman and Amrit sagar.
  - d. i v. Northern India: Champa, Rasthali, Bankel, Bathesaand Kothia.

### 4. *Propagation*

Banana is vegetatively propagated by means of suckers, whole or bits of rhizomes of the parent plant or daughter suckers with at least one sprouting bud.

### 5. *Fertilizer Application*

Banana being a heavy feeder needs fertilizers in large quantities. Banana responds well to nitrogen application, and top dressing with oilcakes and sulphate of ammonia to individual plants during the first six months, gives good result.

### 6. *Irrigation*

Banana requires large amount of water for its optimum growth and yield. The soil should

never be allowed to dry completely. Generally in winter, irrigation is given at an interval of 10-12 days and in summer at 5-7 days.

### 7. *Desuckering*

When the plants start growing, a number of side suckers sprout from the rhizome of banana plant which compete with fruiting and should be removed. This operation of removal of unwanted suckers of banana is known as desuckering. This can be done by cutting the suckers at ground level with a crowbar having a chisel like end and then pour 2 to 3 drops of kerosene oil in the central core to kill the growing point of pseudostem.

### 8. *Weed Control*

Regular weeding is essential in the early stages of growth of banana plant. It can be done manually by giving four spading a year. Using mulches like paddy straw also suppresses the growth of weeds. Weedicides such as Diuron and Gramaxone have also been effective in controlling the weeds in Banana.

### 9. *Crop Rotation*

Perennial crop of banana by rationing can be obtained from the same field for several years. Normally, a plantation is retained for about 3-5 years.

### 10. *Intercropping*

Intercrops can be grown easily at the early stage of growth in banana plantation. Banana itself serves as a good intercrop in coconut, and areca nut plantations. Vegetables like brinjal, colocasia, yam, dioscorea, chilli, cauliflower, radish, cabbage, cucurbitaceous vegetables and okra can be grown as intercrop. Banana is also grown as a shade plant for coffee, cocoa, rubber, orange and young mango trees.

### 11. *Flowering and Fruiting*

Under favourable conditions banana plant normally starts flowering in 9-10 months after planting and takes 3-4 months for bunch maturity. The inflorescence consists of different type of flowers i.e. female, male, and hermaphrodite in the same floral stalk. The inflorescence initiation takes place from the heart of the pseudo-stems. The basal nodes of the inflorescence bear female (pistillate) flowers and the upper nodes bear male (staminate) flowers. The common type of inflorescence is the one in which the basal portion bears pistillate flowers which develop into fruits followed by deciduous staminate flowers, e.g. "Poovan", Monthan, etc.

### 12. *Harvesting and Yield*

When picked green at full maturity, banana fruits give the best ripening result. Therefore, they are harvested at this stage. There are a few maturity standards such as drying off top leaves, changing in colour of the fruit from deep green to lighter green, shedding of the floral end of the fruit by slight brush with the hand, and when the ridges on the surface of the skin change from angular to round after attainment of 3/4th full stage.



The yield varies depending upon the variety, plant density, soil fertility and cultural practices. The fruit yield is roughly 25-50 tonnes per ha on an average, 18 to 25 tonnes/ha in the case of tall varieties like Champa and Martaman and 50-65 tonnes/ha in the case of Robusta. However, a good bunch will contain 190-200 fingers on an average.

### 13. Marketing and Storage

Before taking to markets, grading fruits is necessary. Grading in banana is done according to size, number of fingers, ripening and maturity stages and general appearance of the fingers. Immediate marketing of banana fruits may not be possible and, as such, storage of fruits may become necessary.

At room temperature, banana harvested at three-fourth maturity can be stored well for 5 to 7 days. However, they can be stored at 13°C temperature with a relative humidity of 85 to 95% for about three weeks. The storage life of banana can be prolonged by using sealed polythene bags containing ethylene absorbent like puerile (potassium permanganate absorber on an inert material). A pre-storage dip in £-9267 emulsifiable mineral oil at 0.4% has been found effective in reducing fruit decay and also prolonging storage life.

### 14. Uses and Composition

Banana is the cheapest and most nourishing of all fruits. It has got a number of uses. Almost all the parts of banana are useful in some or other ways. Various industrial and medicinal uses of banana are summarized here.

- ◆ *Industrial importance*
- ◆ *Medicinal values*

### 15. Economics of Cultivation

Cultivation of banana is a highly paying agricultural venture. Generally, a farmer can generate Rs 35 to 40 thousand from one hectare of banana plantation. However, the net profit is highly varying from region to region depending on the soil and climatic conditions, varietal suitability, protection of plantation from attack of insect pests and diseases, availability of production inputs, etc.

### FINDINGS:

From the study, we have found different results. The different findings in our study are given below:

1. There are different types of Banana available in the market place which arises from tissue culture and sucker culture. Banana from tissue culture and Banana from sucker culture are mentioned in their local name viz-Malbhog, Chinichampa, Kaskol, Jahaji, etc. only difference is their production techniques.
2. Almost all the farmers were growing local variety called Sugandhi in sucker banana production and variety Grand Naine in case of tissue culture banana



3. In case of benefits from tissue culture and sucker culture of Banana plantation we have found that tissue culture of Banana plantation gives the farmers more benefits than sucker culture of Banana Plantation.
4. In the comparison of machine labour and farm yard manure tissue culture comparatively used more than sucker culture.

### CONCLUSION AND SUGGESTION:

India has been a predominantly agrarian economy since time immemorial. The developmental efforts over the last few decades have been doubtlessly strengthened our industrial base. However, agriculture continues to be mainstay of our economy even today as it contributes 21 per cent to the national income and employment for 67 per cent of the population.

Fruits and vegetables are the prime sources of vitamins and minerals without which human body cannot maintain proper health to resist the diseases. India has made a fairly good progress in production of fruits and vegetables with a total production of 418.0 million tonnes in the year 2003-04. Banana is the most popular fruit in the world, and is most delicious fruit used and also as subsidiary food. It is consumed as Table and culinary fruit. Its leaves are universally used for serving meals in South India and chopped banana stems are used as cattle feed. Some species of banana yield fibre, which is used for making ropes. The tip of inflorescence is cooked as a vegetable in some places. The plant is also used for decoration purpose in wedding, festivals and fairs. It is used as raw material in industries for preparation of banana powder, chips juices and beer. The juice of banana stem is used in making paper bond, tissue paper etc.

India ranks first in area and production of banana in the world with total annual production of 11655.9 thousand tones from 435.0 thousand hectare with rational average of 26.7 tonnes per hectare during the year. Due to increased demand for supply of plants, the traditional colonial propagation methods cannot cope up with increased and sustainable demand for new planting material.

Tissue culture banana production technology is a superior technology over traditional method (Sucker-propagated) of banana production with respect to yield, uniformity, disease free planting material and true to type plant production. Mass multiplication of tissue culture plants could do in a short time.

In recent years growing of tissue culture banana becoming popular in this area. In spite of the viable alternative for banana cultivation, there are problems in tissue culture banana viz., monoclonal variation, disease spreading through tissue culture, high cost of initial investment etc. Under these circumstances, it is essential to through a light on economics of tissue culture banana and comparison of tissue culture banana with traditional (sucker propagated) banana so as to facilitate the farmers and others concerned to take appropriate decision for the cultivation of banana.



Therefore, an attempt is made in the present study to compare the performance of tissue culture banana production technology with traditional method of banana cultivation both from production and marketing angle.

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## EDUCATING THE RURAL WOMEN

Dr. Mamani Kalita\*

By educating a woman we educate the whole family, Napoleon says, "You give me a good mother, I will give you a good nation." An educated woman is better capable of taking care of the health nutrition and education of her children and she can be an active agent in the social and economic development of the country. Economic success is based on educational success. Literacy is the basic building block of education. It is basic component of social cohesion and national identity. No society has ever liberated itself economically politically or socially without a sound base of educated women. Education has a direct impact on women empowerment as it creates in them awareness about their rights, their capabilities and the choices and opportunities available to them.

Approximately 87 percent people live in village. So, it is very much important to educate the rural women. There is a strong correlation between female education and several developmental indicators such as increased economic productivity, improvement in health, delayed age at marriage, lower fertility, increased political participation and effective investment in the next generation. Rural women can take active part in sustainable development. In India providing education to all the citizens is a constitutional commitment. So, rural women must be educated. The principle of gender equality is enshrined in the Indian constitution, in its preamble, Fundamental Rights, Fundamental Duties and Directive principles. The constitution not only guarantees equality to women, but also empowers the state to adopt measures of positive discrimination in favour of women.

Generally we see that tradition of India assigned only domestic duties to rural women. Girls are not provided the opportunities of education in rural areas. Most of the Indian people control over woman at all stages of her life. Women are controlled by parents in her first stage, they are controlled by husband after her marriage. Again they are controlled by sons in the last stage of their life. At the beginning of the 19th century female education was practically unknown in most parts of India. The British Government along with the Christian Missionaries and the Indian Reformers began their efforts to spread education among the Indian women in the later half of the 19th century. In the first phase, women belonging to the aristocratic families got elementary education. But as a general rule women education was discouraged. In the village it was regarded as being against the testimony of Hindu scriptures and there was also a widespread belief that education of girls lead to their widowhood.

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It is only after the recommendations of the Indian education commission (1964) and the National policy of Education (1968) that the education of girls was seen as a means of accelerating social transformation. The policy gave special emphasis on initiating programmes to give equal educational opportunities to all the groups and both sex. National policy on Education (NPE), 1986 and its programme of Action (POA) gave high priority to gender equality and committed the entire educational system to work for women's empowerment. Thus there is a careful certification of education for equality for women. It was emphasised was laid on enrolment and retention of the girl child in formal and nonformal schooling, recruitment of rural women teachers and removed of gender bias in the curriculum. The main aim of educating the rural women is to create circumstances to enable women towards a situation in which they could determine their own lives and influence their environment.

Gender gap has been well documented and analysed by governmental agencies, international organisation, university departments, NGO's and individual researchers. There are also innumerable guidelines and policy statements on why gender gaps persist in education and how these can be reduced. The 93rd constitution Amendment with the insertion of new article (21A). "The state shall provide free and compulsory education to all children of the age of 6 and 14 years in such manner as the state may, by law, determine".

Of course, it is good news for us that the primary school attendance rate has increased by more than one percentage point annually since the beginning of the decade. In 2001, 76 percent of all children of primary school age (6-10 years) were in school. By 2006, this value has increased for 33 percent. The attendance rate of boys increased by 6 percent. School attendance rates also grew in urban and rural areas.

India dreams of becoming a super power by 2020. The literacy rates for male and female (according to 2001 census) is 75.85% and 54.16% respectively. While the male literacy rate in urban areas is about 86%, rural female literacy rate is just 46%. So the scenary of rural women is very pathetic. We should take some steps for educating rural women.

The gap between the rural and urban and that between female and their male counterpart is quite substantial. The first and foremost point of the education of rural women is the way the parents perceive the female education. Since the very beginning the role of female is confined to domestic work and looking after children. Many parents donot encourage the girl child because of the tradition of settling at husband's place after marriage. Many parents donot want to spend much on girls education. In rural areas it is difficult to find a groom for an educated girl.

There is gender gap in the educational states of boys and girls. We see a picture of contrasts when it comes to education and employment opportunities for girls in the rural

and the urban areas. Cultural, social and economic factors still prevent girls for getting opportunities. The status of the girl child has been subject of discussion constroversy and debate.

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## The Impact of Information Technology on Management Accounting

Kr. Kuldip Medhi\*

Current revolution in information technology (IT) has had a significant influence on accounting information system (AIS). Improvements in the IT have brought improvements in computers. Today, almost all organizations are using computers in their daily businesses. As computers become smaller, faster, easier to use, and less expensive, the computerization of accounting work will continue.

Accounting activities that were previously performed manually can now be performed with the use of computers. That is, accountants are now able to perform their activities more effectively and efficiently than before.

Application of IT in management accounting has changed the perspective of traditional management accounting. In fact IT has been introduced in every aspect of industries from education to e-commerce. The introduction of IT in accounting has made management accounting to be more prominent to organization's internal users and decision-makers. New technologies nowadays support management accounting together with financial accounting. It is prerequisite for accounting systems to have complete management accounting module incorporated, which include budgeting system, investment-planning system, standard costing system and stock control system packaged in one. The budgeting, planning and so on is created by the system itself and the depth of information provided depending on the capability of the technology adapted. Shareholders and investors very much rely on the management reporting to plan their investment. The force of internet has pushed the organizations to compete globally and take advantage of global market. Small companies no more have to fear large organizations in competing for business. The IT helps management accounting to provide current internal information and analysis to support current decision making. Application of IT in management accounting has changed the role and responsibilities of accountants. Management Accountants now have to shift their mind-set towards the technology and acquire the following skills:

1. Computer skills,
2. Data modelling,

3. Making forecasting and projections,
4. Developing assumptions and criteria,
5. Strategic and looking forward,
6. Technology-oriented,
7. Creativity and adaptability,
8. Strategy formulator and consultant.

Management accountants will play more dominant role in current and future business strategies with the introduction of technology based management accounting. The technology is changing the organizational structure and the business world; as such management accountants now have new height to focus, especially with changed performance measures. It is time for accountants to throw away the old thinking and adapt to new technologies.

Application of IT in management accounting has created excellent potential to the accounting system and now it is not possible or practical to perform accounting either financial or managerial without the help of IT. The organizations have acknowledged the potential of IT in management accounting and ready to explore the potentials to benefit the organizations.

IT made the future of any organization to compete in the global economy and IT provides the competitive advantage to reach customers anywhere in the globe. Every organization is either computerized fully or extensively. Management accounting also had to bow to the augment of technology. The technologies such as data mining and data warehousing becomes very valuable and drives application of IT in management accounting. Automation is a potential IT technology, which can be used in management accounting to automate the data retrieval, recommending decisions and preparing reports or presentation papers.

The application of IT in management accounting brings benefits to the organization.. IT and management accounting has emerged as a system to provide essential information to organization's growth and smart investment. The data and information provided by the management accounting system is accurate and valid. The system is able to gather data and information from various resources or departments using data mining technology. The data mining technology uses single database repository that stores various information needed by the accounting system. As such, the budget or cost information provided to the management for decision making is deemed as accurate and real time. The technology is capable of processing large number of data and also to perform multi-tasking to achieve the desired result. Current technologies also allow users to choose the design of the reports wanted with a few mouse clicks.



The main gain of application of IT in management accounting is getting a competitive advantage. The internet plays a vital role for providing technology benefits to the organizations. Companies can use the technology to draw customer's attention which ultimately benefits the growth of the company. IT in management accounting allows immediate updates of the information in the Web site so that the customers, investors and creditors are able to see a clear picture of the organization's plans and goals.

Application of IT in management accounting has major impact on the organization's profits. It is wrong to conclude that implementation of new technology in management accounting will improve company's profits. Implementation of new technologies may reduce company's income, as the implementation is costly depending on the technology adopted. There is a risk to the companies that if inappropriate technology is chosen, then the company is forced to incur unnecessary costs which lead to waste of resources. However, if the management and the accountants study the feasibility and the functionality of the systems before the implementation of IT in management accounting, then the above risk can be avoided.

Technology is changing fast and it is very difficult to keep track with the technology changes. The company's challenge is to adopt a technology that can be used for a long period which may not be achievable now. The new technology today will be obsolete within couple of months and will be replaced by more sophisticated technology. So the company has to select the technology that is upgradeable to meet the future technology requirement.

Advancements in information the technology have enabled companies to computerize their information systems. As AIS are being computerized, accountants must gain the skills to use computerized systems. The use of computerized AIS has brought opportunities for companies to perform the accounting functions more effectively and efficiently because the use of computerized AIS has brought significant time and cost savings. Applying technology in management accounting is in optimistic direction by the management in which they can benefit in terms of advantages provided by the technology. The close involvement by the management, accountant and users in implementing technology in the company in management accounting is much needed. At the end, it is to benefit everybody from shareholders, management and workers. Use of information technology to perform accounting functions has brought a chance for companies to progress toward paperless offices and it helps to reduce the effect of global warming.

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## COMPENSATION IS THE MAIN MOTIVATING FACTOR TO DEVELOP HUMAN RESOURCE

Dr. Jyotish Goswami \*

### Abstract :

Employee compensation is a vital part of human resource management. Wage, Salaries and other forms of employee compensation constitute a very large component of operating costs. "One of the biggest factor affecting industrial relations is the salary of the worker." Majority of union management dispute relate to remuneration. No Organization can expect to attract and retain qualified and motivated employees unless it pay them fair compensation. Employee compensation therefore influences vitally the growth and profitability of the organization. For employees pay is more than a means of satisfying their physical needs. It provides them a sense of recognition and determines their social status. Remuneration is directly or indirectly one of the main springs of motivation in our society. Wages and salaries have significant influence on distribution of income, consumption, saving, employment, and prices. This is all the more significant in an underdeveloped country like India suffering from problems of concentration of income, inflation and unemployment and the nation as a whole.

**Key Words:** *Career planning, Job anyalysis, HRD, Financial rewards.*

### Introduction :

The quality and caliber of the people working in an organization is the real asset of the organization. Human beings are the most precious part of an organization. An organization with incompetent people will fail sooner or later but on the other hand competent persons can take organization ahead even in the adverse environment. The success or failure of an organization largely depends on the people who managing the affairs of the organization. Thus the quality and competency of the Management helps the organization to grow in different dimensions.

