



ST. XAVIER'S COLLEGE
(AUTONOMOUS)
KOLKATA
DEPARTMENT OF COMMERCE

ISSN: 2347-6222



YOUTHINK

VOL XIII | 2018

A PEER REVIEWED JOURNAL



LEGACY

INTERVIEWS BY:

ANIL KAPOOR | RAJDEEP SARDESAI

A XAVIER'S COMMERCE SOCIETY ENDEAVOUR

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2018 | Vol. XIII

ISSN: 2347-6222

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Printed at The Cybernetics

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Message From

Rev. Dr. Dominic Savio, S.J.

Rector and Principal

St. Xavier's College, Kolkata



The spirit to constantly advance in our intellectual pursuits, to imbibe virtuous values and to instill freedom of expression remains steadfast.



'Our pursuits in life are not always easy. But they are God's blessings, which take the form of opportunities, beyond comprehension.'

Every Xaverian sets benchmarks by striving for excellence; these benchmarks are taken higher by them every day, because of their discipline, determination and devotion. As we embrace changes and continue to grow from strength to strength, one thing remains constant – the dedication of this institution to provide holistic development for every individual who has walked its portals. The spirit to constantly advance in our intellectual pursuits, to imbibe virtuous values and to instill freedom of expression remains steadfast. St. Xavier's promotes learning within the four walls of a classroom, and beyond, and provides a platform to follow an upward trajectory in all aspects of academia and extra-curricular activities. In the pursuit of utmost sophistication, every Xaverian grows into a humble and respectful individual, ready to face every challenge unequivocally.

In its endeavour to excel, the Xavier's Commerce Society organizes programmes to help the students experience the corporate world even before they step out and face real competition. The various activities carried on by the society all-round the year provide ample scope for self-development, through testing experiences, innovative thinking and most importantly, loyalty towards the institution. It has selflessly encouraged leadership, solidarity, dynamism, promptness in one's thought processing and corporate governance techniques. As the representative body of the Department of Commerce of St. Xavier's College (Autonomous), Kolkata, the society fosters creativity and knowledge, and 'Youthink' is at the apex of the society's endeavours.

The primary purpose of one's life is to engage in activities which are thought-provoking, to spend time in doing something, which will outlast one's life – to leave behind a legacy. Today, leaders are entering into new alliances, businesses are taking unorthodox decisions, and commoners are doing uncommon things: all in an attempt to rewrite a legacy of fortitude and fraternity.

'Youthink', now in its thirteenth edition, had a humble beginning, but has grown every year, crafting its own legacy of unrestricted knowledge and expression. With the steadily increasing recognition and the modest efforts of the Xavier's Commerce Society, the journal has found its place in reputed institutions, like St. Xavier's, in India, and abroad. With dynamic parameters and inspiring benchmarks, it continues in its attempts to outdo the previous editions, as a new legacy is written by authors and readers alike. I commend the students and faculty members who have contributed to this year's edition. I also extend my gratitude to our guest authors. My heartiest congratulations to the editorial team and the student body of the Xavier's Commerce Society. As a society that transcends boundaries through its resilient efforts, the theme this year bears testimony to what it stands for. I wish that the thirteenth edition of Youthink writes an unparalleled legacy of simplicity and sustainability.

Nihil Ultra. Nothing Beyond.

Rev. Dr. Dominic Savio, S.J.



Message From

Rev. Dr. Xavier Savarimuthu, S.J.

Vice Principal (Morning)

St. Xavier's College, Kolkata



Leading a life of purpose isn't achieved by just envisioning; rather it's something one creates by taking purposeful action.



There is no better way to save the Earth than to invest in the future of those who will ensure a healthy future for us all.

Leading a life of purpose isn't achieved by just envisioning; rather it's something one creates by taking purposeful action. If we all decide to live a virtuous life, a life reflecting our values, we can be assured of reaching our destiny and this becomes our legacy. Today, it is all about moulding the next generation of problem-solvers. Their education will enable them to be wise stewards of the planet as they devise a way to create a legacy that will perpetuate their values, and leave the next generation well equipped to tackle the challenges and threats posed by the society as a whole.

By imparting leadership skills and the wisdom to steer through obstacles in the corporate world, to the students of St. Xavier's College, the Xavier's Commerce Society has become the medium through which the college's objective of providing a holistic learning experience is achieved; and Youthink is the fundamental pillar that acts as a forum to voice one's thoughts and helps the society fulfill its vision.

I would like to congratulate the Youthink Editorial team for choosing and skilfully portraying a theme that is so relevant in the materialistic world that exists today. With unparalleled wit and a unique array of thoughts and ideas represented in the exceptionally broad spectrum of articles, Youthink truly showcases the beliefs of the conglomeration of wise minds that have the potential to alter the legacies of the world. I would also like to appreciate the professors and guests who have shared their views in the journal and provided some profound knowledge and scholarly guidance to the young minds.

The launch of the thirteenth edition of Youthink is a testament to the sheer perseverance, commitment and tenacity of the members of the Xavier's Commerce Society who have put in a tremendous amount of effort in order to motivate the students to think beyond the immediate scope of their discipline and connect with diverse knowledge paradigms.

I wish Youthink XIII the very best as it seeks to push the boundaries of its own success. My heartiest congratulations to the Xavier's Commerce Society for producing a journal that epitomizes the vibrant Xaverian culture and literary heritage.

May God bless you!

Rev. Dr. Xavier Savarimuthu, S.J.



Message From

Rev. Peter Arockiam, S.J.

Vice Principal (Evening)

St. Xavier's College, Kolkata



There is vitality
in legacies,
allowing them to
be created,
developed,
changed into
something new,
or even
destroyed. A
strong legacy
can translate to
a means of
immortality.



To be forgotten is to cease to exist. It is the inherent nature of an individual to spend a substantial portion of his life in pursuit of the legacy he or she intends to leave behind. The elusive idea of progress has always been the stimulus for the accumulation and subsequent impartation of knowledge, culture and wealth to the next generation. Legacy is not a concept that is evanescent in nature and thus, requires adequate time to be apprehended and be moulded. There is vitality in legacies, allowing them to be created, developed, changed into something new, or even destroyed. A strong legacy can translate to a means of immortality.