Human resource development is concerned with the optimum use of human resource, it can contribute great benefit at both the national level and organizational level. At national level it would be concerned with such factors as the population and economic development, provision for education facilities and geographical mobility. For an individual, it is important because it helps him to improve his skills and utilize his

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capabilities and potentiality to the utmost. For an organization it is important because it improves its efficiency and productivity. Thus the objective of human resource planning is to maintain and improve the organizations ability to achieve its goal by developing strategies that will result optimum contribution of human resource.

Human resource Development planning is a neglected area in the Indian context, only a handful of companies use a few mechanisms in this practice. Such companies however report that human resource development planning helps them in many ways. Forecasting a long-term manpower requirement helped them to forecast the compensation cost involved.

### Concept of Compensation Planning:

The aim of Compensation planning is to develop and maintain a system of remuneration which is equitable from the view point of both the employer and the employee. This is possible only through designing and administering a rational wage policy which reflect the objectives and aspiration of the people.

The term 'compensation' is used to mean employees gross earnings or remuneration in the form of financial rewards and benefits as part of employment. Compensation may also be viewed as (a) a system of rewards that motivates employees to perform their duties in work place (b) a tool used by organization to foster the values, culture and the behaviour they require and (c) an instruments that enables organizations to achieve their business objectives.

Compensation is typically divided in to direct and indirect components. "Money" is included in direct compensation. The term direct compensation is used to describe financial remuneration usually "cash" and includes such elements as basic pay, dearness allowance, house rent allowance, overtime pay shift allowance, Medical Allowance, incentive bonus, profit sharing bonus, commissions etc.

Indirect compensation or wage supplements or fringe benefits refers to such benefits as provident fund, pension, medical and health insurance, gratuity, sick leave and various other benefits and perks. Therefore compensation package consist of two kinds of payment during employment and after employment i.e. retirement or superannuation.

The various steps involved in determining the compensation package. are job analysis, wages or salary surveys, analysis of relevant organizational problem, forming or designing wage and salary structure, framing rules of wages or salary administration, explain these to employees, assigning grades and price to each job and paying the guaranteed wages or salary.



### Objective of the Study

This study is an attempt to examine the compensation planning as a mechanism for the human resource development. The following are the objectives to achieve through this study.

1. To examine the methods of wage fixation of the select organisation
2. To identify the objectives and merits of labour welfare measures and social securities benefits
3. To evaluate the economic background and employee compensation
4. To study the Human resource development through compensation planning in different organisations.
5. To suggest ways and means for Human Resources Development Through Compensation Planning

### How to determine the level of Compensation Package:

There are various ways of determining or fixing of salary package in the organized sector in India. Different bodies like the Pay Commission, Wage Boards, Industrial Tribunals and Labour Court are engaged for fixing wages and salary. The Govt. of India appointed a tripartite committee on Fair Wages representing labour, employers and government. The Committee submitted the report in 1949 distinguished the minimum wage, living wage and fair wage. Indian Labour Conference (ILC) July, 1957, decided to use the "need- base minimum wage" criteria for determining a minimum wage to ensure the minimum human needs of the worker, irrespective of any other condition

Therefore we must consider the concept of a minimum wage or living wage while fixing wages structures. Apart from this, wages are also fixed through collective bargaining, job evaluation, cost of living, data, productivity, prevailing wage rate, influence of Trade Unions (bargaining powers), corporate philosophy on wages, equal pay for equal work, principle of demand and supply of workforce.

In this regard the latest expert view is contained in the "Special Report Series No.60 of the Indian Council of Medical Research" and "Dietary Allowances for Indian" formulated by Dr. C. Gopalan and Dr.B.S. Narasinga Rao published in January, 1971, worked out a chart of locally adjusted improved diet for the purpose of determining the minimum wage. According to the study the caloric requirement for an adult worker per day is 2400

calories On the basis of current prices, the cost of food items on balanced diet for a worker works out as shown in the Table below.

Item	Unit	Average Retail price For 1995 (Rs)	Suggested Quantity for 2400 calories (Nonvege- tarian) (in gram)	Value (Rs)
1	2	3	4	5
Cereals (rice medium)	Kg	9.26	400	3.70
Pulses (Mosur)	Kg	18.17	55	1.00
Green leafy vegetables (cabbage, etc.)	kg	6.00	100	.60
Other vegetables (Potato)	Kg	6.00	75	.45
Root and tubers (raddish)	Kg	6.70	75	.50
Fruits (banana) 1 doz	Kg	8.00	30	.24
Milk	Litre	10.00	100	1.00
Fats and Oils	kg	46.50	40	1.86
Meat and Fish	Kg	73.00	30	2.19
Eggs(hen) (6 eggs monthly)	pair	4.65	30	0.93
Sugar & Jaggery	Kg	15.50	30	0.93
Total				Rs.12.94

In this calculation, the component of housing has been excluded because housing allowance is separately provided for.

Source of the data under Column No3 of the Table Directorate of Economics & Statistics, Government of Assam.

Data under column No4 of the Table is based on Report (Page 13) of Assam pay Commission, 1973.

Percentage distributions of expenditure under items "clothing" and "Fuel & Light" are based on NSS-46<sup>th</sup> Round (July, 1990-June 1991)



In reference to minimum monthly wage of Rs 125/- for three units in 1957 (CPI - 111 with 1949 base year =100) and assuming CPI as on 31-12-95 to be 1400,

### 1. Food Group:

one.adult 1 day's money value	=	Rs.12.94
three.adult 1 day's money value	=	Rs.12.94 X 3 =Rs.38.82
three .adult 365 days'money value	=	Rs 38.82 X 365 = Rs 14,169.30
three adults 1 months' money value	=	Rs 14,169.30 :- 12 = Rs 1180.78
		i.e = Rs 1181.00

2.	Clothing	-3.05% of total expenditure	Rs 51.38
3.	Fuel & Light	-6.84% of total expenditure	Rs 115.22
4.	Miscellaneous	-20% of total expenditure	<u>Rs 336.90</u>
	Total		Rs 1684.50

By assuming daily caloric intact of 2700 calories a minimum monthly wage of Rs.2858.95 on all India basis (which includes provision for house rent) .On the basis of above a minimum pay should not be Rs.1684.50 as on 31.12.1995. Assumption of higher cost t of living of 28% in Assam compared to all Indian average, deduction of elements of clothing and miscellaneous expenditure are not tenable, while calculating the minimum monthly wage for an employee.

### Conclusion :

In a welfare state like India, the social thinkers, economists, political leaders are always drawing the attention of the government to the welfare of the workers. The compensation package which is a main deciding factor for the improvement of employee's quality. Human recourse development system is also highlighting the needs of well structured compensation package for development of human skills. Because, the satisfied employees can lead the company for the achievement of its goal. It is an attempt to conclude the study in the following aspects.

- \* Wages and salary package is very important to attract and retained skill and qualified employees,
- \* Along with salary package some welfare measures are necessary for improving living and working conditions and also safeguarding the people against the uncertainties of the future.
- \* An organisation is to provide job security to the workers and maintain equity and fairness in compensation package for similar job

- \* Career planning is necessary to motivate the employee through suitable promotional policy to reduce dissatisfaction and to reduce labour turn over. Therefore, career planning of employees should be suitable to their ability and their willingness to be trained and developed for higher position.
- \* It has been observed that some organisations are not fully followed the regulatory mechanism for managing workers problems. It is therefore, suggested to find out some scientific mechanism by the regulatory authorities for peace and harmony among the employees and employers.
- \* Social needs influence the work behaviour of the employee. If security need is not made the workers may attempt to form union and association which again hamper the work culture in different manners. Thus compensation package is an important variable to solve such problem of the workers. It is therefore suggested that the organisation should come forward with some social security measures for satisfying the worker.
- \* Every organisation should create condition that keep people away from frustrating experiences and keep them constantly striving to put forth their best. Salary is also component to create such condition. Thus it is suggested that salary components should be attractive to motivate the hard working people.
- 8 The purpose, duties and responsibilities of a job should be clearly defined by each and every organisation for ascertaining job description. In the select organisation the job description is not properly taken care of. It is therefore, suggested to have acceptable job description to all the workers.
- 9 Job analysis helps to make decision relating to recruitment, selection and formulation of salary package. It is therefore suggested that all the organisations are to use job analysis for proper appraisal. Employee may not be dissatisfied if the appraisal is based on job analysis. It is concluded to have job analysis by every organisation to keep the workers satisfied.
- 10 There are three components of job description like job mission, location and work performed. These are related to job values. Workmen's compensation create basis for job valuation. It is therefore, suggested that salary structure assisting the employer to formulate job descriptions.

#### **Suggestion and Recommendation :**

It is observed by the management specialist out of available resources human resources is having unlimited capabilities. If nourished properly, the resources. Law of Synergy says 2 plus 2 can be 5, 6, 7 .. etc. Mathematically this is false, but logically this is true. For proper nourishment of human resource the management should use various mechanisms. In Indian context there are different religions, culture, caste, sub-caste, races, regional difference, linguistic difference etc., which are the environment where



organizations is to work for achieving its goal. Merely increasing the remuneration doesn't constitute human resource development. Scientific analysis synchronized with human needs and psychology has to be done.

Job analysis, job description, job evaluation, job enrichment, job rotation etc. have to be done properly. Employee grievance has to be dealt with proper method. To nourish and take the full potential Personnel Department in each organization is a must. Personal Officer should be form the discipline of Personnel management, so that he can understand and keep touch of Personnel feeling.

Stone will be visualized by a layman as stone only, but an Architecture can convert it to a good statue. Same is the case with human beings. Human being unlimited potential can be carved out if properly treated. Management's basic thing is to find all these hidden capabilities. These capabilities have to be properly developed so that a human being is worth for the organization. In this case knowledge, attitudes, values and skills have to be developed. Human resource development mechanisms are one of the best ways to develop these capabilities.

It is therefore, concluded that compensation package is the-driving force to develop the present or future employees of the organization.

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# Household Savings & Indian Capital Market

Dr. Ajoy Mitra\*

## Abstract

Household savings in India has been witnessing a lot of changes over the last few years. There have been a number of debates on the ups and downs of the rate of savings in the Indian economy. Nevertheless, there was not so much focus on the variable blend of savings and the function of Indian capital market that the forms of savings play in ascertaining the type of investments, which would be funded through growth in savings. This is particularly significant during the time while the financial system is going through structural reforms simply due to the reason that the blend of savings in capital market undergoes substantial amount of modifications at this time because inter-asset exchangeability alternatives herald.

The nature of saving has been changed considerably over the last couple of years. The savings behavior in India went through a complete change since independence after the emergence of collective investment concept. There are a number of factors affecting Indian household savings and its implications in Indian capital market are the significant of present study.

**Key Words:** CIV, CIS, Risk-Averse, Financial Saving

## Introduction:

Household savings in India has been witnessing a lot of changes over the last few years. There have been a number of debates on the ups and downs of the rate of savings in the Indian economy. Nevertheless, there was not so much focus on the variable blend of savings and the function that the forms of savings play in ascertaining the type of investments, which would be funded through growth in savings. This is particularly significant during the time while the economic system is going through structural reforms simply due to the reason that the blend of savings undergoes substantial amount of modifications at this time because inter-asset exchangeability alternatives herald.

The most recent annual report published by the Reserve Bank of India provides the information on household savings that constitutes the biggest segment of aggregate savings in India. The household savings that involve non-corporate entities are categorized into two types, savings in financial assets and physical properties.

Household savings comprises life insurance policies, pension funds and provident funds, deposits with banks and non-banking financial institutions, funds with the Unit Trust of

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India (UTI) and other types of financial services providers, household liquid cash holding, net buys of debentures and shares by households, claims comprising net buys of small savings schemes and government bonds by households. This information may be advantageously extracted for comprehending the preferred form- the microeconomic groundwork for savings conduct of households because they select from a diverse range of financial assets.

In the decade of 1970s, the financial savings rate was small at 6%. However, by means of a material increase in the rates of interest and returns in the 1980s and all the way through the 1990s, this recorded an increase at a maximum 15% during the period 1994-1995 and this is the uppermost figure attained through the financial savings ratio after the independence.

Subsequently, as the interest rates began to go down, the financial savings ratio is also falling down and at the present time, it is anticipated to be approximately 11%.

Usually, there are anticipations that before the reforms take place in the financial sector, the household savings would principally take the shape of physical properties and gradually as the financial infrastructure develops, financial intermediaries would mobilize higher amount of savings and fund investments with higher yields. Nevertheless, the alternative or opposite appears to be occurring. Until the period of mid 1990s, household savings in financial instruments were greater in comparison to the household savings in the shape of physical assets. At present, according to the current calculation that is accessible, physical savings have surpassed savings in financial instruments. Greater than 52% of the entire household savings have taken the shape of physical properties in comparison to 44% in the earlier part of the 1990s. It is apparent that a fundamental preference transfer is inherent in this variation.

An observation of the variations in financial savings demonstrates an attractive model.

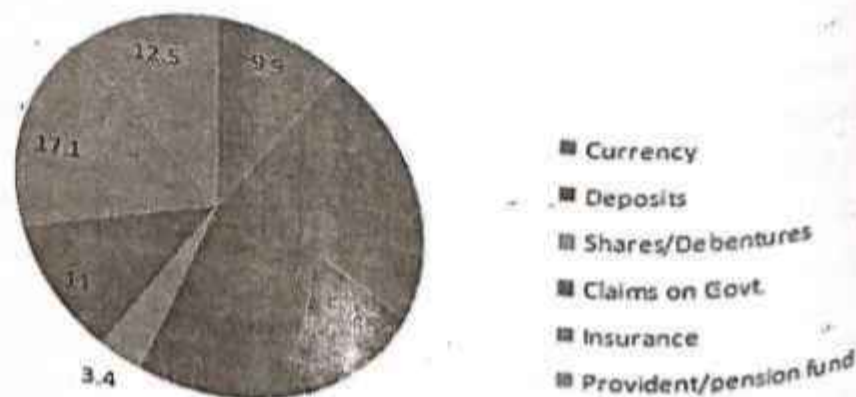
- Within the period of 1993-1994, debentures and stocks comprised 13.5% of the entire financial household savings that has declined to a minuscule 2%.
- If expressed as a form of proportion of Gross Domestic Product or GDP, it has dropped from 2% to 0.3%.
- This downfall is principally due to the reason that the savings in debentures and stocks of the corporations under the private sector has fallen from 7.5% to a minute 1%.
- The savings in financial deposits has slumped from 42% to 37%, as well.
- The claims to government are showing an increase from 6% to 17%. This increase has been equally spread from corner to corner in savings in small savings schemes and government securities.

- The savings in the form of government securities that was a meager 0.4% in the period of 1993-1994 is at present comprising 6% of the entire financial savings. On the other hand, small savings has increased approximately twice from 6% to 12%.
- Provident funds and insurance policies that are forms of contractual savings have increased and presently comprises of almost 33% of the total financial savings in contrast to a quarter (1/4th) in the period 1993-1994.
- To a certain degree, it is factual that household savings in the shape of financial instruments had been more in number due to stock market flourish in the earlier part of the 1990s. However, it additionally indicates towards a much powerful influence, which the scheme of descending flow of yield and interest rates in the past few years has had on the ratio of financial savings.

#### The Risk-Averse Indian Investor:

The pie-chart below shows the average holdings of financial assets by Indian households between 2000-01 and 2010-11 (Pic 1). Deposits, mostly with banks, dominate the portfolio. A tenth of total assets is in currency; a similar amount goes to the government through small savings schemes. Since there is no social security in India, life insurance and provident funds tend to be allocated significant amounts from total household savings. Finally, capital market instruments- such as shares, debentures, mutual funds get less than 5% of total investment.

Picture 1: Decomposition of the portfolio of Indian Households: 1990/91 to 2010/11

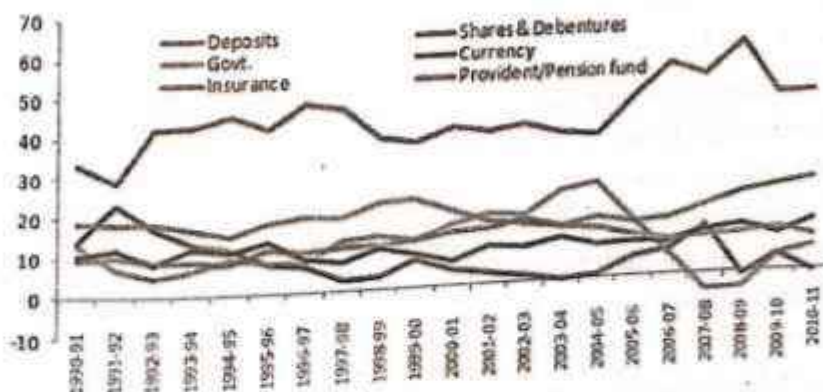


Data Source: RBI annual report, various years



Clearly, households seem to be quite risk averse, and prefer to invest in assets that are safe, familiar, and offer security of capital. Over a 20 year period when Indian capital markets have grown tremendously on many parameters, very few households have ventured too far beyond their bank, insurance agent, mandatory retirement funds and small savings. In fact, since 2000, household exposure to the capital market has crossed 7% only once, in 2007-08 (See Pic 2).

Picture 2: Trends in Portfolio Composition of Indian Households



Source: RBI Annual Report, various years

According to the RBI data, investments in fixed income instruments accounted for 87.1 percent of the household financial savings during 2010-2011, which had increased in comparison to 85.6 percent in 2009-2010. In the fiscal year 2010-2011, the household sector invested 47.3 percent of financial savings in deposits, 33.3 percent in insurance/provident funds, 6.5 percent in small savings, and -0.4 percent in the securities market including government securities, units of mutual funds, and other securities (Table 1-6). That is, fixed-income-bearing instruments were the preferred assets of the household sector.

Table 1: Savings of Household Sector in Financial Assets

	(in percent)		
Financial Assets	2009-10 R	2008-09 R	2010-11 P
Currency	12.7	6.8	13.3
Fixed Income Investments	88.0	85.6	87.1
Deposits	47.3	47.2	47.3
Insurance/Provident & Pension Funds	34.1	34.1	33.3
Small Savings	3.1	4.3	6.5
Securities Market	-3.8	4.8	-0.4
Mutual Funds	-6.3	3.3	-1.8
Government Securities	-1.4	0.0	0.0
Other Securities	0.0	1.5	1.4
Total	100	100	100

Source: RBI Annual Report 2010-11

R: Revised

P: Preliminary Estimates

Note: In this context, other securities include the shares and debentures of private corporate businesses and banks, and the bonds of PSU's. Mutual Funds include units of UTI

**Concerning Scenario:**

**Household savings lowest in 22 years:** For the second year in a row, financial savings by Indian households declined in 2011-12 probably due to slower growth in income and the rising rate of inflation, net household financial savings in India declined sharply during fiscal 2011-12 (FY12) to 7.8% of the GDP, down from 9.3% in FY11 and 12.2% in FY10. The 7.8% level is the lowest since fiscal 1990, that is, an over two-decade low.

According to preliminary estimates released by the RBI, the drop in net financial savings can be attributed to an absolute decline in small savings and lower growth in households' holdings of deposits, currency and life insurance funds, a report by Morgan Stanley pointed out. At the gross level, financial savings as a percentage of GDP decelerated to 10.9% in FY12 from 12.9% in FY11 and 15.3% in FY10.

Net financial savings include cash investments, deposits with banks and non-bank companies, investments in stocks, mutual funds, debentures, small savings, life insurance, provident and pension funds.

During FY12, investments in small savings was down by 80 basis points (100 basis points = 1%) to a de-growth of 0.2% from a growth of 0.5% in the previous fiscal. In insurance, the drop was 40 basis points to 2.5% from 2.9% in the previous year, RBI data showed.

Since there is expectation that the rate of inflation should come down in FY13, that should lead to improvement in real rates (rate of return adjusted for inflation), which in turn could increase household financial savings during the current year.

**Small Savings, Shares Lose:** Net financial savings for 2011-12, at Rs 6.95 lakh crore, were 2.6 per cent lower than the previous year. Investors pulled money out of small savings schemes, as also shares and debentures, including mutual funds this year.

There was an outflow of Rs 22,000-crore small savings in 2011-12 compared with Rs 39,900 crore of inflows the previous year. Insurers saw almost no increase in collections. Pension and provident funds got marginally more money, probably an outcome of rising salaries.

Deposits from banks and non-banking finance companies did attract more household savers, with inflows up 16 per cent. They continued to account for the lion's share of financial savings, at 52 per cent of the total pool. NBFC deposits that offered higher interest rates saw a twofold jump in flows.

The preference for deposits is explained by the high interest rates on offer. Most banks raised their interest rates for 1-3 year deposits by 200 basis points to 9.25-9.5 per cent over the year.

A similar environment of higher deposit inflows prevailed in 2008-09, when interest rates ruled high.



What made households cut back on their financial savings? Persistent inflation that sent their day-to-day expenses soaring could be one reason.

The poor returns earned by savers after adjusting for inflation may also have put them off traditional financial products. Additionally, the poor showing by the equity market led to households looking elsewhere for returns.

This is also evident from the fact that households are choosing gold and property as avenues for savings, as the RBI itself has pointed out elsewhere in the Report. The central bank says: "The diversion of household financial savings to investment in gold may have impacted the growth of term deposits in recent years (16.7 per cent between 2009-10 and 2011-12, against 23.1 per cent between 2006-07 and 2008-09)."

Households have also not cut back sharply on loans, which have gone mainly into buying physical assets. Inflation benefits the borrower at the cost of the lender.

#### Causes:

- A SEBI-sponsored household survey provides some startling insights into household saving preferences\*. The study estimated that India has approximately 227 million households, of which only 24.5 million invest in equity, debt, mutual funds, derivatives and other instruments in the capital market. That represents about 11% of the household sector. The remaining 89% are also likely to be net savers, but rely on non-risky avenues such as banks, insurance or post office savings instruments.
- Among the households that did not invest in the secondary market, nearly 41% felt that they had inadequate information about financial markets and lacked investment skills. This perception was prevalent across various income groups and education categories. In addition, a stunning 16.5% of the most educated\*\* and 16% of the upper middle and upper income groups thought that investments in the secondary market were not safe!
- These results, though unflattering to our educated middle class, point to a great opportunity for the financial sector. For educators, trainers and industry associations, the challenge is to increase public awareness of the importance of financial planning while informing potential investors about the risks and returns of different investments. For finance professionals, it is a signal to develop products of different investments. For keeping in mind the inherent risk-averse nature of Indian households. For regulators, it is a warning to get the macro-structure in order, so that systemic crises that erode investor confidence are minimised. And for the government, it is a chance to bring untapped savings into financing economic activity.

### Factors Affecting Indian Household Savings:

The nature of saving has been changed considerably over the last couple of years. The savings behavior in India went through a complete change since independence. There are a number of factors affecting Indian household savings.

These factors may be behavioral in nature or other types of factors and they impact the household savings in India in a number of ways. According to the Keynesian theory, the principal causal factor of saving is earnings or income and this stood firmly as a proven fact over the passage of time.

At the same time, a number of experiments and observations do not substantiate the capacity of other variable quantities, for example, inflation rate, rate of interest and tax rates regarding the impact on savings.

The factors affecting Indian household savings can be categorized into the following types:

1. **Interest rates:** The financial liberalization that was pioneered in the decade of 1980s got the impetus following the year 1991. Currently, every interest rate excluding that of Provident Fund Plans, Post Office Small Savings Schemes, Bonds issued by the Government of India and Senior Citizen Savings Schemes (that are considered as financial securities with sovereign guarantee) are ascertained by the market. After 1991, there was a stable reduction in the rates of interest in the financial system of India. However, a significant rise was seen in the household savings in terms of the GDP (Gross Domestic Product) in both the periods 2002-2003 and 2003-2004 and this was quite high in comparison to the rate of household savings in the 1980s.

The shift from a protected and ineffective economic system to a market regulated and effective economic system has caused people to feel unsafe and propelled them to gather savings for the purpose of protection from unemployment in the future, regardless of the rates of interest. This unsafe feeling among people has instigated the growth of savings rate. In addition, the retired individuals have realized that since the interest rates have gone down, they should enhance the amount of savings in order to keep the similar range of cash flow. In conclusion, it can be suggested that rates of interest do not impact on household savings to a substantial degree.

**GDP Growth, Economic Liberalization and savings rate:** The economic liberalization steps taken in the decade of 1980s (emphasized from the year 1991) had made a significant contribution to the growth rate in GDP (mean growth rate 5.6%) and the rate of savings (17%). This was present in the period 1984-1985 thru 1995-96. From the period of 1996-97 thru 2003-2004, it is noticed that the GDP has kept on increasing, even though at a variable rate, however, the savings



rate has kept on increasing on a regular basis free of any variations. This proves the concept that income is the principal deciding factor behind savings and economic liberalization facilitates growth in savings by increasing income. As a matter of fact, from the time India became independent till the mid 1980s, the economy of India was characteristic of a sluggish growth rate of 3.5% every year that has altered from the mid part of the 1980s.

2. **Income:** The increase in GDP (Gross Domestic Product) has resulted in a stable and considerable increase in Gross Domestic Savings. There is a reciprocal relationship between the increase in national savings and the growth in income. This means that the theory of income formulated by Keynes is applicable for India, as well. In addition, permanent income was the crucial deciding element in comparison to transient income. In the earlier phases of growth the degree of income functions as a significant deciding factor about the capability for saving.
3. **Tax Incentives:** Till the month of March 2005, the Government of India has rendered a large number of tax incentives. Every tax benefit is accessible from securities supported by the State Guarantee, excluding ICICI Bank. There has been a large extent of investment in this type of securities simply due to the dual benefits of State Cover and evasion of tax. The funds collected by the means of these securities are utilized to compensate the fiscal deficit of the Government of India. The principal objective behind these modifications is to force people regarding retirement savings and make people interested in the direction of stock markets.

#### Recent Initiatives:

##### Collective Investment Vehicles – Household Investors:

A collective investment vehicle (CIV) is any entity that allows investors to pool their money and invest the pooled funds, instead of buying securities directly as individuals. The most common types of collective investment vehicles are mutual funds, exchange-traded funds, collective investment schemes and venture capital funds. Collective investment schemes are well established in many jurisdictions, and serve as an investment vehicle for a wide range of investment opportunities around the world.

The International Organization of Securities Commission (IOSCO) in its *Report on Investment Management of the Technical Committee* defined a collective investment scheme (CIS) as “an open ended collective investment scheme that issues redeemable units and invests primarily in transferable securities or money market instruments.”

In India, there are five distinct categories of collective investment vehicles in operation, such as mutual funds (MFs), index funds, exchange traded funds, CIS, and venture capital funds (VCFs), which mobilize resources from the market for investment purposes.

- a) **Mutual Funds:** A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. Mutual funds are essentially investment vehicles where people with similar investment objectives come together to pool their money and then invest accordingly. The SEBI defines a mutual fund as "A fund established in the form of a trust to raise money through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments or gold or gold related instruments or real estate assets." A mutual fund will have fund manager who is responsible for investing the pooled money into specific securities (usually stocks and bonds).

When one invests in a MF, one is buying shares (or portions) of the MF, and becomes a shareholder of the fund. Mutual funds are considered a good route to invest and earn returns with reasonable safety. Some of the other major benefits of investing in them include the options of investing in various schemes, diversification, professional management, liquidity, effective regulations, transparency, tax benefits, and affordability.

The Unit Trust of India (UTI) that was created in 1964 was the first MF in India. It enjoyed complete monopoly in MFs until 1986. Other public sector mutual funds were set up by public sector banks and the Life Insurance Corporation of India (LIC) and the General Insurance Corporation of India (GIC) in 1987. SBI Mutual Fund was the first non-UTI mutual fund established in June 1987. The MF business was progressively opened to competition after 1988. This move gathered momentum in India after economic liberalization in 1991, and the establishment of the SEBI in 1992.

- b) **Index Funds:** Index funds replicate the portfolio of a particular index such as the S&P CNX Nifty. This is done by investing in all the stocks that comprise the index in proportions equal to the weightage given to those stocks in the index. The value of the fund is linked to the chosen index, so that if the index rises, the value of the fund will also rise. Conversely, if the index falls, so will the value of the fund.

Unlike a typical MF, index funds do not actively trade stocks throughout the year. At times, they may hold their stocks for the full year, even if there are changes in the composition of the index; this reduces transaction costs. Index funds are considered appropriate for conservative long-term investors who are looking at moderate risks and moderate returns arising out of a well-diversified portfolio. Since index funds are passively managed, the bias of the fund managers in stock selection is reduced, and yet provides returns at par with the index.



- c) **Exchange-Traded Funds:** An ETF refers to a diversified basket of securities that is traded in real time like an individual stock on an exchange. Unlike regular open-ended mutual funds, ETFs can be bought and sold throughout the trading day like any other stock. An ETF is similar to an index fund, but the ETFs can invest in either all of the securities or a representative sample of the securities included in the index. Exchange-traded funds first came into existence in the USA in 1993. About 60 percent of the trading volumes on the American Stock Exchange are from ETFs. The most popular ETFs are QQQs (Cubes) based on the Nasdaq-100 Index, SPDRs (Spiders) based on the S&P 500 Index, iSHARES based on the MSCI Indices, TRAHKs (Tracks) based on the Hang Seng Index, and DIAMONDS based on the Dow Jones Industrial Average (DJIA). The average daily trading volume in QQQs is around 89 million shares.

Like index funds, ETFs are also passively managed funds, wherein subscription/redemption of units implies exchange with underlying securities. Since these are exchange traded, units can be bought and sold directly on the exchange; hence, the cost of distribution is much lower and the reach is wider. These savings are passed on to the investors in the form of lower costs. The structure of ETFs is such that it protects long-term investors from the inflows and outflows of short-term investors. An ETF is highly flexible and can be used as a tool for gaining instant exposure to the equity markets.

- d) **Venture Capital Funds:** A venture capital fund (VCF) is a fund established in the form of a trust or a company, including a corporate body, having a dedicated pool of capital raised in the specified manner, and invested in venture capital undertakings (VCUs). A VCU is a domestic company whose shares are not listed on a stock exchange, and is engaged in a business for providing services, production, or the manufacture of articles. A company or corporate body that wishes to carry on activities as a VCF has to obtain a certificate from SEBI and comply with the regulations prescribed in the SEBI (Venture Capital) Regulations, 1996.

**Number of Mutual Funds and New Fund Offers:** As on March 31, 2011, the number of MFs registered with the SEBI was 51; it remained 51 till the end of September 2011. As against the 882 schemes in 2009-2010, there were 1,131 mutual fund schemes as on March 31, 2011, of which 679 were income/debt-oriented schemes, 376 were growth/equity-oriented schemes, and 33 were balanced schemes. In addition, there were 28 exchange-traded funds and 16 schemes operating as fund of funds. The aggregate sales of all the schemes amounted to ₹ 88,595,150 million, and the redemptions during the year equalled ₹ 89,089,210 million.



### Mutual Fund Service System (MFSS)

In November 2009, the SEBI allowed transactions in mutual fund schemes through the Stock Exchange infrastructure. Consequent to this market development, the NSE launched India's first Mutual Fund Service System (MFSS) on November 30, 2009, through which an investor can subscribe or redeem the units of a mutual fund scheme. The MFSS is an online order collection system provided by the NSE to its eligible members for placing subscriptions or redemption orders on the MFSS, based on the orders received from the investors. This has made the buying and selling of mutual funds easier for investors. The subscription/redemption requests would be processed, and the investor would know about the status of the request only in the form of direct communication from the MF/AMC/RTA. The NSE MFSS facilitates the entry of both buy as well as sell orders. With the MFSS, investors can place an order through a registered NSE member who is eligible to participate in the MFSS for subscription/redemption of units. In order to subscribe for units, the members are required to place buy orders. A member who wishes to redeem the units of a mutual fund scheme will be required to place sell orders in the system. While putting their subscription/redemption requests on the MFSS, the participants can choose between physical mode and depository mode. All orders are settled on an order-to-order basis, in T+1 (working days). As many as 26 fund houses have joined the NSE MFSS platform as on March 31, 2011, and there were 1,312 sub schemes available for trading.

### Unit Holding Pattern of Mutual Funds:

The unit holding pattern of mutual funds shows that the individual investors accounted for 97.07 percent of the total number of investor accounts at the end of March 2011. They were followed by NRIs, who constituted a meager 1.90 percent of the total number of investor accounts. On the other hand, the corporates/institutions accounted for 72.80 percent of the net assets of the MF industry in 2010-2011, followed by individuals, who accounted for 23.40 percent. The corporates/institutions saw the highest increase in net assets among the four categories, with a year-on-year improvement of 18.05 percent in 2010-2011.

### Depositories:

A depository holds the securities in a dematerialized form for the investors in their beneficiary accounts. Each clearing member is required to maintain a clearing pool account with the depositories. They are required to make available the required securities in the designated account on settlement day. The depository runs an electronic file to transfer the securities from the accounts of the custodians/clearing member to that of the NSCCL (and vice versa) as per the schedule of allocation of the securities. The two depositories in India are the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL).



**Demat Trading:** A depository holds securities in a dematerialized form. It maintains the ownership records of the securities in a book entry form, and also effects the transfer of ownership through a book entry. Although the investors have a right to hold securities in either physical or demat form, the SEBI has made it compulsory that trading in securities should be only in the dematerialized form. This was initially introduced for institutional investors, and was later extended to all investors. Starting with twelve scrips on January 15, 1998, all investors are required to mandatorily trade in the dematerialized form. The securities of those companies that fail to establish connectivity with both the depositories on the scheduled date as announced by SEBI are traded on the trade for trade settlement window of the exchanges.

#### NSDL, CDSL & Household Investors:

At the end of March 2011, the number of companies connected to the NSDL and the CDSL were 8,842 and 8,152, respectively. The number of dematerialized securities increased from 429.09 billion at the end of March 2010 to 576.61 billion at the end of March 2011. However, during the same period, the value of dematerialized securities increased by 18.42 percent, from 64,568 billion to 76,464 billion.

Since the introduction of the depository system, dematerialization has progressed at a fast pace, and has gained acceptance among the market participants. All actively traded scrips are held, traded, and settled in the demat form. The details of the progress in dematerialization in the two depositories (NSDL and CDSL) as on March 2011 and September 2011 are presented in Table 2:

The Depositories in India provide depository services to investors through depository participants (DPs). The depositories do not charge the investors directly, but charge their DPs, who in turn charge the clients. The DPs are free to have their own charge structure for their clients. However, as per the SEBI directive, the DPs cannot charge investors any charges for opening a Beneficiary Owner (BO) account (except for statutory charges), for the credit of securities into the BO account, or custody charges. It may be added that the depositories have been reducing their charges as they grow rapidly.