The Xaviers Commerce Society vividly exhibits the institutions objective of inculcating the spirit of expression and learning in the faculty and student body alike, and the portrayal of the power of detailed research and analysis which represent a true Xaverian. It is with this aspiration that Youthink provides a diverse range of platforms to its authors so that they can transcend the limits of the ordinary and let their words forge their legacy.

The launch of Youthink Volume XIII is a depiction of the sagacity and shrewdness of the authors in the discussion of a myriad of business and other affairs pertaining to the current world scenario. The Department of Commerce has a rich legacy of producing the paragons of every field, and with a theme that celebrates the creation and inheritance of strong legacies, it is my pleasure to have such a well-researched and deeply pondered set of articles from both within and outside St. Xaviers College.

Youthink has my best wishes as it attempts to surpass the high standards set by it every year and I'm sure that it will continue to burgeon with each subsequent edition. I congratulate the Xaviers Commerce Society for another exceptional year of organization and learning, and commend them on yet another edition of the inspiring and refined Youthink.

May you continue to outdo yourself and reach extraordinary heights. God bless you!

Rev. Peter Arockiam, S.J.



Message From

Dr. Sumona Ghosh

Managing Editor



The journey
of creativity is
the light of
the lamp that
shines but
never burns.

'Life is full of opportunity. Leadership is about taking those opportunities. Legacy is what you leave behind, when you do.'

In this material world of fleeting dreams and receding values, it has become essential for us to be the beacons of virtuousness in order to stand out from the crowd and leave behind a legacy steeped in the richness of intellect and moral proficiency. With this end in mind, we formulate a vision depicting our deep-rooted and long-term aspirations. This vision is our legacy. Overcome resistance in the most overwhelming situations in order to preserve, alter or craft your legacy. Youthink, because of its persistent prosperity, has become an integral part of the legacy of this college and our resilience and diligence ensure that it will continue to transcend itself in the coming years.

Our legacies today, are in our own hands and we have the power to allow them to either nurture and develop us to face each adversity or overwhelm us to the point where we might have to destroy our own legacy.

The journey of creativity is the light of the lamp that shines but never burns. Youthink is adorned with a variety of articles in profusion, written by a diverse group of individuals. It has an aura of freshness and vitality about it, which is unmatched and unprecedented.

My heartiest congratulations to the Xaverian family as a whole, and the Youthink Editorial Board in particular, for a phenomenal edition of the journal.

I am greatly indebted to the scholars and professors who willingly devoted their time and skill in writing these articles.

As we launch Youthink Volume XIII, I extend my warm gratitude towards the members of the faculty and the administration for their valuable insights and unflinching support, which has led us to attain extraordinary heights. It is because of our dedicated readers who analyze the musings in the journal with a critical eye and shrewd mind, that we are kept on our toes and I greatly appreciate their input.

Youthink XIII- Legacy would not have been a spectacular success, if it weren't for the sustained encouragement from Rev. Dr. Dominic Savio, S.J., Principal, the unending guidance from Rev. Dr. Xavier Savarimuthu, S.J., Vice-Principal B.Com (Morning) and Rev. Peter Arockiam, S.J., Vice-Principal B.Com (Evening), the unwavering support from Prof. Swapan Banerjee, Dean, B.Com (Morning) and the valuable advice from Prof. Amitava Roy, Dean, B.Com (Evening).

As we transcend the limits of our own imagination and seek to enhance the virtuosity of our legacy, I proudly present to you the thirteenth edition of Youthink.

Dr. Sumona Ghosh



Message From

Faraz Rizvi & Ishmeet Singh Batra

Joint Editors



'Every life is a piece of music. Like music, we are finite events – unique arrangements that are sometimes harmonious and sometimes dissonant. Our purpose is to be distinctive and leave an impact that reverberates through the sands of time.'

The advancement of the human race in multiple spheres over the centuries has been nothing short of extraordinary. The power to think differently, and be brave enough to translate those thoughts into meaningful actions is indicative of how change is an individualistic process. By unfettering ourselves from the conventional, we are able to influence, inspire, and create our own 'Legacy'. Youthink manifests the spirit of being intellectually different and challenging the status quo with logic and reason. As Joint Editors, we have strived to present Youthink as a platform for students to craft their legacies by channeling their ideas on a wide range of issues into well-constructed articles of information and analysis.

From a nascent society thirteen years ago to the magnificent entity it is now, Xavier's Commerce Society has grown by leaps and bounds. At the forefront of its ascendance from the very beginning, has been Youthink. The thirteenth edition of Youthink incorporates the diverse viewpoints of Xaverians on matters that pervade our social consciousness and call for detailed discussion. From 'India's Green Ambition' to 'The Contemporary Trump Card' in the Feature section, 'Trade, Tariffs, and Turbulence' in the Ascent section and 'Indian Forging Industry and Online Trading' in the Beyond section, the journal touches upon areas that appeal to varying kinds of readers. We are thankful to our guest authors, Prof. Sanjeev Varshney of XLRI, Jamshedpur and Mr. Bharat Jain of T.I.M.E. Pvt. Ltd. for their contributions on highly relevant topics in today's day and age.

An integral part of the journal, the Interviews section contains the insights of luminaries from all walks of life. This year, we are proud to have been in conversation with Mr. Anil Kapoor, a stalwart in the film & entertainment industry who gave us his keen viewpoints on the growth and development of Indian cinema, and what its future possibly looks like. We are glad to have interviewed reputed news anchor and journalist, Mr. Rajdeep Sardesai, who dissected the dynamically shifting nature and role of Indian journalism, and how it has impacted the perceptions of the masses.

To leave behind a legacy, one needs to thank the individuals who have played a pioneering role in establishing it. It is our honour and pleasure to thank Rev. Dr. Dominic Savio, S.J. for always guiding us towards the right path, Rev. Dr. Xavier Savarimuthu, S.J. for his unwavering support and Rev. Peter Arockiam, S.J. for encouraging us throughout. Lastly, we express our heartfelt gratitude to 'Ma'am', for creating and moulding the framework to this journey, thereby forming a formidable legacy of her own.

As the curtains close, we wish to thank all our contributors and the students of St. Xavier's College, who have year after year displayed an unparalleled zest towards the journal. It is their passion that serves as an impetus to our efforts and stimulates us to transcend our previous undertakings, as we continue to move forward with resilience. We hope this edition can match up to your expectations.

Welcome to Youthink Volume XIII.

Faraz Rizvi

Faraz Rizvi

Ishmeet Singh Batra

Ishmeet Singh Batra

By unfettering ourselves from the conventional, we are able to influence, inspire, and create our own 'Legacy'.



“

Studies by Suzlon Energy and IIT-Delhi have revealed these two green sectors to be facilitating 15-18 per cent higher annual returns coupled with 20 per cent lower annual volatility.

”

India's Green Ambition

FUELLING CHANGE

Subham Saurav & Krishna Kumar
Department of Commerce (Morning), 3rd Year

ABSTRACT

With the country's energy policy rendered obsolete in the face of futuristic approaches and unrelenting dynamism in the global energy markets, it is time for India to flip its energy equation. Accelerating the transition to renewable sources of energy also represents a unique opportunity for us to meet climate goals while fuelling economic growth. While renewable energy has always garnered support for its low carbon footprint, its recent advocates are the number crunching analysts, who have finally discovered its economic edge. On the contrary, climate negotiators seem to be swinging the tenterhooks pertaining to India's stance on go-green initiatives. Laden with the burdens like rising NPAs in the power sector, ailing agriculture and diminishing non-renewables; perfecting its energy choice can go a long way in lifting India out of the financial doldrums and helping it align with global energy standards.

KEYWORDS: Renewable, sustainable, power, growth, environment

INTRODUCTION

With the agenda of total electrification claiming the utmost attention of successive governments, the issue of sustainable sources has found itself to be perpetually cold-shouldered. However, with the electrification commitments no longer remaining a distant dream, it is optimal to focus on quality rather than quantity. Statistically speaking, since FY 09-10 the power production rate has hovered around a CAGR of about 5.69 per cent, propelling it to 1,201.543 Billion Units (BU) during FY 17-18. Meanwhile, the renewables sector boasted a percentage growth of 9.29 in the past three years. The immense potential has lured in a whopping \$12.97 billion in FDI, opening up the market for a major overhaul in terms of technology, and has reinvigorated the erstwhile dormant renewable energy sector in India.

THE BACKGROUND

The renewable energy technology is not an uncharted territory. But the government's lackadaisical approach coupled with the private sector's reluctance to excavate this new dimension has ensured India's uber-reliance on conventional power sources. One potential reason for the lack of commitment to the low carbon investments so far could perhaps be that the asset size has not been significant enough to draw them in.

ADVOCATING THE CHANGE

The onus of India's power liability falls on coal-based power plants, but does this offer sustainability? The majority of power plants already transgress the country's air pollution standards. Apart from spelling peril for the ecological integrity, it bodes badly for the country's balance sheet (See figure 1). Stranded assets of approximately \$30 billion splurge an indelible blot on India's growth trajectory. Retrofitting India's old creaky power grid would cost about \$500 billion which would mean excoriating this sector to a vicious debt-trap. Antithetically, a shift to a renewables-based structure connotes cost-competitiveness.

Confronted by an acute shortage of coal reserves, the power companies are enmeshed between the

government's ban on coal imports and ever-spiralling production volumes of the substandard Indian coal. The falling reserves have prompted the producers to swallow the pill of exorbitant raw materials. The equivalence persists in gas-powered electricity as well. This, in turn, has spurred the per unit cost of electricity by up to 120 per cent in some regions of the country, the brunt of which is expected to be borne by the common man. This is where Green Energy comes into play. With the recent cutbacks in production costs, it is now within the spectrum of the mid-spending stratum. Recent reports by IEEFA point out reductions in production costs of popular green sources, viz solar and wind, by 50 per cent to as low as \$38 per megawatt hour over the past two years (See figure 2). Reductions, though scaled-down, are also apparent in geothermal and tidal energy production. Consequentially, outlay on renewable energy sources are 30-50 per cent short of the required cost to support new capacities running on dry fuel or LNG.

Econometric analysis suggests that the solar and wind energy sectors have emerged as far more lucrative to the private investment domain. Studies by Suzlon Energy and IIT-Delhi have revealed these two green sectors to be facilitating 15-18 per cent higher annual returns coupled with 20 per cent lower annual volatility. This has booked India at the second position (according to consultancy firm EY) in the list of attractive renewable energy markets. The provision for 100 per cent FDI in this sector has proven to be epoch-making, considering India's ambition of churning out an additional 480 GW of clean energy by 2040, which calls for roping in capital to the tune of \$450 billion.

About 64 per cent of India's population is expected to be of working age by 2026. The green energy sector with its huge potential for maturation is viewed by many as key in absorbing a significant chunk of the dreamy-eyed masses as a result of its labour intensiveness. Explicably, renewable energy (RE) is touted to provide bread and butter to more than half a million Indians over a span of five years if the country strives towards its energy goals. The sunshine sector alone can generate over 100,000 jobs over the next three years. This does not include the trickle-down effect on sectors like finance, infrastructure and data analytics. Incidentally, the number of jobs in the green energy sector exhibited

an increment of 12 per cent, dragging the number of jobs from 385,200 in 2016 to 432,000 in 2017 (See figure 3). This figure ignores the 289,000 people employed in large hydro-projects (only projects up to 25 MW capacities are designated renewable). This portends huge macroeconomic implications with positive spillovers on demographic indicators.