Table 4-7: Progress of Dematerialization (NSDL & CDSL) at the end of various periods

Parameters of Progress	NSDL				CDSL			
	Mar-09	Mar-10	Mar-11	Sep-11	Mar-09	Mar-10	Mar-11	Sep-11
Companies - Agreement signed	7,801	8,124	8,842	9,212	6,213	6,805	8,152	9,000
Companies - Available for Demat	7,801	8,124	8,842	9,212	6,213	6,805	8,152	9,000
Market Cap. of Companies available (₹bn.)	31,103	61,843	78,196	66,839	31,437	62,196	66,975	62,152
Number of Depository Participants	275	286	293	297	468	490	524	538
Number of DP Locations	8,777	11,170	12,767	13,689	6,934	8,590	10,052	10,639
No. of Investor Accounts	9,685,568	10,584,068	11,544,309	11,910,398	5,527,479	6,585,746	7,479,316	7,738,861
Demat Quantity (mn.)	262,270	351,138	471,304	536,014	70,820	77,950	105,310	130,910
Demat Value (₹ bn.)	31,066	56,178	66,079	66,878	4,397	8,389	10,385	9,939

Source: NSDL & CDSL



**Investor Awareness and Education:**

The NSE has been conducting investor awareness and education seminars on a regular basis at various centers across the country. Informative brochures and booklets have been prepared for educating investors, which are distributed free of cost at the seminars. 956 investor awareness programmes were conducted during the year 2010-2011. Focused efforts have been made to enhance the knowledge and understanding of new as well as existing product categories through various interactive sessions and training programs that are available to NSE members, sub-brokers, and investors. These training and awareness programs include topics such as currency derivatives, ETFs, mutual fund service systems, interest rate futures, and investor awareness programs focused on exchange-traded products. The participants include corporate, importers/exporters, banks, individual clients, NSE members, their branches, and sub-brokers.

**Conclusion:**

The alarm bells should start ringing any time now. An important component of the economy has been sinking and needs to be rescued urgently. This critical piece is 'savings' and, within this overall head, household savings is the one critical subcomponent that needs close watching and nurturing.

Within the overall savings universe, the subcomponent 'household savings' is most critical. It provides the bulk of savings in the economy, with private corporate savings and government saving contributing the balance. The worrying factor is the near-stagnation in household savings over the last eight years or so. What's even more disconcerting is the fact that household savings remained almost flat during the years of 2004-08.

Household savings, which constitute the large chunk of our National Savings, are normally housed in "safe" yet non-productive investments like gold. It is estimated that 1 per cent of the world's gold is mined in India, while it consumes nearly 10 per cent of the world demand. In fact, the Reserve Bank of India, in its Annual Report 2011-12, counted the import of gold as the major factor behind India's Current Account Deficit.

Notably, the Finance Minister has made few interesting taxation moves to encourage the housing of savings in financial instruments. The Rajiv Gandhi Equity Scheme which allows first-time investors a deduction of Rs 50,000 over and above the Rs 1,00,000 deduction available under Section 80C for investment in select equity and mutual fund schemes, has now been extended to an annual income limit of Rs 12,00,000 and for a period of three years.

It is essential to appreciate the divergence that exists in the perception of gold between investors and the Government. While the Finance Minister believes that it is a disposition of income, investors treat it as a saving tool. The recent global financial crisis has, in all eventualities, cemented their belief that gold is the "safest" investment, which saw the US dollar nearly being downgraded. Furthermore, gold occupies a very distinct cultural position as well in India, as it is considered a signifier of affluence.



To the relief of first-time home buyers, they can claim a deduction of Rs 1,00,000 on interest payments for loans up to Rs 25 lakh raised during this fiscal.

The Budget also introduced inflation-indexed bonds and saving certificates to be designed in consultation with the Reserve Bank of India. Such instruments will offer some respite to investors, addressing at least the investor's concerns regarding the erosion of capital. Although the response of cautious Indian savers to Chidambaram's proposals remains to be seen, it is unlikely to be overwhelming. Incentives for financial savings have been a long-standing feature of the Income Tax Act, 1961. Nonetheless, given the complexities associated with financial savings for an average household and the prevailing mistrust in the economic climate, gold is likely to be the winner.

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## BUSINESS EDUCATION IN NORTH EAST INDIA: STATUS AND CONCERN

Dr. Monalisa Choudhury \*

### INTRODUCTION:

Education plays a vital role in moulding the socio-economic life and structure of the society. It is an important instrument in developing the quality of manpower in a country. Business education means imparting education required or related to the business concerns. It covers a wide field and includes commerce education at all levels along with BBA and MBA and other professional courses like CA / ICWA/ CS/ CFA etc. It also includes certificate and diploma courses on various sectors like banking, insurance etc and also the commerce based vocational courses. Leveret. S Lyon defined pennsylvania's Wharton School of Commerce in 1881. These colleges offered courses in specific business skills and some trade practice.

The commerce education started its journey in India as early as in 1886 when the first commercial school was started in Madras by the trustees of Pachiappas charities and around about the same time the government of Madras instituted examinations in Commerce. The government of India started a school of Commerce in Calicut in 1895. In 1903, Commerce classes were started in the presidency college, Calcutta. Between 1903 and 1912 commercial institutions were started in Delhi and Bombay. The commerce education in the collegiate and University level began with the establishment of the Sydenham College of Commerce and Economics in Bombay in 1913.

Commerce education in North East India was first introduced by the Jagannath Baruah college of Jorhat in Assam with the subjects Commercial Geography & Book-Keeping & Commercial Arithmetic at the intermediate level in the year 1939. The student who took these two subjects along with civics (Containing both economics & political science) was considered as a student of LA ( Commerce) class. With the efforts of the great scholar and Principal K.K Handique and Vice Principal Tulsi Narayan Sarma B. Com course was started in J.B College under Calcutta University in the year 1944. In the year 1948 the first ever university of the North East was established in Guwahati by the name of 'Gauhati University'. In the same year under the initiative of K. K Handique the then vice chancellor of the Gauhati University under graduate and post graduate commerce classes were started in the university. In the year 1951 honours courses were introduced

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in Accountancy, Banking and Labour Economics at the degree level in the university.

Gradually a number of colleges started commerce classes in the pre university and under graduate level. By the end of 1950 six(6) colleges out of twenty (20) affiliated colleges extended commerce education facility. These six(6) colleges were J.B College, Jorhat, G.C College, Silchar, D.S.H.K College .Dibrugarh, Karimganj College, Karimganj, Nowgong College, Nowgong, Tinsukia College, Tinsukia. By the end of 1960 this number increased to eight (8) .In the early sixties three (3) full fledged Commerce College was established. They were D.S.H.K Commerce College (1960), Gauhati Commerce College (1962), C.K.B Commerce College (1965) . Moreover, with the establishment of the Dibrugarh University in the year 1965, four (4) full fledged Commerce College were established under D.U during the period 1969-1972. Further, many colleges having combined faculties of Arts, Science and Commerce also steadily increased.

The North East region consist of eight (8) states namely Assam, Arunachal Pradesh, Manipur, Mizoram, Meghalaya, Nagaland , Sikkim and Tripura. Of these, Assam is far more ahead in case of growth and development of business education. In the last decade, there has been a tremendous growth in the business education. Out of these 80% combination of the regional growth is confine to the state of Assam namely the gateway to the North East i.e Guwahati city. As per the various information obtained from the different universities of the region it is found that there is approximately a total of 40,000 students enrolment in business education in the North East Region which is 1% of the total All India Estimates. The enrolment in Business education in the whole country was approximately 40 lakhs in the year 2007-08. Out of the total 40,000 business students of the North east 80 % belong to the state of Assam. Besides this, many chapters of the different professional bodies imparting various courses are stated in Guwahati city of the state of Assam. Gradually, commerce colleges were started in the different states throughout the North Eastern region. Some colleges were started with both Arts, Commerce and Science streams while some were full-fledged commerce college. Following are the colleges of different states of the North eastern region having commerce subject.

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## IMPACT ON INCOME OF RURAL POOR UNDER SWARNAJAYANTI GRAM SWAROZGAR YOJANA—A STUDY IN KAMRUP DISTRICT (RURAL) OF ASSAM

Ajay Kumar Deka \*

### 1.0 Introduction:

Swarnjayanti Gram Swarozgar Yojana' (SGSY) was launched on 1st April, 1999 after restructuring the erstwhile IRDP and its allied programmes namely Training of Rural youth for self Employment (TRYSEM), Million wells scheme (MWS) and Development of women and children in Rural Areas (DWCRA). The basic objective of the programme is to bring the assisted poor families (Swarozgaris) above the poverty line by providing them income generating assets through a mix of bank credit and Govt. Subsidy. The programme assists poor families by organizing SHGs and individual swarozgaris. It provides additional wage employment in the rural areas and ensures food security as well as social and economic infrastructure in rural areas. This is a holistic programme covering all aspects of self employment such as organization of the poor into SHGs, training, credit, technology, infrastructure, marketing etc. The SGSY is funded by the centre and the states in the ratio of 75:25.

With the coming into force of SGSY, the earlier programmes like Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkit for Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Million Well Scheme (MWS) have ceased to operate. The objective of SGSY is to bring the assisted poor families (Swarozgaris) above the poverty line by ensuring appreciable increase in incomes over a period of time. The objective is to be achieved by inter alia organizing the rural poor into Self Help Groups (SHGs) through a process of social mobilization, training and capacity building and provision of income generating assets through a mix of bank credit and govt. subsidy.

The economy of Assam as well as of India is predominately agrarian and hence the rural economy has a vital role to play for the economic development of this region. The employment in the rural areas is very much important for the economic welfare of the rural masses. At the time of independence, the economy of the country as a whole and also the economies of the various states of India including Assam were in a stagnant condition. The rural economy can be a standstill, which called for urgent solution.

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Since independence, the Government has implemented several rural development programmes to uplift the artisans and farmers' socio-economic condition to a desired level, though expected results are yet to be favourably accomplished. Earlier, rural progress implied agricultural and community development by encompassing the entire population of rural areas as a part of modernization of the underdeveloped society. Rural development today is viewed narrowly as a strategy specifically designed to improve the economic and the social life of a targeted group of people termed rural poor. In order to meet this objective several rural development programmes including Swarnajayanti Gram Swarozgar Yojana (SGSY) have been launched by the Government

The SGSY is the largest poverty alleviation programme which gives more importance on promoting self employment among men and women of rural poor families by giving them assistance directly and enabling them to cross the poverty line. The SGSY gives emphasis on organizing the rural poor into self-help groups through the process of social mobilization. The aim of the programme is to enable the assisted poor families to increase their monthly income up to at least Rs.2,250/-.

The programme has already completed about ten (10) years term. At the time of launching the programme, it was thought that the programme would be able to reach its expected target. The programme would be able to reduce the amount of poor families. But in actual practice that was not found to be so. The success of the programme is not in accordance with the expectation. According to the earlier studies carried on by Centre for Management Development, Thiruvanthapuram and Report of the working Group on poverty alleviation for 10<sup>th</sup> five year plan, the overall performance of SGSY was not satisfactory. Their study reports revealed that a few states of the country had made remarkable progress in respect of implementation of the programme. But a large number of states had failed to implement the programme successfully. Many reasons were earmarked for slow progress of the programme. For example, organization of rural poor, formation of self-help groups and gradation of groups require more time. The groups became eligible to take financial assistance after about one year of formation and sometime it took more time due to economic conditions, illiteracy, lack of skill etc. However, delay in sanction and disbursement of loans, non cooperation of block/district officials in formation of SGSY groups, improper selection of beneficiaries, role of influential persons in selection of members, lack of proper monitoring system, lack of marketing facilities etc. were the major reasons for weak performance of the programmes. After reviewing the weak performance of the SGSY and analyzing the feed backs/suggestions of the states/ union territories the Government of India has made some changes in the guidelines of the programme to make it more effective.

### 1.1 Statement of the problem:

Taking clue from the aforesaid discussion, we have carried out a research investigation

on the topic "Generation of Income of Rural Poor through Swarnajayanti Gram Swarozgar Yojana (SGSY) - A study relating to Kamrup District (Rural) of Assam.

### 1.2 Objectives of the study:

The following are the two objectives of this paper;

- (i) To estimate the 95% confidence interval for average monthly income of SHG members under SGSY in Kamrup district;
- (ii) To examine if there is any significant improvement in the average annual income of swarozgaris after joining the SHGs.

### 1.3 Methodology of study:

There are altogether 14 Development Blocks in the District of Kamrup (Rural). These Development Blocks are - 01) Rani; 02) Rampur; 03) Chayani Barduar; 04) Chayagaon; 05) Goroimari; 06) Boko; 07) Bongaon; 08) Chamariya; 09) Hajo; 10) Sualkuchi; 11) Bezera; 12) Kamalpur; 13) Bihdiya Jagikona; and 14) Rangia. We have selected at random five Blocks from the population of 14 blocks. For this random selection we have numbered the above mentioned Blocks as, 01, 02, 03, etc., 14. Then with the help of 4 digit random number tables, we have drawn five blocks which are Rani, Chayani Barduar, Boko, Sualkuchi and Kamalpur. From the record maintained in the office of the DRDA, we have found that there were altogether 9029 SHGs as on march, 2008 in all the 14 blocks. We have selected sample of SHGs from the selected blocks which have completed at least 3 years from the date of their formation. The reason behind this is that an SHG requires a minimum period of 3 years to earn income. The total number of SHGs in each selected block is shown below:

Table-1.1  
Total Nos of SHG in Selected Five Block

Sl. No.	Name of Block	No's of SHGs
1	Rani	448
2	Chayani Barduar	606
3	Boko	707
4	Sualkuchi	618
5	Kamalpur	668
	Total	3047



15 per cent of the total SHGs of 3047 i.e., about 457 SHGs belonging to the selected Blocks have been studied. For this purpose we have selected SHGs from these selected five Blocks by the principle of proportionate allocation under stratified random sampling technique. By following the principle of proportionate allocation under Stratified Random Sampling Technique we have selected 457 SHGs from the selected 5 blocks which are as follows:

**Table-1.2**  
**No' Selected SHGs from Selected Blocks**

Sl.No	Name of Block	Calculation	Selected SHGs
1	Rani	$\frac{457}{3047} \times 448$	67
2	Chayami barduar	$\frac{457}{3047} \times 606$	91
3	Boko	707	106
4	Sualkuchi	618	92
5	Kamalpur	668	101
Total			457

The data collected from 457 SHGs have been processed keeping in view the quantitative objectives of the study. So far as objective number (i) is concerned we shall use the concept of interval estimation. Again So far as objective no's (ii) is concerned we shall apply Paired t-test.

#### 1.4 HYPOTHESES TO BE TESTED:

SGSY programme has not significantly increased the income of the beneficiaries ( $H_0$ )  
Vis-à-vis

SGSY programme has significantly increased the income of the beneficiaries ( $H_1$ )

#### 1.5 Relevance of the study:

As the creation of employment opportunities is instrumental for generating income in rural areas and since a general study relating to a country or a state cannot properly reflect the implications of a programme in a particular district hence this study is thought to be of great significance.

**1.6. PERIODICITY OF STUDY:** We have collected data during the period from April, 2011 to March, 2012 in respect of the sample of SHGs which completed at least three years till March, 2011. Hence our periodicity of study is the period from April, 2011 to March, 2012.

**1.7. LIMITATIONS OF THE STUDY:**

The study is purely based on primary data collected through sample survey. Hence the data collected are subject to both sampling and non sampling errors.

**1.8 Analysis and Interpretation of Data:**

The number of sample SHGs taken from each of the select 5 blocks and the beneficiaries under the sample SHGs in each block are as follows:

**Table-1.3**  
**Total nos of selected SHGs and Beneficiaries**

Sl. No.	Name of Block	No of select SHGs	Beneficiaries under the select SHGs
1	Rani	67	1125
2	Boko	106	1044
3	Chayani Borduar	91	576
4	Sualkuchi	92	958
5	Kamalpur	101	1211
Total		457	4919

After classifying and tabulating the data in respect of annual income of the beneficiaries before and after joining the SHGs, we have calculated the average annual income (to the nearest whole number) of the beneficiaries in respect of each select block. We have taken those beneficiaries who have completed at least 3 years of joining the SHGs as it takes at least 3 years on generation of income. These data are shown below:



**Table-1.4**  
**Average Annual Income of the Beneficiaries after joining the SHGs**  
**over before joining the SHGs**

Sl. No.	Name of Block	Average annual income (in Rs.) of beneficiaries before joining the SHGs	Average annual income (in Rs.) of beneficiaries after
1	Rani	20,061	28,346
2	Boko	20,139	28,725
3	Chayani Barduar	20,878	29,313
4	Sualkuchi	21,798	33,337
5	Kamalpur	21,018	30,037
Average for the five blocks		21,779	29,952

95% confidence interval for population mean  $\mu$  is given by:  $\mu = \bar{x} \pm 1.96 \times \frac{\sigma}{\sqrt{n}}$ , where  $\bar{x}$  denotes average annual income of the sample beneficiaries,  $n$  denotes the number of blocks,  $\mu$  denotes the average annual income of the population of beneficiaries in Kamrup district(Rural) under SGSY,  $\sigma$  denotes the standard deviation of the annual incomes of the population of beneficiaries.

Since  $\sigma$  is unknown we take sample standard deviation  $s$  for  $\sigma$ . We have calculated  $s$  for average annual incomes before joining the SHGs and after joining the SHGs. For average annual incomes before joining the SHGs,  $s = \text{Rs.}712$  and for average annual incomes after joining the SHGs,  $s = \text{Rs.}1950$ .

The 95% confidence interval for the average annual income of the population of beneficiaries before joining the SHGs is found to be [ Rs. 20156 , Rs. 21402 ]. This means that we can be 95% confident that the average annual income of the population of beneficiaries i.e., all the beneficiaries in Kamrup district (Rural) of Assam under SGSY before joining the SHGs was within Rs. 20,156 and Rs.21,402.

The 95% confidence interval for the average annual income of the population of beneficiaries after joining the SHGs and completing at least three years is found to be [ Rs. 28245, Rs. 30823 ]. This means that we can be 95% confident that the average annual income of the population of beneficiaries in Kamrup district (Rural) of Assam under SGSY and completing at least 3 years of joining the SHGs is within Rs. 28,245 and Rs.30,823.

To test whether the incomes of the beneficiaries have significantly improved after completing at least three years of joining the SHGs, we have applied paired t-test. The test

statistic  $t$  is given by:  $t = \frac{\bar{d}}{s/\sqrt{n}}$ , where  $\bar{d} = \frac{\sum d}{n}$ ,  $d = y - x$ ,  $y$  = average annual income of the

beneficiaries after joining the SHGs and completing at least 3 years,  $x$  = Average annual income of the beneficiaries before joining the SHGs,  $n$  = number of blocks.

$$s = \sqrt{\frac{\sum (d - \bar{d})^2}{n-1}}$$

The calculated value of  $t$  is found to be 15.01. Since we have taken 5 blocks, therefore the degree of freedom =  $5 - 1 = 4$ . The significant absolute value of  $t$  at 5% level of significance for 4 degrees of freedom = 2.78. The calculated value of  $t$  is higher than the corresponding significant value. This shows that the average annual income of the beneficiaries under SGSY who have completed at least 3 years of joining the SHGs has significantly increased over their average annual income before joining the SHGs.

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## Brand Genericide and Brand Loyalty of Indian Consumer

Tribeni Barkatky \*

Brand is a recognised badge of origin, telling the world about the company and what it delivers. Today brands are more visible and can be easily recognised as they are available everywhere - in T.V., hoarding, posters, print media, internet etc. Brand Loyalty is the last stage of branding process. When customers have full faith on particular brand continues to buy the product repeatedly irrespective of marketing pressure generated by the competing brand.

People generally stay loyal when they become familiar with the brand and when they don't trust other brand. There is a positive relation between customer satisfaction and loyalty intention. If customer is satisfied he is interesting to display loyal behaviour by repurchasing the product and willing to pay a premium price for their favoured brand. with high brand loyalty are willing to pay a premium price for their favoured brand.

According to the level of involvement and pattern of loyal behaviour showed by the consumer loyalty can be categorised as follows.

1. Hardcore loyal - (They are committed buyer pay positive word of mouth)
2. Softcore loyal - (Satisfied buyer with divided loyalty)
3. Shifting loyal - (Satisfied buyer with switching cost)
4. Switcher - (Buyer with no feeling of loyalty)

A highly loyal customer base can be expected to generate very predictable sale and profit. Maintaining brand loyalty has suddenly become the biggest challenge. There is a digital convergence of culture, business and economy into bits and bytes. So there is huge opportunities for company to understand their customer. Digging into the wealth of social media data brands can discover consumer insight like never before.

Indian consumer life style and shopping habits are evolving rapidly. Discretionary spending witness a 16% increase for urban upper and middle class. There is an easier acceptance of luxury and an increased willingness to experiment with mainstream fashion. Brand value provides an annual ranking of most valuable brand. In 2013 five Indian companies successfully made their name among world's best brand (1) TATA group (2) Reliance Industries (3) SBI (4) Indian Oil (5) Bharati Airtel.

Brand Trust Report India Study 2013 (ISBN 978-81-920823-4-9) list 1100 most trusted brand - Nokia was ranked an India's most trusted brand, followed by Samsung



ranked 2nd and Sony ranked 3rd. Other brands among India's most trusted brand include Reliance, Bazaz, Godrez, Airtel, L.G, LIC, SBI, Maruti Suzuki.

### **BRAND GENERICIDE**

Some products generate such a recall value that consumer have almost forgotten the general product name and begun to associate the brand name as product name. The brand combination or particular product dominates the market in such a way that its brand name becomes the generic term for the item. It is human nature to make thing simple consumer use brand name as generic noun because it is easier that way. So Consumer shows a consistent pattern of behaviour without much thought. This syndrome is called 'genericide' and India has number of such popular brands falling in this category.

The most commonly used brand name as generic name are :-

Surf	-	for any detergent
Bisleri	-	for any mineral water
Rin	-	for any washing soap
Good Knight	-	for any mosquito repellent
Harpik	-	for any toilet bathing cleaner
Colgate	-	for any tooth paste
Xerox	-	for any photocopy
Band-aid	-	Bandage

Companies spend a lot to promote their brand to make their brands 'Household names' or Top-of-the-Mind brand. But if customers use these names as generic name for being applied to any product besides their name then they have to spend more to prevent these trade mark from becoming genericide for example when brand name xerox was becoming a generic noun and verb the xerox corporation launched on going media campaign to reclaim their name and reinforced the general term 'Photocopy'.

Customer memory is short for good experience but negative experience will stay with him forever. Now a days marketer are interested in making their customer brand loyal. A company has to make all effort to acquire customer and then convert them to carry repeat purchase from the company.

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## DISTANCE EDUCATION : A SUPPLEMENTARY OF CONVENTIONAL EDUCATION SYSTEM

MATHUR BARMAN \*

The history of Indian Education is the story of demand and supply of education for an ever swelling number of middle and lower middle class people. Education has been considered as a natural process. The process of education started even during the pre-historic period, when man in his primitive stage began to apply his interest to adapt himself to his environment and fulfil the needs of his life. Not only man, but every living being has to adapt himself to his environment, failing which its survival becomes difficult. The nature by giving wisdom to enable him to adapt himself to his environment like other animals in the world. So the only way open to him was to discover and create means of adaptation. And thus was the beginning of education.

Education being very ancient for a long period of time, man has been making conscious efforts to educate both children and adults. In recent years, education has become more important than before in the civilised countries. It is observed today that education is designed to help not only children, but also the adult people whose education has been neglected in childhood and youth. (Kar B C 1984, p 4).

Education is a key to human development. It is fundamental to all round development of human potential both material and spiritual. It contributes to National cohesion, scientific temperament and independence of mind and spirit. Education is the foundation for all the progress of human beings. It makes human life purpose full. Education develops the individual like a flower which distributes its fragrance all over the world. As an individual grows and develops himself, the society also develops to higher level attainment. When society develops, the world also develops and progresses. Hence, education is directly proportional to the growth and development of individual and society.

The basic purpose of education have been defined in terms of building up an integrated personality, preparation of life, and cultivation of highest intellectual, emotional and ethical integration of the individual in to a complete man. Indeed, this is a broad definition of the fundamental aim of education. In a secular country like India, education should aim at building harmonized persons reflective, idealistic, pragmatic enough to

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march at oar with the problems of life and contribute to the good of the society .Education leads to the formation of human capital and is an important investment for development process.(planning commission, 2002)

However in order to fulfil the board based ideals of education, one has to explore both the formal as well as informal means throughout one's life .It is primarily a training of the mind that naturally enables it to have control over the body . John Ruskin once remarked, " Education doesn't teach people to know what they don't know; it means teaching them to behave as they don't behave"

The words mentioned above reveals the way education develops the mind, the physique , the sense & the skill & thereby nourishing the mental faculties of the learner.Viewed collectively and on a wider scale it enables the nation-

- To maintain an able administration
- To achieve a high level of production
- To provide gainful employment ; and
- To offer welfare facilities for its citizens.

Education at different stages is geared at diverse aims. The stages of education namely primary , secondary ,university and adult education, has its own specific aims. Again different types of education-humanistic ,scientific, technical ,art, commerce etc. Have own significant aims. However , education as whole may broadly be conceived in terms of the general purpose of " man making "

Distance education is being called upon to meet some of the felt needs in several countries of the world. The nature of felt needs varies from country to country, depending upon the stage of its development , but the needs for distance education is being recognized for varity of reasons, some of which are common to all, but others are specific to particular country depending on their individual needs. For instance , in all countries , it is felt that equality of opportunities for education should be provided and that there should be greater access to higher education. Further , there is a need to provide continuing education to meet the changing requirements of people working in various walks of life, Further the quality of education has to be improved so that it can meet all these demand to make the system innovative and flexible(Reddy G. Ram ,1998 p.5)

Distance education have been firmly established on the Indian education scene as important , effective and meaningful alternatives to the formal system of providing education and of enlarging the access to educational opportunities. It may be said that it makes geographical and emotional separation of the teacher and the taught. It opens up a based upon the technological rules and methods of imparting education. It leads to globalization of system of give and take of education even at the international level, leading to globalization of education.



Distance education, which includes open learning, correspondence education, has become the most outstanding feature of modern education. Educationists are becoming sensitive to the handicaps of the present system of education and are thinking about alternatives of conventional formal education system. Distance mode of learning is an idea for which some effective management system, methodologies have to be devised and planned. Distance mode of learning being flexible in nature can be adopted to the needs of individuals organizing distance education courses, needs sufficient financial help, brilliant and devoted teachers, expert planning, creative organization of teaching programmes, dynamic leadership, efficient academic arrangement and effective implementation strategies. There is a general complaint that offering different academic courses through distance education system will deteriorate the standards of quality of education. However, a good deal of thinking and planning is needed before launching courses through distance mode of learning.

Although India has huge potential to improve demographically, it has less than 14% GER which is comparatively poor against the increasing population. While India has set the target to meet 15% GER by 2015, and 20% GER by 2020, the average high income countries have a ratio above 60 percent. For instance, the corresponding ratio is above 80% in the USA, above 70% in Sweden, Norway, New Zealand, above 60% in the UK and Australia, above 40% in several European countries, and more than 20% in many developed and developing countries such as Mexico, Malaysia, Thailand, Chile and Brazil. There is even an inter-state variation in the development of higher education in terms of enrolment ratio. Some Indian States have expanded their higher education system fast, but many are still lagging behind. For example, the enrolment ratio is as high as 29% in Chandigarh, but less than 5% percent in Jammu and Kashmir (4.95%), 4.33% in Nagaland, 6.6% in Assam respectively. In fact Arunachal Pradesh has the lowest GER of about 3% (CABE Report, Government of India). These details show that the North Eastern Region of India is far lagging behind in achieving the targeted HR development. What India needs at this stage is to make room for more educational avenues at cheaper cost and with fast access. The 11<sup>th</sup> Five Years Plan has set the target of covering around 40% of the total number of students under the open and distance learning system. This system aims to redress social or educational inequalities and to offer opportunities to those who are deprived of education even after they have finished their formal education in the conventional mode. Open and distance education thus seeks to remove the barriers and restrictions placed on students, as evident in the conventional education system, by opening up learning opportunities in a wider perspective, and enabling learners to learn more congenially and periodically. In open and distance education, content delivery system, student support services and a variety of evaluation methods have to be restructured and refunctioning of



an educational institute. It's being a learner-centric approach, along with the print media, a number of non-print media such as radio, telephone, audio cassettes, video cassettes, computer and electronic media etc. Have provided the scope for both synchronous and asynchronous interactions. Moreover, as a cost-effective mode of education, ODL has covered a wide section of the people in a society in a short while. Open schools and open universities have played crucial role in promoting the accessibility of education to all. Subsequently, this mode is also increasingly being termed as 'Independent Learning', 'Flexible Learning' as well as 'Self-Learning'. Experiences in India has it that open and distance education provides greater scope for experiments and innovation for which flexibility can be inserted into the system to cater to the needs of a heterogeneous group of learners conditioned by the changes of time, and the requirements of the society. For example, choice-based credit system and convergence approach are the two relatively innovative means bringing home the advantages of open and distance mode of learning. These means have successfully assisted a modern learner to get educated even through the joint cooperation of both the conventional and ODL modes of education by enabling them to transfer their credit at their best choice and according to their own convenience. Thus, open and distance education at a higher level, has played a central role in bringing multifaceted human resource development and enabling learners to adapt themselves to the paradigm shift in education in contemporary times, and providing various opportunities to get absorbed in the job market and self-employment.

### DISTANCE EDUCATION IN ASSAM

The state of Assam, situated in North Eastern Region of India was known in the great Epics as well as in the principle puranas as "Pragjyotisha and kamrupa". In the latter period, this Eastern most State came to be known as "ASSAM" after the mighty Ahoms took the administration of the land in 1228 A.D.

For long Assam having her indigenous system of imparting elementary education through formal institutions like Tols, Madrassas, and Pathshalas etc. As with other people, religion constituted a distinct place in their religious scriptures. They learnt the alphabets and the method of reading an informal way of learning of 3R's that was prevalent. Gradually, important development took place in the field of education.

But it cannot also be denied, that there are number of students in the state who are unable to complete or pursue their higher education through the regular institutions universities due to various reasons. The opening of various Distance learning institutions and colleges have provided opportunities to thousands of students who do not have access to higher education institutions in their place of residence and also to working professionals who wish to upgrade their qualifications. Following Distance Education Institutions

has been developed in the upcoming years in Assam with a motive to increase the rate of literacy

And make education reachable to the nook and corner of the state.

IGNOU- The IGNOU was established in 1985 and flourished with due course of time. IGNOU has its regional centre in Guwahati in the year 1996. The regional centre covered Arunchal Pradesh, Assam and Sikkim. At present Guwahati centre of IGNOU is functioning only for Assam only.

IDOL- In Assam particularly, we have found that the system of open and distance learning was successfully introduced for the first time by the Institute of Distance and Open Learning (Formerly known as Post Graduate Correspondence School) in the Gauhati University campus in 1998. IDOL Gauhati University has Completed 15 years of successful in May 2013 and aim to continue the mission of spreading and providing quality education to the students. IDOL aims to maximise learning opportunities and the first E-learning Portal of the North East [www. bodhidhroom.idolgu.org](http://www.bodhidhroom.idolgu.org). developed by IDOL and Radio Luit; the community Radio Centre is latest modes in student support services. With the commitment to ensure quality education to masses, IDOL, is lunching undergraduate programme from the academic session 2011-12 and journey from 'correspondence school' to 'open and distance learning' is not only a leap in quantity but also quality.

KKHSOU- The Krishna Kanta Handiqui state Open Univerisity is the first Open University in Assam and also in the North East, come to existence officially from 11<sup>th</sup> Dec in the year 2006. The University is recognised by the Distance Education Council, New Delhi. The KKHSOU is the 14<sup>th</sup> amongst the open Universities in India. The KKHSOU has around 276 centres across the state and also in Nagaland and Tripura. This university has played prominent role in providing education even to the inmates of Guwahati Central Jail, Jorhat Central Jail, Abhyapuri Jail and Biswanath Chariali Jail. Thus, in a democratic country like ours, we have to enjoy the basic human rights like the right to education, and the authority (the Government) should ensure education for all people by adopting the convenient mode of education system that will benefited this country in a large scale.

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## Mobile Theatre, a popular entertainment media of Assam

Moushumi Devi \*

### INTRODUCTION :

Theatre are the most vibrant cultural product of India. Theatre as it exists in India today is a complex art form which combines in it the virtues of music, literature and drama and is the product of various cultural influences. Theatre has very strong links with indigenous performing traditions namely the Jatra Parties, Aankiya Naat & Bhaona - which are performed at local level in Assam. Theatre are termed as Mobile Theatre or Bhramyaman Theatre in Assam because of its roving nature. The mobile theatre units use different methods including cinematic presentation in their attempt to entertain the viewers with romantic, historical, mythological, social and fantastic themes.

A mobile theatre unit is a professional and organised group of people which travels different places to perform drama and other cultural activities with combination of technological innovation.

As per the Assam Mobile Theatre (Regulation & Artists' Welfare Fund) Act 2010, "Mobile Theatre means a theatre group engaged in the business of live dramatic and other cultural performance in the State of Assam in consideration of monetary payment to them, performing such activities in different places on a temporary basis, having atleast two stages with light and sound system erected temporarily, inside a temporary pandal with sitting arrangement for audience numbers of the stages, having adequate number of artists and other staff, both technical and non technical, either casual or regular, in its pay roll and having fixed land and property for the use by the Mobile Theatre in the name of the Mobile Theatre or the producer as the case may be, and the words "Mobile Theatre Groups" shall be construed accordingly.

The word "Theatre" derives its meaning from the Ancient Greek word "Theatron" meaning the seeing place. Theatre is a branch of the performing art. As a performing art it focusses almost exclusively on live performers, creating a self contained drama. By this broad definition theatre had existed since the dawn of men as result of the human tendency of story telling. Since its inception, theatre has come to take on many forms utilizing speech, gesture, music, dance and spectators combining the other performing as well as the visual arts within a single artistic form. Theatres are termed as traditional live

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entertainment under the category of performing art along with circus and musical theatre. Theatres can be categorized as entertainment industry as the Dictionary meaning of entertainment industry (noun) means those involved in providing entertainment; radio, television and films and theatre.