The concept of sustainable agriculture involves maintaining a delicate and efficacious balance between maximum crop productivity and economic stability while minimising the use of finite natural resources as well as detrimental environmental impacts. But most farm machines are driven by fossil fuels and the rural-urban divide is undeniably evident. While the farmers in urban areas relish the supply of incessant power, their rural counterparts barely manage to survive on erratic state-run electricity. Not surprisingly, perhaps, up to 20 per cent electricity consumed in India is for agriculture, mostly irrigation. Agriculture uses more than three billion litres of petrol and around 85 million tonnes of coal every year. Since more than half of India's cultivated land is yet to be irrigated, a business-as-usual scenario will lead to an unprecedented rise in energy demands. Renewable energy is a remedy that stands resolute in the face of such an extrapolation. The underground submersible photovoltaic cell is a better option than a diesel-generator set. Farms in coastal areas can tap the massive wind potential. Geothermal, biomass and tidal energy, though marginal in the renewable energy discussion, can also play a momentous role in revitalizing agriculture. If 50 per cent of the diesel-pumps were replaced with solar PV pumps, India could save 600 million litres of petrol per year which can significantly tone down India's high current account deficit. This reduction can be amplified due to constant decrement in costs of the solar pumps (See figure 4). But for it to materialize, the government needs to bear the upfront investment, the projected returns of which can only be envisaged in the long-run.

One of the challenging features of our energy system is that many of our choices involve what economists call 'externalities'. The choices that individuals make about the production or consumption of a particular energy source impose a social cost on others in the form of shorter lives, humungous healthcare expenses and a jeopardised national security. A Greenpeace report

gauges an addition of 20 million new asthma cases per year on top of India's pre-existing health woes, while some World Bank leaders place the economic cost of having smoke-spewing power sources at around \$3.3-\$4.6 billion per year. With about 70 per cent expenditure on medical services met out of pocket by households, the impact on the standard of living is as severe as that on government's welfare programs.

Renewable energy(RE) is touted to provide bread and butter to more than half a million Indians over a span of five years if the country strives towards its energy goals.

A CAUTIOUS APPROACH

Although offering virtually unlimited benefits, the RE sector also calls for a careful assessment of challenges apart from the widely known aspects of inconsistent production, selective applicability and heavy initial investments and incentives. The biggest hurdle staring the RE sector is the modification in the existing energy framework. The visualization can prove to be hollow if the government, producers and consumers shy away from taking the initiative. One way to deal with this crisis is through the issue of private sector bonds to help the transition from coal to clean, akin to the retirement of obsolete nuclear assets. Another major issue is the disparity in the efforts of the regional governments, which demands cooperative federalism.

Efforts should also be directed to identify and develop the energy sources based on resource availability. For instance, while sunshine and biomass are abundant throughout the country, wind sources are most abundant in Tamil Nadu (having 29 per cent of India's installed capacity) while the Puga valley in Ladakh has the lion's share of geothermal energy sources.

RE has genuinely bright future prospects, short-term clouds notwithstanding, and improvements in tertiary

aspects like storage and distribution-grids can add the much-needed flexibility and real-time visibility needed for it to become the engine of India's growth journey.

If 50 per cent of the diesel-pumps were replaced with solar PV pumps, India could save 600 million litres of petrol per year.

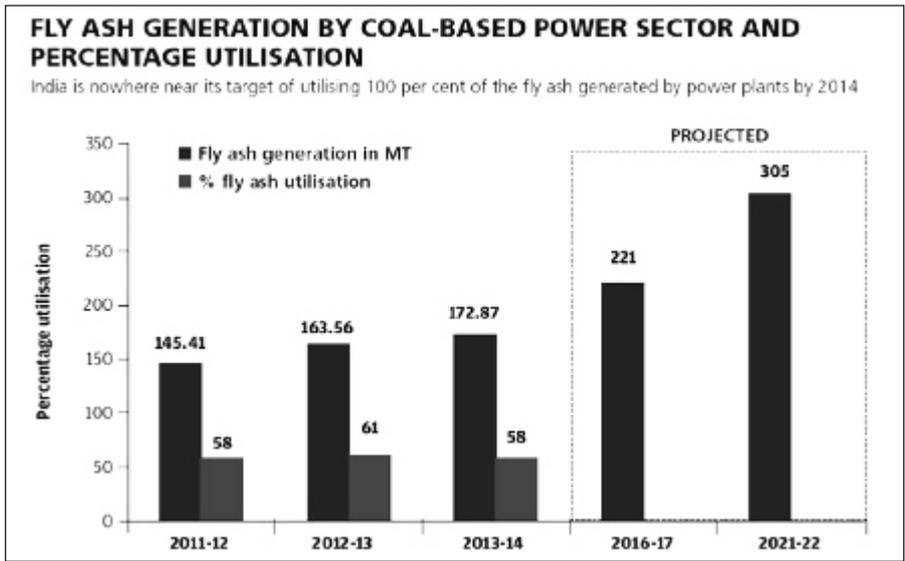


Figure 1

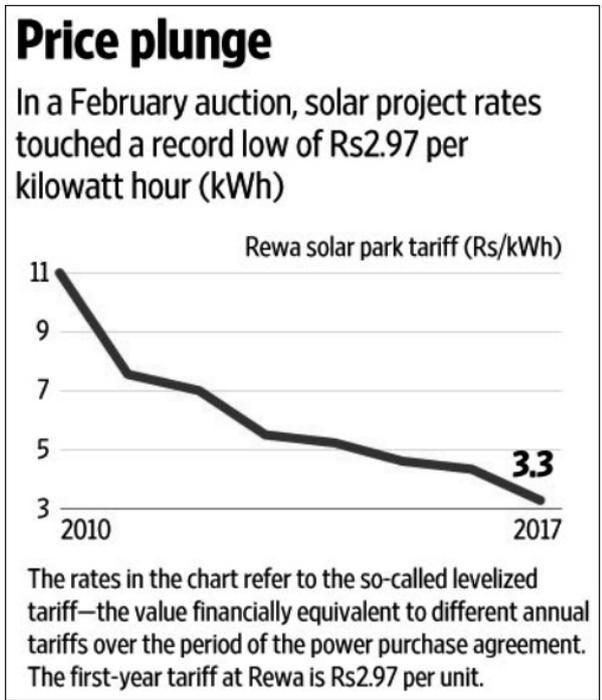


Figure 2

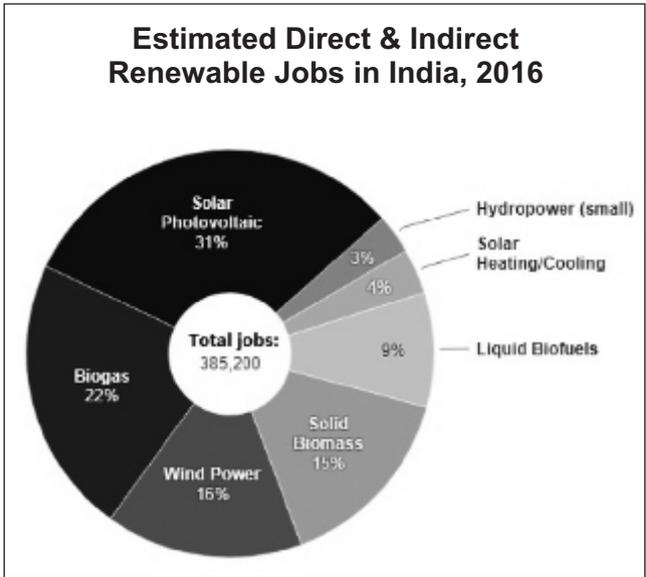


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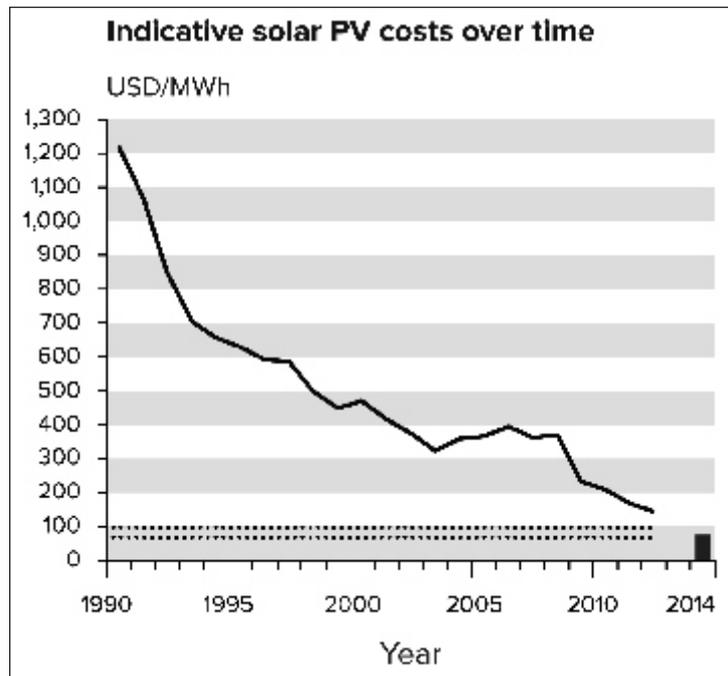


Figure 4

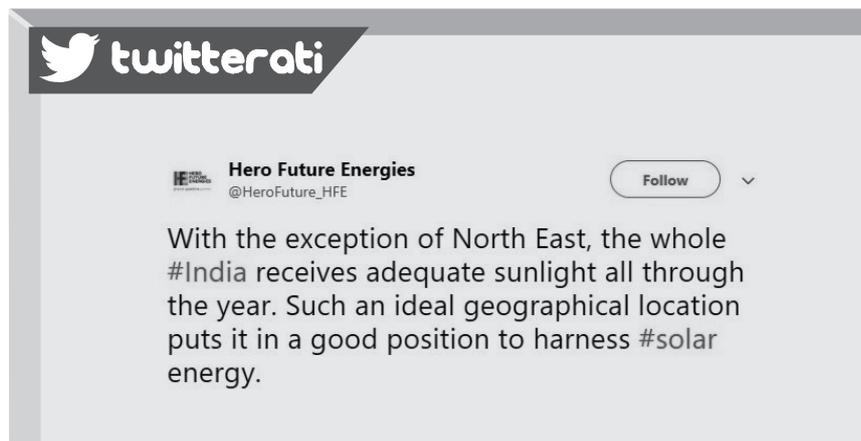
What's new in the RE Sector?

- India aims to add 30GW of offshore wind plants by 2030
- Solar water pumps can help India surpass 100 GW target
- India's shift to green economy could add 3 million jobs by 2030
- Tata Power commissions 100 MW solar power capacity in AP
- Adani Green Energy aims to raise \$750 million via dollar bonds; up by 5 per cent on BSE listing.
- Apple launches green energy fund worth \$300 million.
- IL&FS Financial Services Ltd and Jammu and Kashmir Bank Ltd enter into hydropower deals worth \$3.12 billion.

Figure 5

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Curses of Conformity

THE CONTINUED NEED FOR PHILOSOPHY

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While in modern organization, the echo chamber in sections of the population may cause difficulties in inclusion and policy design, in social circles and workspaces, echo chambers of a few can cause frustration on teams.



'We do, however, speak a message of wisdom among the mature, but not the wisdom of this age or of the rulers of this age, who are coming to nothing.'

-Corinthians 2:16

ABSTRACT

Out of all reasons to formulate a framework for an objective, straight jacketed understanding of human nature, one that recently became more crucial was the need for the educated to stop using 'human nature reasoning' to avoid responsibility. Often, phrases like 'Violence is human nature. It cannot be avoided.', 'It's just my nature, I cannot help it' or 'That was a fault in their personality. We cannot change them,' are the dangerous indications of the growing class of escapist philosophers in politicians, businessmen, professionals and commoners, with decisions unlinked to sociology, modern anthropology or philosophy. It is thus imperative that such irrational institutionalization of human nature be met with greater cognizance of the importance of philosophy.

In this article, I have tried to address the dangerously ambitious question of philosophy that explores the growth of the need for accurate understandings of 'what my nature is' and its study, and attempted to identify the right questions that a philosophical curiosity must begin with, the known trajectory and significance of human analysis over time, and the alarming results of misused philosophy.

KEYWORDS: Growth, experiment, intuition, comprehension, philosophy

QUESTIONS:

1. What is the trajectory of the study of human nature?
2. How is more innovation, as the food for modern day civilization, based on better philosophy?