### NATURE AND CHARACTERISTICS OF MOBILE THEATRE UNITS IN ASSAM

The Mobile theatre units in Assam have the following characteristics :

1. The theatre units are mobile in nature. Most of the theatre units tour almost all the districts of Brahmaputra Valley and some parts of Barak Valley of Assam in a time period of 9 months (mid July to mid April) for their theatrical extravaganza. During the 2 months journey, the mobile theatre units halt at a place for 2-3 days and then move on to another place to present their performance. In most of the cases the theatre units covers 79 pendants for shows in a season.
2. The peculiar aspect of mobile theatre units in Assam, is the nature of their work. They carry with them the whole stage (2 sets of tent), chairs, tables, dresses, make up items, kitchen utensils and so also the employees (120-150 nos).
3. The theatre units can be categorized as - A class, B class and C class theatres. Although this class categorization is not recognized by the Government but is a known fact.
4. The size of the stage, tent and its seat capacities, lighting arrangement, amount of initial capital investment, amount of working capital, number of employees engaged are different for A class, B class and C class theatre units.
5. Mobile Theatre units may be termed as cultural entrepreneurship as it primarily deals with performing arts. The drama is the chief ingredient of a mobile theatre unit. Moreover, artist, technician and non technician employees spectators, inviting committees, stage, pendal, music and light arrangements, costumes and make up, technologically sound presentation, dance - drama presentation (optional) etc. are also invaluable elements of the mobile theatre units.
6. The stage where the mobile theatre units performs their shows in Posencium is nature. Now-a-days, the theatre units perform a drama in two stages. Once a given scene is over, they move on to the other adjacent stage to perform. As stated earlier, the theatre units have two sets of stage and tent. As the main theatre unit performs at a given place, the other party make necessary arrangement at a nearby place for the next show, so that there may not have any gap in their schedule. For over a century, Assamese mobile theatre has been telling tales of the people to the people. This industry, very unique to Assam has been focusing on the trials, tribunals,



triumphs of the human being for generation becoming in course of time, the most enduring entertainment industry in this part of the world.

The theatre units of Assam are also instrumental in preserving Assamese art and culture as they use indigenous artifacts, musical instruments, personal ornaments, traditional dresses in their theatrical presentation. The uses of these cultural products help the local people by providing indirect employment benefit.

### **Historical Background of Theatre in India :**

The existence of mobile theatres in India dates back to ancient times of Vedas and Upanishads where mythological stories as well as stories of social issues were presented to entertain the masses by the Jatra parties, Nautankies, Ramlila (as locally known). The Indian Theatre scenario has two dimensions viz folk theatre and urban theatre. The folk theatre in India are largely religious and performed in specific ritual contexts. The other form i.e. Urban theatre is an antecedents of Indian Cinemas which dates back to 19th century. During the colonial period, the urban theatres were largely influenced by the Western Theatres. The British Amateur Dramatic Societies and Touring Theatre Company's brought many of the features of Western Theatres to India including commercial features such as advertising and ticketing.

### **Historical Background of Theatres in Assam :**

Reknowned litterateur and scholar Dr. Dimbeswar Neog in his writting "New Light On History on Assamese Literature" stated that, "The history of Assamese drama is very long and old indeed order surely than the drama of any Indian modern language & older than even the regular English Dramas, atleast by a century. The first Assamese drama is certainly Chinhaajatra (literaly a play with painted scenes) and the first theatre is the performance of it in 1468. As a matter of fact, neither introduction of scenes nor regular drama in Europe in general can be ascribed to a period earlier than the 17th century & in England in particular Dramatic work really began in the later part of the 16th century with such predecessors of Shakespeare as Merlowe and the Globe theatre which Shakespeare had immortalised was actually established in 1599".

The history of regular Assamese drama and theatre began with Srimanta Sankardev (1449-1568) who produced plays nearly five centuries ago when classical Sanskrit drama was at a low ebb and when the great Shakespeare was not even born. He emphasized on shravan and kritan. Sankardev gave importance on writing plays on popular subjects and producing them in a way which even the literate common man would understand and appreciate.

Other successory of Shankardev who contributed to Assamese drama and Ankiya Nat are Madhabdev, Gopaldev, Ramcharan Thakuria etc. The Ahom kings and nobles

found the plays a welcome means of entertainment and began to invite Mahantas from Vaishnava Satras to perform plays. The plays of Sankardev, Madhabdev and their followers popularly known as bhaonas continued to be performed and enjoyed with enthusiasm as a major source of entertainment and education till the middle of the 19th century when the socio-political life of the people came under great strain on account of repeated Burmese invasions and subsequent British rule which affected the drama and theatre.

### Inception and growth of Mobile theatre in Assam :

The growth of mobile theatre in Assam actually took place in the post independence period. These mobile theatre actually evolved out of Jatra Parties popular in Lower Assam. As early as in 1930 on Nov. 18th Brajanath Sarma paved the way for mobile theatre with his Kohinoor opera. The theatre group introduced co-acting on the stage in the year 1933 revolutionizing the nature of Assamese Mobile Theatre. At present the mobile theatre in Assam has earned the status of an entertainment industry although it is not yet recognised as an industry by Government of Assam. In Assam, there are an estimated 60 numbers of theatre units with an annual turnover of over Rs. 10 crs.

From the year 1963 to the 2012, a lot of theatre companies were established out of which some of the theatre are not in existence on today and some had changed their names.

Name	Year of Establishment	Place	Promoter
Nataraj Theatre	1963	Pathsala	Achyut Lahkar
Suradevi Theatre	1964	Samata	Dharani Bora
Asom Star Theatre	1970	Pathsala	Kumud Prasad Sarma
Jyotirupa Theatre	1875	Nitaipukhuri	Golap Borgohain
Bhagyadevi Theatre	1975	Marua	Sarat Mazumdar
Mukunda Theatre	1972	Makhibaha	Atul Bhattacharjee
Kohinoor Theatre	1976	Pathsala	Ratan Lahkar
Aabahan Theatre	1980	Pathsala	Krishna Roy
Hengul Theatre	1985	Mariani	Prasanta Hazarika
Mun Theatre	1985	Chamata	N.A.
Bordoichila Theatre	1998	Nalbari	Najrul Islam,
Raj Tilak Theatre	2008		Bhupen Deka
Raj Mahal Theatre	2009	Guwahati	Susanta Biswa Sarma
Itihas Theatre	2009	Guwahati	Toufique Rahman
Sardhanjali Theatre	2009	Guwahati	Mahananda Kumar
Brindaban Theatre	2009	Baniakuchi	
Rupraj Theatre	2009	Guwahati	
		Guwahati	



N.B. With every coming year new mobile theatre units are being established. It is very sad to state that most the theatre units cannot even survive 2-3 theatrical season.

Some other theatre units operating in Assam are Itihas Theatre, Sakuntala Theatre, Rajashree Theatre, Ashirbad Theatre, Chitralekha Theatre etc.

The theatre units launch their annual stage shows from mid August to 13th April every year. Before their annual stage shows, rehearsals are done from 1st July to early part of August followed by 2-3 days of break before the grand shows. Prior to the rehearsals and the stage shows the leading artist, actors are recruited by signing an eleven month (11 months) contract. The other staff i.e. technician spot boys, stage decorators, still labour etc. are employed on regular basis. During this 8-9 months time, all the employees (both contractual and regular) along with the proprietor/owners camp together as a team which build a team spirit among them. The proprietor/owners also provide free accommodation and fooding to all his staff apart from regular salaries during the rehearsal period.

#### **\*\* Contribution of Nataraj Theatre in the Mobile Theatre Field :**

- \* It is the first theatre party introduced electric equipments in a Mobile Theatre.
- \* For the 1st time it performed both classical and traditional Assamese dances on stage.
- \* With local music instruments it first used western musical instruments like electric guitar, organ etc.
- \* For the first time it performed social drama on stage viz Ahgar, Bengali Social Play by Utpal Dutta 1965-66, Bandita - Assamese social drama.
- \* It is first and only mobile theatre of Assam to perform successful shows outside Assam.
- \* For the first time it introduce colourful moving stage in mobile theatre unit.
- \* It is the first theatre to introduce theatre scope & projector in mobile theatre.
- \* It is the first theatre to perform Novel Assamese plays in mobile theatre.
- \* It s the first & only mobile theatre of Assam to perform plays in three different languages - Hindi, Bengali & Assamese in one session.
- \* It is the first mobile theatre to introduce revolving stage in mobile theatre.
- \* It was the first theatre to perform plays only for adult.

#### **\*\* Contribution of Kahinoor Theatre in the Mobile Theatre Field :**

- \* First theatre to perform three shows in one night.
- \* First to perform Matinee shows 1982-83 performed Cleopatra at Jorhat as Matinee show. They earned Rs. 8,740.00.
- \* First to perform two great epics Mahabharata & Ramayana 1984-85 & 1985-86.
- \* First to perform western classics like Iiliad Odyssey, Cleopatra etc.
- \* First to invite film actors to work on mobile theatre.
- \* Bagh Manuh a dance-drama performed by it was Broadcast by Delhi Doordarshan

and Guwahati Doordarshan simultaneously. It is the first dance-drama of a mobile theatre telecast by Doordarshan.

- \* First to perform a play based on Assamese Novel - Asimat Jar Heral Khima by Kanchan Baruah.
- \* First to perform Hollywood Blockbuster film Titanic of James Cameroon.

The mobile theatre units have a strong social and economic significance to the state. The industry has a wide potential to grow in the context of present economic scenario. The mobile theatre have also promoted professionalism to their dramatic presentation mixed with technical innovation.

Some of the theatre groups have to conduct 3 consecutive shows (which is otherwise 2 shows daily) with packed audience due to the public demand. Usually a theatre party perform shows for 237 days cover 79 pendals. If 7 days are deducted for unexpected natural or man made calamities, total performing days will be 230. At present a theatre party earn Rs. 7500- Rs. 82,000 per shows. However the agreed money varies in every theatrical season, for eg. it was Rs. 50,000 per show in the year 2010, Rs. 72,000 in the year 2012. However some theatre party may perform second show or matinee shows, that income is shared by the theatre party & the inviting committees in the ratio of 60:40 or 70:30. From these rough estimate its clear that a theatre unit earns a gross turnover of Rs. 1,65,60,000 (One Crore Sixty Five Lakhs and Sixty Thousand approx.).

#### Problems faced by mobile theatre establishments :

- \* Poor Road Condition.
- \* Bandh Culture
- \* Lack of experienced playwright
- \* Disrespect to the agreement by the inviting committees or organisation.
- \* Presence of Terrorist activities.
- \* Lack of Government Aid.

The Mobile Theatre has a tremendous growth prospect in the current economic scenario. It contributes to the state and central exchequer through entertainment taxes, sales taxes, professional taxes, income taxes etc. The Mobile theatre also work for social upliftment. The theatre units, sometimes contribute for construction of school building, renovation of playground etc. by donating parts of their sale proceeds after their shows. The prospects fo the mobile theatre units are very essential for socio-economic interest of the state.

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## Vaisnava Saint Srimanta Sankardeva : A discourse on "Nabadha Bhakti"

Dr. Sanjeeb Kumar Sarma \*

Of the three different ways of attaining God's grace in Indian religion (Karma, Jnana & Bhakti), the path of devotion is considered to be the most effective one. Whereas the path of action entails dispassionate activities (Nishakama Karma) which is not less difficult, the path of knowledge is much more difficult than the former because it involves intuitive perception. Since God is almighty, omnipresent, omnipotent and omniscient, His action nor knowledge can satisfy him easily. The path of devotion (Bhakti Marga) is therefore taken as comparatively easier because it satisfies the demand of the conational self of a devotee. The word 'Bhakti' is defined in terms of an ardent longing and love for the almighty through humility and whole hearted surrender. Bhakti as a rasa (sentiment) begs description in the sense that it is an ecstatic or blissful state of mind. The sage Narada defines bhakti in his "Bhakti Sutra" as the highest and nectar like stage of love and bliss. (Paramaprema rupa) and (amrita rupaca). It is a state of feeling which can be felt rather than expressed and therefore Narada describes it in terms of the relish of a dumb person (mukha swadanavat). The origin of concept of Bhakti in Vaishnavism through mainly goes back to "The Bhagavad Gita" and "The Bhagabata Purana". The Bhakti cult emphasized devotion for a personal god and this is evident from the emergence of the endearing attachment for such personal lords as Vishnu, Narayana, Krishna and Vasudeva. "The Bhagavad Gita" and "The Bhagabata" emphasized love and whole hearted surrender to Lord Krishna the fountain source of all bliss in Bhagavata religion. Right from the poems of the Alwars of the south down to the Neo Vaishnavism of Sankardeva through the doctrines of devotion established by Ramanuja, Madwa, Nimbarka and Shree Caitanya, the cult of Vaisnavism has gone a long way to enrich the path of devotion.

In His Kirtan Ghosa, the magnum opus of Srimanta Sankardeva as a preacher of Neo Vaishnavism, the saint poet has made it clear that the path of devotion is superior to all other means of getting the divine grace. His theory of Bhakti is grounded upon 'The Bhagavad Gita' and 'The Bhagabata' (Sastrara Uttama Gita, Bhagabata). The 'Ekasarana nama-dharma' which constitutes the core of his Neo-Vaishnavism is based on the Philosophy that Lord Vasudeva Krishna is the only Adorable one. This single-minded belief in and surrender to One Adorable Lord is the essence of Bhakti in the "Bhagavad Gita" in which Lord Krishna advises Arjuna to Surrender himself before Krishna.

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Vasudeva who alone is the Supreme Lord. One who knows this truth is the rarest of the rare in the world of devotion (Bhakti). 'Vasudeva Sarvaniti jo mahatma sadurlava' (Gita). Lord Krishna, according to Sankaradeva, can be made a permanent property of the devotee's mind and heart neither by 'japa' and 'tapa' nor by 'yajna' and 'dana' but by pure devotion alone. The great saint subscribed to the philosophy of Oneness of Krishna - Vishnu everywhere, in every particle of the Universe. A devotee of Krishna should therefore see the Lord in every being. In his "Kirtan-Ghosa", he therefore declares that a true Vaishnava is he who loves each and every living being, because his mind is overpowered with Krishna consciousness - a broad minded and divinely surcharged blissful state in which he hardly finds any distinction between a dog and an untouchable, a jackal and a priest. Therefore, Sankaradeva strictly prohibited the worship of any other god and recommended the love and devotion with humility and self surrender to Krishna alone. For him Krishna is the mind and destiny, the cause and the effect, the Upaya and Upeya, the object and objective of the whole hearted devotee who finds him everywhere. Prof Birinchi Kumar Barua rightly observes that Sankaradeva "upheld the philosophy of oneness in all". Prof Barua writes "He comprehended one god, Krishna, one service, the service of Krishna, the supreme Brahma"<sup>1</sup>

Apart from the "Kirtana-Ghosa", Sankaradeva's two other celebrated devotional and religious treatises are "Bhakti ratnakara" and "Bhakti Pradipa" in which the single minded devotion for Krishna as propounded in the "Gita" and "Srimad Bhagavata", is vindicated. In the Bhakti Pradipa, the devotee is instructed to develop distance from all other gods, to listen to no other names other than Krishna so that bhakti will remain pure and unsullied.

"Eka citte tumi moka matra kara seva, Parihara durate yateka ana deva Nama nusuniba tumi ana devatara yena mate nuhibe bhakti vyabhicara"<sup>2</sup>.

The Bhakti ratnakara' is Sankaradeva's one of the powerful treatises on the concept of bhakti. In this work, the saint has subscribed to the conditions of bhakti as laid down in the "Narada bhakti sutra", 'Sandilya Bhakti Sutra', the "Gita" and "The Bhagavata". Like Narada and Sandilya, he also agrees to the view that bhakti is ardent longing for and deep attachment to God (Bhaktih Premalaksana). Again, following Sridhara Swami's interpretation of 'The Bhagavata', he holds that nirguna' bhakti is called 'ahaituki' because it is devoid of any desire for fruit - an echo of the 'nishkama- bhakti' of the "Bhagavat Gita". In the "Bhakti Ratnakara" (11<sup>th</sup> Rahatmya), he declares 'nirguna-bhakti' as the highest type of devotion in which the devotee does not ask for worldly accomplishment nor even for liberation (mukti), but for constant devotion at Krishna's feet. No doubt, whole-hearted devotion can lead to liberation, but a true bhakta doesn't ask for anything, but wants to remain immersed in savoring the 'bliss' through different modes of worship



of the Lord. In this connection, the Bhagavata" Prescribes nine fold modes of devotion (navadha-bhakti).

Sravanam kirtanam Vishno Smaranam Padasevanam Archanam  
Vandanam dasyam sakhyamatma nivedanam.<sup>3</sup>

Sankaradeva, like Ramanuja, Nimbrka and Sricaitanya, accepts the two fold division of bhakti –sadhana-bhakti (Para-bhakti) in which devotion is taken as the 'means', and Sadhya-bhakti (Phalarupa) in which devotion is the end. The nine fold devotion in the 'Bhagavata' come under the class of sadhana bhakti and require great physical and mental purity and concentration. In "Bhaktiratnakara" and "Kirtana", Sankaradeva, has however emphasized the importance of sravana, Kirtana, Smarana, dasya and atma –nivedanam. To begin with the first, the Vaishnava Saint subscribes to the "Bhagavata" and the "Narada Bhaktisutra" in that the devotee's mind should be purged off first from all impure thoughts. This is all the more possible only when the devotee listens (sravana) the names of Krishna –Vasudeva. Aesthetically speaking, the name of Hari will enter the mind of the devotee through ears, and then churn his heart and delight his soul- the microcosm, living in the body (Jiva) in form of the representative of the Paramatma (Krishna). The stage of listening is therefore extremely essential and it Vindicates the listening of the "Bhagavata" by king Parikshitta from Sukamuni within seven days before his final departure from the world. There is also a tacit suggestion that one who listens the sacred Hindu text of "Bhagavata" at the eleventh hour of his life attains God's grace. The second stage of Chanting the name of Hari –Rama Krishna is perhaps the most important of all in the Kaliyuga. The ignorant masses of the villages assemble in the village temple premises (namghar) to listen and chant the name of Krishna Here it is important to note that the "Bhagavata" seems to be pointing to the fact that chanting of God's name is the best and the most effective way attaining Divine bliss (kalau nama sankirtanam) :

"Harernama Harernama Harernamaiva Kevalam Kalau  
Nastyeiva nastyeiva" gatranyatha.

The very title of "Kirtana-Ghosa" justifies Sankaradeva's message to mankind that hearing and singing (Sravana and Kirtana) the names of Krishna –Vishnu Narayana even transforms a candala into a pure sanyasi (Kirtan", 7.1, ; 7.5). All types of sinners, according to the saint poet, are washed away by listening and chanting and the best examples to be emulated in this regard are king Parikshitta and Ajamila, who got liberation by calling the name of his son Narayana, a name of Lord Vishnu. The role of 'Smarana' is significant in the sense that remembrance of God constantly will not only keep the devotee far away from evils of the world, but also intensify his/her bhakti thereby facilitating the way to mukti. Strictly speaking, the next four steps (Padasevana, archana and vandana, sakhya) are not strictly emphasized by Sankaradeva perhaps because it is more associated with ritualistic worship rather with bhakti followed by the common men.

However, the last two-(dasya and atmanivedana) are emphasized in Sankaradeva's scheme of things. Following the 'Gita' and the 'Bhagavata', he reminds us that the devotee should surrender himself to the feet of Lord Krishna with humility and servitude. This reminds us of Lord Krishna's advice to Arjuna that the latter should surrender to him wholeheartedly so that he would give him liberation: (Aham tva sarva papevyo mokshyaisyami ma suca). At the same time, time and again, he has expressed his desire to become the servant of Lord Krishna and the "Bhakti" Ratnakara<sup>TM</sup> bears true testimony to this point. Thus the nine fold modes of worship in the "Bhagavat" has moulded the Bhakti Philosophy or religion of Sankaradeva to a great extent.

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# Information Technology : A Tool for Agricultural Development

Mrs. Manalisha Bhattacharyya\*

Today the two major trends that effect our planet are the population growth and urbanisation. For the 1st time in human history, more people today live in cities than in rural areas. It should be obvious to everyone that population growth coupled with increasing urbanisation will require a disproportionate increase in agricultural output. But agriculture is facing new and severe challenges in its own right. With rising food prices that have pushed over 40 million people into poverty since 2010, more effective interventions are essential in agriculture. Hence the need of the hour is to increase agricultural output through the adoption of information and communication technology (ICT).

The role of information and communication technology to stimulate agriculture, enhance food, security and support rural livelihoods is increasingly recognized and was officially endorsed at the World Summit on the Information Society (WSTS) 2003-2005. The computer, internet, geographic information system (GIS), mobile phones as well as traditional media such as radio, TV stimulates participation enhances value to productivity.

Information communication technology is an umbrella term that includes any communication device or application, encompassing : radio, television, cellular phones, computer and network, hardware and software, satellite systems and etc. as well as the various services and application associated with them, such as videoconferencing and distance learning. All over the world, information technology (IT) has empowered individuals with inprecedented access to information and knowledge, with important consequences in terms of providing education and access to markets, of doing business, and of social interactions, among other. Moreover, by increasing productivity and therefore economic growth in developing countries, IT can play a formidable role in reducing poverty and improving living condition and opportunities for the poor.

In any sector information is the key for the development. Agriculture is not exception to it. If the relevant and right information in right time is provided to farmers it can help agriculture a lot. It helps to take timely action, prepare strategies for next year, speculate the market changes, and avoid unfavable circumstances. So the development of agriculture may depend on how fast and relevant information is provided to the end users.

The agricultural scenario all over the world is undergoing a rapid change particularly after WTO agreements came into existence. In the context of agriculture, the potential of IT can be assessed broadly under two heads : As a tool for direct contribution to agriculture

productivity. As an indirect tool for empowering farmers to take informed and quality decisions which will have positive impact on the way agriculture and allied activities are conducted.

### **The why ICT should be used in agriculture!**

Five main trends have been the key drivers of the use of ICT in agriculture, particularly for poor producers :

1. low cost and pervasive connectivity
2. adaptable and more affordable tools
3. innovative business models and partnership
4. advances in data storage and exchange and
5. the democratization of information including the open access movement and social media.

These drivers are expected to continue shaping the prospects for using ICT effectively in developing country agriculture

### **IMPACT OF ICT ON DEVELOPMENT OF AGRICULTURE**

i) ICT can facilitate rural activities and provide more comfortable and safe rural life with equivalent services to those in the urban areas, such as provision of distance education, tele medicine, remote public services, remote entertainment etc.

ii) Secondly, IT can initiate new agricultural and rural business such as e-commerce, real estate business for satellite offices, rural tourism and virtual corporation of small-scale farms.

iii) 3rdly it can support policy making and evaluation on optimal farm production, disaster management, agro-environmental resource management etc using tools such GIS.

iv) 4thly it can improve farm management and farming technologies, risk management, effective information on knowledge transfer etc. realizing competitive and sustainable farming with safe products. For example, farmers must make critical decisions such as what to and when to plant, and how to manage pests, while considering off farm factors such as environmental impacts, market access and industry standards. IT based decision support system can surely help their decisions.

v) 5thly IT can provide systems and tools to secure food traceability and reliability that has been an emerging issue concerning farm products. Finally IT can take an important and key role for industrialization of farming or farm business enterprises, combining the above roles.

### **IT VISION 2020 :**

Department of Agriculture and Co-operation (DAC) has formulated IT vision 2020. This vision inter alia envisages that



- a) Information relating to agricultural sector would be available to the ultimate users- the farmers for optimizing their productivity and income
- b) Extension and advisory services making use of information technology would be available to the farmers on round the clock basis.
- c) The tools for information technology will provide networking of agriculture sector not only in the country but also globally.

The success of IT use in agriculture mostly depends on govt. support primarily on agricultural infrastructure, unless the same remains a dream only. User friendly system, particularly with content in local languages, can generate interest in the farmers and others working at the grassroots level.

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## STATISTICAL ENQUIRIES

Dr. Kumud Ch. Nath\*

The term inquiry means "A search for knowledge". A search conducted according to statistical method is therefore called statistical inquiry. However, it is not true that this technique can be applied to all kinds of phenomena. It can be applied only to those subjects which are quantitatively measurable. For example, we can measure whether the allocation of planned outlay to different states is equitable or not. But we cannot measure the justification of this allotment by statistical methods.

Different steps in a statistical inquiry: There are mainly four different steps in a statistical enquiry and they are

- i) Collection,
- ii) organisation,
- iii) analysis and
- iv) interpretation of facts.

Here we shall give a brief description of different steps :

i) In statistical work the first step is to collect data. Utmost care should be taken in collecting data because they form the very basis of valid statistical analysis. Just as in a manufacturing unit the quality of finished product depends upon the quality of the raw material, so in statistics sound conclusion depends largely on the quality of the data used. Thus the collection of reliable, accurate and upto-date information is very important task in statistical inquiry.

The source of data may be primary or secondary. The term primary data refers to the statistical material collected by original observations, measurements or counting in the course of investigations. For example, suppose we want to conduct an inquiry into the cost of living of the workers in a certain factory. If the facts relating to this inquiry are collected by the investigator from the workers themselves, such data would be termed as primary data. The termed secondary data refers to the statistical material collected from some one else's record and not by original observations. Thus, if in the above example we collect the data from the records of the Trade Union or from some other source the data will be called secondary data.

The different methods for collecting primary data are

- a) Direct personal investigation.
- b) Indirect oral investigation.
- c) Schedule and Questionnaire.
- d) Information collected through local correspondents.

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Again, secondary data can be obtained from the following sources;

- a) Government Publications
- b) Semi-Government Publications.
- c) Trade-associations or Chambers of commerce, News- papers and periodicals, Research Bureaus etc.

Proper planning in the collection of data is yet another factor to be noted by the investigator. It helps against the wastage of time, money and labour. Defining the objective and population, choice of the unit, designing of the survey are the some of the points to be noted in the planning stage.

ii) Usually data contain a large number of observations of certain characteristic (s). It is impossible to grasp the significance of such an unwieldy mass of data. If the bulk is reduced then proper understanding becomes feasible. So the data should be summarized or condensed in a systematic order to study its salients feature. Condensation implies the organization, tabulation and the presentation of data in a suitable form.

### iii) Analysis of Data :

After collecting reliable data we can classify and condense them. In some cases analysis can also be done by graphs.

Classification of data : Suppose we have collected the data regarding the characteristic like income, textile or production of iron etc. To make minute study we divide them into different components.

For example, 'income' may be divided according to its source - salary, wage, profit, rent etc. Cotton, wool, syntethetic cloth etc. are some of the divisions of textiles. Productions of iron can be arranged with respect to country and years etc. Such type of systematically arranged data are easy to analyse.

b) Condensation : Here we first make a frequency distribution table from the data, and average and other related measures are calculated from this table. These measure represent the special characteristics of the data.

v) In this stage interpretation of various stastical constants, obtained through a process of statistical analysis, is made. It consists in a study of those techniques by which judgements are formed and inference are obtained. The interpretation of data is a difficult task and only skilled and experienced. A knowledge of advanced mathematics is essential for interpretation results.

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## SOCIAL WORK AND IT SCOPE

Kuladhar Patowary\*

Among the various career options available to the youth of India, social work is attracting unprecedented attention now a days. It is a service to the society for its development and for the betterment of the living conditions of the people by helping them improve their social, financial and physical life. Unlike most other careers, social work is unique in the sense that it provides an atmosphere of diversing actions, a myrial of options, fulfillment and satisfaction and above all action. Social workers help people solve their problems in a proactive manner by personally involving themselves. For instance, if a person suffer from an ailment for which a proper center of treatment is not known to him, the social worker may, through his own personal effort and involvement, guide him to one such center. The services of social workers are needed virtually in every sphere of human activities, be it hospital, educational enterprises police and the judicial systems, or any other work place. Social workers then select their own clients depending upon their skills, knowledge or specialized training. Nevertheless, they take up common tasks also. First of all, they try to identify the problems of the client and then chart out the course open for its effective and efficacious solution. For this, they need to collect relevant data pertaining to the particular case. Such sources of information include medical records, employment profile, family history and other social details relating to the client. Having gathered sufficient data, they will check out plans for helping the client to solve his problem. Then they constantly monitor the progress and if needed may revise the course of action and help the client accordingly.

As said earlier, the place of work of the social workers may differ from worker to worker. Irrespective of the variance in the place of work for a common objective, a social worker mobiles himself to provide care, support and proper direction to the suffering people. In hospitals and medicos, social workers coordinate plans for the care and rehabilitation of patients, social workers functioning for the cause of neglected children work to ensure the safety, welfare and rehabilitation of children. Also social workers solve problems related to under nutrition of children, feeding mothers and pregnant women. Further, they check out the various facts of child abuse, drug-addiction etc. Social workers can provide counselling as a private practitioner or can work for public agencies, hospitals and other institutions.

Yet another area where social workers can render a yeoman service is to the old people or senior citizens who are need of assistance to make their life more meaningful, social workers assist these senior citizen in solving their problems. Also, they work to brining out or healthy co-existence and relationship between the old people and their

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family, social workers also work with schools and other educational institutions, and try to find solutions to the problems of students such as drug addiction, absenteeism, delinquency and habitual misbehaviour etc.

In India, organizations like help age India Ghy CRY GOLD and lions club are doing significant service to the society. Apart from these, there are a large number of non-governmental organizations (NGOs) engaged in social work. Owing to the structured and systematic functioning of these organizations, social work has evolved itself into a special service sector in India.

**In society social workers are working in various fields.**

In social or other educational Institution, the social worker function as a link between the teachers, students and parents. They also maintain a positive relationship between the school and homes. They educate, counsel and guide in sex related problems, drug abuse, and also help those students who are emotionally suffering and facing deprivation and neglect, social workers in the medical field help the patients in rehabilitating to a normal life. There are several organisation engaged with the problem related with disease of eye, HIV, TB etc. social workers also solve teenage problems of phobias and other behavioral problems. Also they work for the relief and rehabilitation of the victims of natural calamities like earth quake, floods, ware etc.

In communication where problems exist in a community form social workers work to find solution for them. Problems like lack of education, employment, housing, health etc in rural and tribal areas are often areas where social workers do their service.

**Crime, Govt. legislation, Medha Patekar**

In this connection, special mention may be taken of renowned social workers such as Medha Patkar, Kiran Bedi, Raju Ram Mohan Rao, Baba Ante etc. Medha Patkar is well for Narmada Bachao and other. Narmada Bachao Andolan was initiated by the concerned approach Medha Patkar which evolved into a social movement comprised of adivasis, farmers, environments who stood against the believing of large dances being built on the Narmada river, Because of the river's strategy's location which female through the states of Gojrat, Maharastra and Madhya Pradesh, the impact upon the development and ecology of the area can be catastrophic. Garnering support of ancient sodalities and important organizations helps the social workers in presenting the lurking dangers which is more often then not remains hidden to lay people. To mobilize public opinion and to spread awareness far common good of the society is their main notice.

To be a social workers is not a cake walk and even through the instinct to serve the society is whereat, the pros and cons and a stop by stop approvals is indispensable to this professions. There are various prestigious universities not offer degrees in social work of which and is Tata Institute of social sciences (TISS) for e.g. with out a survey, crimes such as child labour, juvenal crimes, sexual assault of a juvenal ex can never be unearthed. A well-connected network of social workers is an important endewour in this profusion.

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## The Cinema

Uttam Dhar \*

The cinema which means moving pictures is one of the most startling inventions of the modern age. It has grown so popular that every city or town has its picture houses, and millions of men, women and children visit them. Long queues of people can be seen waiting patiently outside cinema halls.

As soon as they enter the hall and see pictures flash on the screen, they completely forget all their troubles and enjoy a new world of pleasures and thrills. Originally the films were silent but now they have been developed in talkies. The cinema is the important part of our life. We can learn many things in Cinema.

The reasons for the popularity are not far to seek. The cinema offers the cheapest form of amusement enjoyable in comfort. It pleases not only the educated but also the ignorant masses of people.

It provides a "VIVID" picture of the latest development in various arts and sciences, and of the important current news and events at home and abroad.

Besides stories long and short, grave and light, plays and novels, games and fairs, are pictured on the screen. Often there are charming scenes and colours in addition to sweet music and songs by good artists. So many kinds of entertainment are not offered by any other form of amusement. Indeed, it makes homely everyday life more interesting, worried and hard working people find good relief in this pleasure.

The cinema offers not only amusement but also a valuable aid to education. Documentary films are full of information and instruction. They often show some aspects of human or social activity such as the lives of the fisherman. The working of the post office etc.

Besides, those who cannot afford to travel abroad may not only enjoy the charming natural scenery of unvisited lands but also acquire a pretty good knowledge of them as vividly as they wish.

Sometimes there are films really indecent and even obscene. Greedy cinema producers sometimes try to make their fortune by producing pictures which people of vulgar tastes like. Such films degrade viewers' characters.

Film producers should create noble works for beauty for a thing of beauty is a joy for ever and generally, it should bring in good reforms.

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The Cinema, however has come to stay in modern society. it is handly has popular than newspapers. It is now said to be the third greatest industry in the world.

In this generation the Cinema would be comes innoviative. In Cinema hall there would be a new features comes like 3D, 2D Cinema. In 3D cinema we can fell the scene what will happen.

The Cinema is the closest thing in our life. We can enjoy, to see the cinema. In Cinema there are many types of Cinema like wise - Commedy, Action, Romantic etc etc. In this Cinema Industry they crate kids movie, the kids movie is lots of fun, entertainment. It is made to see the kinds of our society. The Kinds can learn many thinds to see the movie.

In our world, all people are closest to Cinema.

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## VISION - 2020

Amit Mandal \*

As they strode towards the stall, Bharat explained, "Out belived former President A.P.J. Abdul Kalam had given us a vision - to develop India into a knowlege superpower and a developed nation by the year 2020."

"Dr. Kalam explained it very succinetly in the confideration of India industry meet 2006", said Bharat, pointing at a board that displayed Kalam's message "In India, we have seen that whenever. And missions in the governmental set-up, like the space programme, atomic energy programme, agriculture programme, milk programme and deence research programme have been tremendous success. What is needed is a creative leader, creative leadership means exercising the vision to change traditional roles. The leader must transform from commander to coach, manager to mentor, from director to jelegator and from one who demands respect to one who faciliated self-respect. For a prosperous and develop India or any other country, the important threat will be on the growth in teh number of creative leaders and innovative organisations that can create wealth through dedicated management system."

"In my own circle of influence, I try to cerate on ore such creative leaders", Bharat Sharad.

"And this is rason I become lecturer" he continued. "I belive that I am the one. If each of us carries this beliefs that we are the one who is going to transform India, nothing can stop India from becoming a world leader and superpower. But in bringing about change, we must not rush. Instead, we must -

1. Study the system, then
2. Survive in teh system, then
3. Esablish ourselves in the system, and then finally,
4. Change the system, if necessary.

When we have understood the system be must, at first, play by teh existing rates to earn our place within it. And once we've rained power and authority, we will be in a place to bring whatever changes are necessary patience is ley. What role can you play n the nations transofrmation? to fire about, one must think, wait and sacrifice. Think about tehr ights action, wait for the right time to act, and sacrifice the right things, i.e. give up lower desires for higher ideals.