3. What primordial questions has the study of humans already answered? Have we already answered most questions about humans?
4. What are the ill effects of stagnancy in philosophical understanding?

INTRODUCTION - BIRTH OF THE NEED FOR PHILOSOPHY

All of the pre-human species were bipedal. Walking upright led to hands becoming free to use tools. The use of tools required eye-hand coordination and concentration which led to an increase in brain size. The increasing use of speech to name and describe features of the environment led to the growth of the brain. Sociability allowed for collective learning. The growth of the brain and social interaction in bands stimulated the brain to a point where species in the genus Homo, evolved to being highly conscious and intelligent.

Close to six million years through evolution, humans are seen by modern anthropology as functions of four factors: tool use, speech and communication, social abilities and high consciousness. The first two of these are developed as routine in growth and sociability is dependent on individualistic combinations of the other three. Philosophy dictates that consciousness controls and lends momentum to the other three factors, and that 'the study of the fourth is, thus, the study of all'.

EVOLUTION AND PHILOSOPHY

For the Greeks, social curiosity centred around studying whether man could indeed control temptation through rationality. Plato's theory of 'rationale' preceding 'appetite' is still widely claimed to be the guiding principle in the explanation of humans as complex beings with intellectual capacity. As Plato claims that the reasoning should rule and exercise foresight on behalf of the whole soul, explained through the example of the patient who forgoes food and water for days before an operation, with the rational understanding of the medical need to starve, Plato's proof of the existence of a superior reasoning concludes, notably, with the forewarning for continued analysis of human reason,

and the sceptical prediction of the impossibility of completing such study.

THE THEORY OF KNOWLEDGE AND PHILOSOPHY-BASED INNOVATION

Since then, Freud has believed that aggression, sometimes violent, is inherent to human nature. Carl Jung proposed a collective unconscious that perceived one's own ideal sets as those of an enemy. Adler spoke of individual strife for social dominance. Harry Sullivan believed that inhibitions in communications caused people to lash out at others and make people violent as defence mechanisms. Erik Erikson said social ambiguity in a society can produce confusion in individuals. Irving Janis explored 'group think' which derives from human beings' social nature. While all these serve as the basis for social analysis, they leave much questions unanswered. Possibly the best theories here came from the fathers of modern philosophy, Bacon and Descartes. Their theory of knowledge not only, in an ironical dual role, explains the biggest difficulty in philosophy, but also makes the case for knowledge as the basis for innovation.

Suppose, for example, that the question is of the finality of science, or the legitimacy of faith. The question must be examined by examining the methods of science to discover whether there is anything arbitrary in the results that limits the scope of science. As we inquire the definitions of genuine knowledge, and if aspirations and ideals may affect them, philosophy calls attention to a peculiar predicament in which the human thinker finds himself- To begin with oneself is a compulsion. When Descartes sought to reduce knowledge to a primal and indubitable certainty, he found that certainty to be the knowledge each thinker has of his

The creation of a psychological 'wall', often the source of popular fiction and pop culture, is linked to this, and so is the popular 'teenage indignance'.

own existence, and of the existence of his ideals. How then is a thinker to add anything to thought which is not himself or his ideas? Knowledge, then, can barely be knowledge unless it takes you beyond yourself. This is the central problem faced by philosophy. (Cheney, 1914)

Berkeley was led by this problem to conclude that if reality is assumed to be knowable, then it can be composed of nothing but thinkers and their ideas. And in this conclusion Berkeley has been followed by the whole school of idealists, that include prominent thinkers of later times, and has inspired notable movements in German and English literature.

Mark Zuckerberg, Facebook CEO, claimed, in his Harvard commencement address, that his work started with the evening thought, 'What can connect people around me?'. Descartes' belief that knowledge must lead oneself beyond status quo is the basis for innovation. Modern day innovation mandates understandings of empathies and aspirations such that major corporates and governments would fail or fail to take birth if knowledge of those they cater to was slightly less better. The individual seed to creativity like with Zuckerberg is a thought that knowledgeable wonders over nuances of human nature.

ARE HUMAN BEINGS SELFISH?

Perhaps the most widely speculated question in history- the universality of the self-centredness of humans- requisites resolution for both individual and community reasons. Ignorance of whether someone is selfish often frustrates relations, and researchers answer it via the principle of first instincts of two mechanisms: automatic and effortless intuition, leading to actions that occur without reasoning, and reflection, the conscious thought and identification of a cost-benefit analysis.

Human behaviour is best understood by the answer to what is more intuitive- selfishness or co-operation- and which one is more reflective.

Philosophers have supposed that behaviours that govern when people act quickly are most likely to be aligned with basic human traits.

In the last decade, 834 participants from undergraduate

campuses underwent five studies in two paradigms- the prisoner's dilemma and the public goods game. In problems on financial decision-making, they had to choose between acting selfishly and maximizing personal results at the cost of the group or being co-operative and maximizing common goals as opposed to individual aims. Memorably, in every single study, quicker, intuitive decisions were those of co-operation, whereas slower, reflective decisions were associated with higher levels of selfishness. Thinkers like Augustine and Hobbes, these results demonstrate, were wrong, and we may be fundamentally 'good' creatures after all.

In subsequent studies, the influence on tendency by speed and the linked cognitive mechanism-intuition- were doctored. Researchers gathered 891 participants (211 undergraduates and 680 participants from a nationwide sample) for a public goods game. Participants were forced to make their decisions either within or after 10 seconds. 343 participants, on being primed to be intuitive or reflective in reasoning, were given a public goods game to play. Both studies yielded the same results- those who forcibly used intuition and responded quickly as well as those who were encouraged to be intuitive gave notably to the common good than those who took longer to respond. Suggestively, humans were seen to be co-operative in nature.

2,068 participants undergoing 7 experiments seemed convincingly suggestive that humans are intuitively not selfish. But scientists doubted if we were naturally cooperative. Or could it be that cooperation is our first instinct simply because it is rewarded? The possibility was explored by a final study. 341 participants from a nationwide sample were questioned on their daily interactions- and whether these were largely co-operative. The relationship between processing speed (that is, intuition) and cooperation existed only for those who reported having patterned primarily cooperative interactions in daily life. Human 'goodness' may thus result from the acquisition of a regularly rewarded behaviour and depends on individual social conditioning. The answer to the question, 'Is he selfish?', might thus be in the analysis of the individual's social conditioning (Rand, Greene and Nowak).