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## BRICS

Diganta Nath Bordoloi\*

BRICS, is the title of an association of emerging national economies: Brazil, Russia, India, China and South Africa. With the possible exception of Russia, the BRICS members are all developing or newly industrialised countries, but they are distinguished by their large, fast-growing economies and significant influence on regional and global affairs. As of 2013, the five BRICS countries represent almost 3 billion people, with a combined nominal GDP of US\$14.8 trillion, and an estimated US\$4 trillion in combined foreign reserves. Presently, South Africa holds the chair of the BRICS group. In 2012, Hu Jintao, who at the time was President of China, described the BRICS countries as defenders and promoters of developing countries and a force for world peace. However, some analysts have highlighted potential divisions and weaknesses in the grouping, such as India and China's disagreements over territorial issues, slowing economic growth rates, and disputes between the members over UN Security Council reform.

### History

The foreign ministers of the initial four BRIC states (Brazil, Russia, India, and China) met in New York City in September 2006, beginning a series of high-level meetings. A full-scale diplomatic meeting was held in Yekaterinburg, Russia, on May 16, 2008.

The inaugural BRIC summit took place in Yekaterinburg, Russia on June 16, 2009. The four heads of government from the BRIC countries attended.

### Overview

The acronym BRIC (for Brazil, Russia, India, China) was first used in a Goldman Sachs thesis projecting that the economic potential of Brazil, Russia, India and China is such that they may become among the five most dominant economies by the year 2050. Today, the four countries produce about 15 percent of the world's gross domestic product and hold about 40 percent of the gold and hard currency reserves.

### Leaders at the summit

Leaders at the 1st BRIC summit. From left are:  
 President Dmitry Medvedev (host) of Russia;  
 President Luiz Inácio Lula da Silva of Brazil;  
 President Hu Jintao of China, and

Prime Minister Manmohan Singh of India.

### **Issues**

The leaders discussed the current global financial crisis global development, and further strengthening of the BRIC group.

### **World economy**

The BRIC leaders called for increased economic reform, demanding a "greater voice and representation in international financial institutions, and their heads and senior leadership should be appointed through an open, transparent and merit-based selection process."

### **Political issues**

Amongst the important issues discussed were United Nations reform. "We reiterate the importance we attach to the status of India and Brazil in international affairs, and understand and support their aspirations to play a greater role in the United Nations."

### **Food crisis**

Regarding the 2007-2008 world food price crisis, the leaders issued a joint statement on global food security, calling for "action by all governments and the relevant international agencies"; and reaffirmed "their commitment to contribute to the efforts to overcome the global food crisis".

## **Segunda cúpula do BRIC**

The 2010 BRIC summit took place in Brasilia, Brazil on April 16, 2010. This was the second BRIC summit after Yekaterinburg in 2009. The meeting took place between the four heads of government from the BRIC states following bilateral meetings in the prior days.

### **Overview**

The acronym BRIC (for Brazil, Russia, India, China) was first used in a Goldman Sachs thesis projecting the economic potential of Brazil, Russia, India and China.

Between 2003 and 2007, BRIC countries carried 65% of the expansion of global GDP. In 2009, the combined PPP GDP of the BRIC countries was US\$16.3 trillion, or 23.4% of global total. From 2003 to 2008, Brazil trade with the other BRIC countries increased by 382%, or US\$10.7 billion to US\$51.7 billion.

Picture of the BRIC national leaders at the event.

The leaders discussed various current issues including the Iran and nuclear weapons, development, the furtherance of the BRIC (and IBSA that was occurring at the same



time) as an international body, the global economic situation at the time, reform of financial institutions, the financial G20, and cooperation and issues related to global governance.

### **Development**

Chinese Premier Hu Jintao showed China's willingness to be a positive partner in global development when he showed China's meteoric rise in saying: "The scale and complexity of the challenges that we face in the course of development are unmatched anywhere else in the world and have been rarely seen in human history. We must make persistent efforts for a long time to come. The Chinese people suffered so much in modern history, and we therefore value peace, stability, harmony and freedom more than anything else. A prosperous and growing China dedicated to peace and cooperation is willing and able to make new and even greater contribution to mankind's pursuit of peace and development."

### **Criticisms**

The Chinese president, Hu Jintao, brought forward his departure to April 15 (before the actual talks) instead of April 17 due to the earthquake in Qinghai. Despite this he did continue with the working meeting and signed a bilateral agreement between the four countries.

### **Reactions**

At least one Indian media outlet call the meet "answer to the G7 platform of top industrialised countries." It added that the meet "underscore[d] a shared quest for greater collective influence within the changing geometry of the international system."

Investors cited India and China as the best bets of BRIC, of which India was seen as providing investors with the best bet over the long haul, however it also faces challenges to finance the "modernization of its woeful infrastructure given its high debt levels and ambivalence towards foreign investment and privatization." But it was added that "these faster growing markets will translate into above average returns."

The 2011 BRICS summit took place in Sanya on the island of Hainan, China, on 14 April 2011. This was the third BRICS summit since 2009. The meeting took place between the five heads of state/heads of government from the BRICS states following bilateral meetings in the prior days.

### **Background**

Following a meeting in Brasilia in 2010, to which South Africa was invited as a guest, the group invited South Africa to join as a full member in 2011 and the group formerly called BRIC officially became BRICS.

### **Theme and Vision**

The Chinese president chaired the BRICS Leaders Meeting in southern China's resort city of Sanya, and gave a speech under the theme of "Broad Vision, Shared Prosperity."<sup>[3]</sup>

The theme was based under the vision as 'The 21st century should be marked by peace, harmony, cooperation and scientific development.'<sup>14</sup>

### Discussions

Picture of the BRICS national leaders at the event.

### Economics

On 13 April, prior to the heads of state meeting, economic delegations met for discussions. China was lobbied by the other leaders to import not only commodities but also value added products and other commodities such as oil, soybeans and iron ore. Indian Trade Minister Anand Sharma said that China's Commerce Minister Chen Deming had assured the other leaders that his country would make it a priority to import more value-added products from the other four countries.

Brazil and India also pressed China to buy such goods as Brazilian aircraft and Indian pharmaceuticals; the two countries also complained about the artificially undervalued yuan that they claimed was undermining their exports.

### International law

All five countries also called for an early conclusion to deadlocked talks an anti-terror law under UN auspices that would curtail funding for illegal groups that partake in violence against countries and deny their supporters access to funds, arms, and safe havens. A joint statement read: "We reiterate our strong condemnation of terrorism in all its forms and manifestations and stress that there can be no justification, whatsoever, for any acts of terrorism."

### United Nations Security Council reform

All BRICS countries called for "comprehensive reform of the UN, including its Security Council." China said it would endorse the aspirations of India, Brazil and South Africa for permanent membership of the UNSC. Coincidentally, the five countries are all now members of the Security Council, China and Russia as permanent members and the other three non-permanent.

### Trade medium

The groups announced their decision to cease mutual trade payments in U.S. dollars and instead henceforth give credits to one another in their national currencies alone. The development banks of each state signed an agreement to further gradually alter loan currencies from U.S. dollars.

### Libyan civil war

The leaders of BRICS states expressed misgivings about NATO air strikes during the 2011 Libyan civil war and urged an end to the two-month conflict in Libya.



## Reactions

*Al Jazeera* read the meeting as that of giving "this ad-hoc group an opportunity to test its collective strength ahead of an all-important G-20 meeting in France in November and to bring the concerns of developing nations (*sic*) to the top of the global agenda."

The **2012 BRICS summit** was the fourth annual BRICS summit, an international relations conference attended by the heads of state or heads of government of the five member states Brazil, Russia, India, China and South Africa. The summit was held at at Taj Mahal Hotel in New Delhi, India on 29 March 2012 and began at 10:00 Indian Standard Time. This is the first time that India has hosted a BRICS summit. The theme of the summit was "BRICS Partnership for Global Stability, Security and Prosperity".

## Preparations

### Logo

Preparations for the summit began with the announcement from the Ministry of External Affairs, India about a competition to choose the official logo for the meeting. The logo was expected to "bring out the essence of this grouping of countries, which has received unprecedented global attention in recent years and now occupies a prominent space in the global political and economic landscape." A specially-constituted jury announced the winning design on 10 February 2012 as the submission of Sonesh Jain, an architecture student of the Indian Institute of Technology Roorkee. The logo is a symbolic representation of a peacock with "colours suggesting resurgence and renewal". Officials also commented that the BRICS logo drew inspiration from the lotus in addition to the peacock.

### Security

Hosting the summit involved elaborate security arrangements in the city. 2,000 police personnel and National Security Guard commandos were deployed throughout the city's arterial areas, with special emphasis on the summit venue. The venue's security involved a three-tier arrangement handled by the Delhi Police and the embassy officials of the visiting nations, and involved body checks and metal detectors. To ensure the security of the attending delegates, the floors above and below the rooms to be occupied were left vacant.

## Common issues

### Development bank

The BRICS leaders at the summit venue; (*from left*) Rouseff, Medvedev, Singh, Hu and Zuma

The main agenda for the summit was the creation of a new development bank. The idea for setting up such a bank was put forward by India,<sup>[15]</sup> as a sign of firming the power of the group and increasing its influence in global decision-making; Sudhir Vyas, a senior Indian official, said that the idea for a BRICS bank had been "in the air for some time."

The aims of the bank would include: funding development and infrastructure projects in developing and least developed countries; lending, in the long term, during global financial crises such as the Eurozone crisis; and issuing convertible debt, which could be bought by the central banks of all the member states and hence act as a vessel for risk-sharing.<sup>[17]</sup>

#### **Other issues**

Zuma's office said that South Africa would seek to advance African interests in seeking support for infrastructure projects and industrialisation initiatives, as well as call for reform in multilateral institutions.

#### **Conclusions**

##### **Multilateral financial institutions**

All five countries called for an urgent need to implement the 2010 Governance and Quota Reform before the 2012 International Monetary Fund – World Bank Annual Meeting. The countries also want the comprehensive review of the quota formula to reflect economic weights and enhance the voice and representation of emerging market and developing countries by January 2013.

All five countries also called for candidatures from developing world for the position of the President of the World Bank reiterating that the heads of IMF and the World Bank should be selected through an open and merit-based process. The call came weeks before the World Bank's presidential election which would, for the first time, feature non-United States candidates.

##### **Trade and currency**

To promote trade in local currencies, the BRICS countries signed the Master Agreement on Extending Credit Facility in Local Currency and the Multilateral Letter of Credit Confirmation Facility Agreement to replace the United States dollar as the main unit of trade between them. The trade ministers also said that tightening intra-BRICS trade would help as an antidote to the European sovereign debt crisis. In order to bring the economies of BRICS closer, all members agreed to launch a benchmark equity index derivative allowing investors in one BRICS country to bet on the performance of stock markets in the other four members without currency risk. The indices will be cross-listed in BRICS' flagship stock exchanges from 30 March.

##### **Foreign policy issues**

All five countries called for the international community to continue development projects in Afghanistan for 10 years after the ISAF withdraws most of its combat troops by the end of 2014.

##### **Bilateral initiatives**

India and China launched the "India-China Friendship and Cooperation" year in the summit. Chinese President Hu Jintao that it was China's "unswerving policy" to develop



bilateral ties as he put forward a five-point proposal in an effort to improve strategic ties between the two states. Chinese Foreign Ministry spokesman Hong Lei said of Hu's reaction that he thought "there is a great cooperation potential and prospect of development for China-India relations. China hopes to work with India to seize development opportunities, step up development, jointly respond to challenges and make greater contribution to peace and prosperity of Asia and beyond."

The **2013 BRICS summit** was the fifth annual BRICS summit, an international relations conference attended by the head of states or heads of government of the five member states Brazil, Russia, India, China and South Africa. The summit was held in Durban, South Africa in 2013.<sup>[1]</sup> This completed the first cycle of BRICS summits.

### Background

A declaration at the end of 2012 BRICS summit read that: "Brazil, Russia, India and China thank South Africa for the proposal to host the 5th summit in 2013. They intend to provide multifaceted support for it." The BRICS leaders are expected to discuss the establishment of a new development bank. According to Mikhail Margelov they will seek agreement on the amount of starting capital.

China's Xi Jinping made this the first summit of his presidency.

Prime Minister of India, Dr. Manmohan Singh became the only head of state or head of government to attend all BRICS summits, held so far.

### Discussions

The summit commenced on 26 March at 17:30 GMT. Amongst the important issues being discussed was the creation of the development bank, in follow up from the previous summit. It sought to create an infrastructure-focused bank. The disputes over the bank were in regards to what it would do and how it would provide an equitable return on the initial investment of about US\$100bn.

### Reactions

Host President Jacob Zuma said of the summit that it could address South Africa's economic problems, such as high unemployment. He added: "BRICS provides an opportunity for South Africa to promote its competitiveness. It is an opportunity to move further in our drive to promote economic growth and confront the challenge of poverty, inequality and unemployment that afflicts our country."

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## An Introduction to "Total Productive Maintenance (TPM)"

DIPANKAR DEKA\*

*The single biggest challenge corporate leader face today is-Making the transition from the way we currently operate our business to one that emulates TPM work cultures. This transition represents change—the unfreezing of old habits, learning new methods then re-freezing new habits.*

*Now the big question of the hour is why the change is to emulate TPM work culture? And the answer is, in the cut throat competition between corporates, it is necessary for corporates to find ways which minimizes their losses and errors and in turn increase their production and profit – and this can be achieved through Total Productive Maintenance.*

*TPM can be considered as the medical science of machines. Total Productive Maintenance (TPM) is a maintenance program, which involves a newly defined concept for maintaining plants and equipment. The goal of the TPM program is to markedly increase production while, at the same time, increasing employee morale and job satisfaction.*

### History and Definition of TPM

TPM is an innovative Japanese concept. The origin of TPM can be traced back to 1951 when preventive maintenance was introduced in Japan. However the concept of preventive maintenance was taken from USA. Nippondenso was the first company to introduce plant wide preventive maintenance in 1960. Preventive maintenance is the concept wherein, operators produced goods using machines and the maintenance group was dedicated with work of maintaining those machines, however with the automation of Nippondenso, maintenance became a problem, as more maintenance personnel were required. So the management decided that the operators would carry out the routine maintenance of equipment. (This is Autonomous maintenance, one of the features of TPM). Maintenance group took up only essential maintenance works.

Thus Nippondenso, which already followed preventive maintenance, also added Autonomous maintenance done by production operators. The maintenance crew went in

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the equipment modification for improving reliability. The modifications were made or incorporated in new equipment. This led to maintenance prevention. Thus *preventive maintenance* along with *Maintenance prevention* and *Maintainability Improvement* gave birth to *Productive maintenance*. The aim of productive maintenance was to maximize plant and equipment effectiveness.

Based on these developments Nippondenso was awarded the distinguished plant prize for developing and implementing TPM, by the *Japanese Institute of Plant Engineers* (JIPE). Thus Nippondenso of the Toyota group became the first company to obtain the TPM certification.

Japan Institute of Plant Management introduced a new **definition of TPM** in 1989, with the following strategic components:

- Build a corporate constitution that will maximize the effectiveness of production systems.
- Using a shop floor approach, build an organization that prevents every type of loss (ensuring zero accidents, zero defects and zero failures) for the life of production system.
- Involve all departments in implementing TPM including development, sales and administration.
- Involve everyone from top management to shop floor workers.
- Conduct zero-loss activity through overlapping small group activities.

#### **TPM Targets:**

**Motives of TPM** 1. Adoption of life cycle approach for improving the overall performance of production equipment. 2. Improving productivity by highly motivated workers, which is achieved by job enlargement. 3. The use of voluntary small group activities for identifying the cause of failure, possible plant and equipment modifications.

#### **Uniqueness of TPM**

The major difference between TPM and other concepts is that the operators are also made to involve in the maintenance process. The concept of "I (Production operators) Operate, You (Maintenance department) fix" is not followed.

**TPM Objectives** 1. Achieve Zero Defects, Zero Breakdown and Zero accidents in all functional areas of the organization. 2. Involve people in all levels of organization. 3. Form different teams to reduce defects and self-Maintenance.

#### **Direct benefits of TPM (PQCDSM)**

1. Production (P) - Increase in productivity and OEE (Overall Equipment Efficiency) 2. Quality (Q) - Reduction in customer complaints. 3. Cost (C) - Reduction in the manufacturing cost by 30%. 4. Delivery (D) - Satisfying the customers' needs by 100 % (Delivering the right quantity at the right time, in the required quality.) 5. Safety (S) - Reduced accidents. 6. Morale (M) - Increase employee participation.

### ***Indirect benefits of TPM***

1. Higher confidence level among the employees. 2. A clean, neat and attractive work place. 3. Favorable change in the attitude of the operators. 4. Achieve goals by working as team. 5. Horizontal deployment of a new concept in all areas of the organization. 6. Sharing knowledge and experience. 7. The workers get a feeling of owning the machine.

### **TPM Development**

TPM is normally implemented in four phases:

- **Preparation Phase (Step 1-5)**
  - o Step1- Top management announces its decision to introduce TPM.
  - o Step2- TPM introductory education.
  - o Step3- Create a TPM Promotion organization.
  - o Step5- Establish basic TPM policy and goals.
  - o Step5- Draft a TPM master plan.
- **Introduction Phase**
  - o Step6- Kick off TPM initiatives.
- **Implementation Phase (Step 7-11)**
  - o Step7- Focused Improvement, Autonomous Maintenance, Planned Maintenance, and Training.
  - o Step8- Early Management.
  - o Step9- Quality Maintenance.
  - o Step10- TPM in administrative and supportive departments.
  - o Step11- Safety and Environmental Management.
- **Consolidation Phase**
  - o Step12- Sustain levels and refine.

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