But like with Plato, this research concludes that

straightjacket conclusions to selfishness remain impossible, and that the study of social patterning is more significant as these questions become more relevant.

THE IMPORTANCE OF KNOWING INTUITION-DOCTRINE OF UNCONSCIOUS

Shenanigans of world leaders, flippancy in national relations, administrative incumbency, inexplicable popularity surges and 'move outs' from satisfied employees are often things, that for the lack of better analysis, are put down to 'intuition'. While the pinning of the blame on intuition is not incorrect, it is mistakenly often the end of the discussion to the power of intuition.

The case of Newman and Carlyle bears testimony to this. Newman, the triumphant reviver of the old Christian practices in the Roman Catholic Church, and Carlyle, writer and thinker and critic of dogmatic thought, were of antipodal temperament and works, but bore the same source and pivot of their teaching to the Victorians.

As Frank Cheney pointed out at Harvard, this dominating principle was the 'Doctrine of the Unconscious.'

Carlyle first expounded this doctrine in his essay 'Characteristics'. 'The truly strong mind,' he says, 'views it as Intellect, as Morality, or under any other aspect, is nowise the mind acquainted with its strength; Thoughts; underneath the region of argument and conscious discourse lies the region of meditation; here, in its quiet mysterious depths, dwells what vital force is in us; here, if aught is to be created, and not merely manufactured and communicated, must the work go on...The healthy understanding is not the Logical, argumentative, but The Intuitive.' He said: 'The healthy know not of their health, but only the sick.' On this idea Carlyle bases his doctrines of Work.

Newman, in his explanation of 'Implicit Reason', says, 'As each individual has certain instincts of right and wrong antecedent to reasoning, on which he acts- and rightly- so has the world of men collectively.' Newman's belief in the instinctive made him feel the wisdom of the race was more trustworthy than the reason of the

individual. Consequently, for Newman, the Catholic Church was the articulate voice of the body of Christian believers in the past- 'the concrete representative of things invisible.'

The power of intuition guides individuals in the toughest and most critical of decisions. The reason can be as varied as that of Carlyle and Newman, but the powerful consequences of intuitive decision-making in daily living is perhaps the most extensively studied, and the most undervalued. An understanding of intuition is most examined by strategists who know that their predictions and that of those they predict of are guided by the power of the unconscious.

CONTINUED NEED FOR PHILOSOPHICAL SENSE

1. The Corporate:

A. Constancy

In England, in 1880, rational study faced a powerful opposition from two groups-the practical men of business, and the men of liberal education. British industrialists had flourished amazingly without the aid of the sciences, and they thought it was imprudent to believe that the 'rule of thumb' would suddenly fail. They saw no connection between rationale and industries. It was then that Germany, the perceived 'land of damned professors', rose, in the next quarter of a century, from industrial insignificance to being Britain's chief rival.

Huxley explains the basis of culture as follows- In the Middle Ages theology was the sole basis of culture, because it furnished the best ideals and standards then available for the criticism of life. In the fifteenth century, the great body of classical literature was revealed to western Europe. This in turn became the basis of culture displacing theology, because in many ways it furnished better ideals and standards—especially in literature, sculpture, and above all in the use of reason. Modern music, art and constructs of modern science have since then become the basis of culture and thought, lending ideals and standards of judgment.

Corporate failure like in England, in realizing the changing bases of human thought and culture can lead to travesties for human resource management. Frank

Cheney, Harvard lecturer, argues that the leader's understanding of what a culture might have evolved into since the last time someone thought of its form in objectivity is key to breaking out of the ruinous 'rule of thumb'.

B. Evolution Philosophy

The grounds of such philosophy are to approach the mind as an ancient engineering project. They develop and test hypothetical situations about 'design problems' by seeing what needs solving and observing the universal mental structures that might have taken birth.

Corporate use of evolutionary philosophy is a modelled form of this, with the use of the same principles to test the development of mental frameworks in organizations and attempts at engineering employee mindsets thereafter.

C. Einstellung Effect

Of all the effects of modernism on the human mind, perhaps most destructive is the Einstellung effect. Corporate ethos remains as susceptible to the effect as personal life or individual industrial work. It is a mechanized state of mind, where the problem-solver maintains a predisposition to a solution set, though it may not be the most appropriate one. It is because that solution, through repetition, is ingrained in the doer's mind. Initially meant for industrial worker analysis, this effect is largely what causes the 'mind block' or the individual's unwillingness to re-perceive situations differently. Human relations, that often need to be re-engineered perceptually in case of conflict, suffer from it and a cognition of the Einstellung in a person is a sure way to better sociability.

In a study, participants were given three solution letters of a word and three additional letters, the former arranged in a central string. They were asked to find one distractor letter and make a five-letter word. To test the impact of familiarity, central strings contained generic words and three-letter nonwords were arranged alongside. Proving the Einstellung effect, performance was better for generic word trials. Eye movements revealed interference and facilitation as functions of the familiarity of the central letter string. Shorter viewing times were associated with letters on the central string

and longer viewing times were seen on individual letters (Graphs 1 and 2).

2. The State:

Dr. Cosmides and her husband, Dr. Tooby, both professors at the University of California at Santa Barbara, leaders of the evolutionary psychology school, assert that social scientists have a collective phobia about 'politically correct' environmental explanations. This Philosophy remains at the forefront of state management for the chief reason that the maintenance of stable administration stems from continual analysis into what triggers people's emotional button. Pakistan, for instance. With Imran Khan in power, Pakistan sees mass deviations from perceivably pacifist and outward looking trains of thought. India, at a time it was working to battle corruption and maladministration, was unsettled over rape incidents for a sustained period. These cases indicate that the State must see its duty as investigating into that which is guaranteed to push people's emotional button.

In his lectures on Political Science, Thomas Carver argues that while possession itself is not property, society's recognition of individual possession is. Since there is scramble for every unit of possessions, 'wherever society is sufficiently organized to recognize these rights and to afford them some measure of protection, there is a state; and there is a family wherever there is a small group within which the ties of blood and kinship are strong enough to overcome any natural rivalry and to create a unity of interests.' This unity of economic interests within the group is sufficient to

Partners, managers and political leaders alike face the curse of comprehension-one's understanding of one's acquaintances to extents that lead to partnership and co-operation with lopsided appreciation of the philosophy that starts it.

separate it from the rest of the world, or from other similar groups with rival interests. Largely seen as the basis for institution formation, this thought hints at the infinite nature of individual assertive mentalities, frameworks of recognition of rights and understanding of metrics for grouping as questions that require great uses of philosophical understandings of the 'origin of institutions'.

DIFFICULTIES

The Echo Chamber:

For the individual- Scarcity leads to antagonism of interests. While developing cognitive and aggression mechanisms, we often end up making subconscious choices of the virtues we imbibe. Charles Parker, Harvard Lecturer, extrapolates that humans, with the intrinsic need to develop, end up choosing to develop and re-entrench virtues for themselves sub-consciously. A man that chooses to hate will unknowingly strengthen the learning to hate further unless such inertia of development meets opposition. The creation of a psychological 'wall', often the source of popular fiction and pop culture, is linked to this, and so is the popular 'teenage indignance'.

For the community- Managers, administrators, educationists alike face the problem of local echo chambers. Echo chambers are references to communities where individuals support and re-entrench each other's opinions to the extent of shutting out opposition in discourse. Small social circles and large nations alike can exhibit such symptoms. While in modern organization, the echo chamber in sections of the population may cause difficulties in inclusion and policy design, in social circles and workspaces, echo chambers of a few can cause frustration in teams.

The Curse of Comprehension:

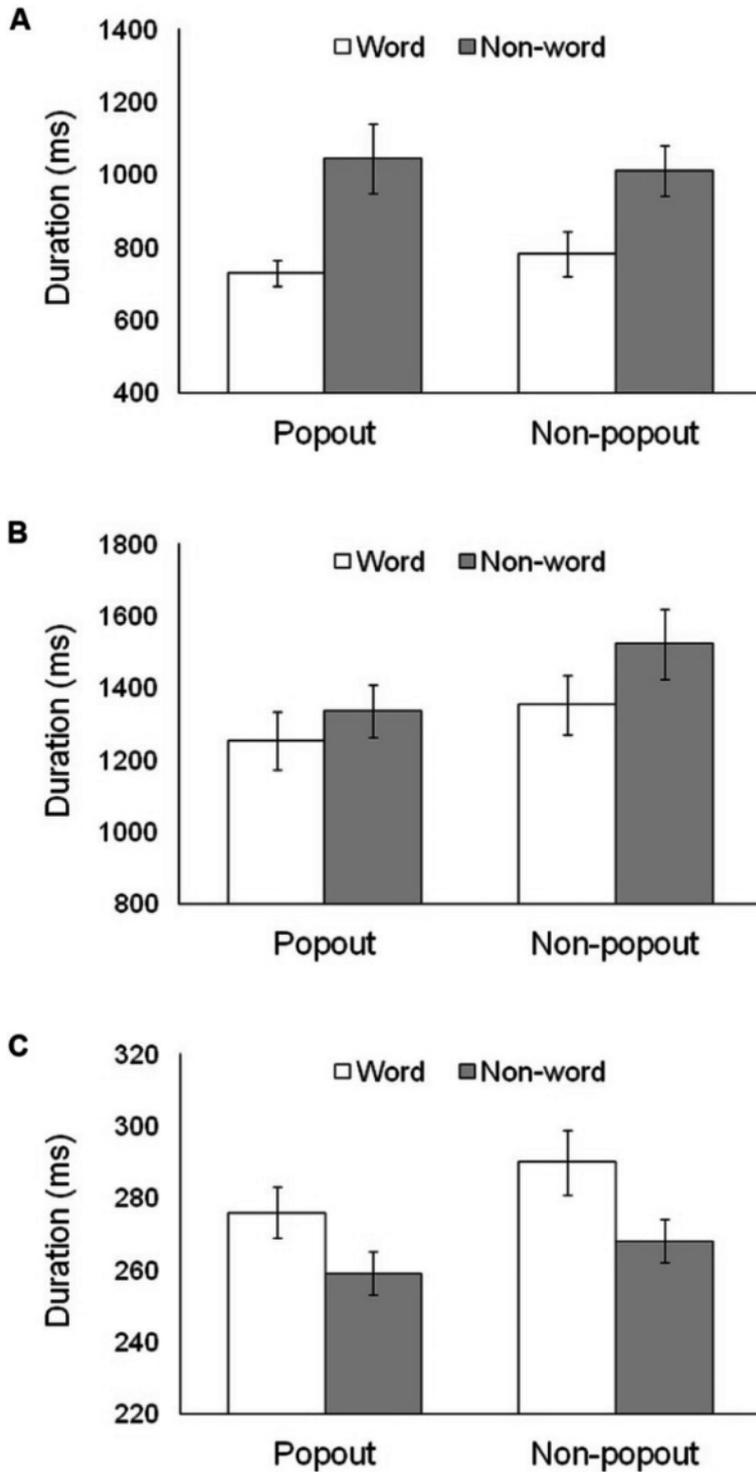
The curse of knowledge is a popular cognitive bias where additional knowledge by the leader/ disseminator may lead to improper explanations (Journal of Political Economy). For example, the teacher who mistakenly assumes students would be expected to know about the background to an issue and thus begins teachings from a point a student cannot relate to.

In the context of humans, the theory may take the form of comprehension rather than knowledge. A manager who recognizes the Einstellung effect in a worker may end up being more empathetic and thus less efficient in firing an employee than one who cannot identify the effect. The practical disadvantage of abilities to understand may be both the giving of the 'extra chance' and the risk of being perceived as ignorant instead of over-comprehending. The curse of comprehension thus often sets thresholds for unfairness or deceit at higher levels; an unequal understanding of why an individual sets these thresholds higher than others would lead to misinterpretation of these actions, and under-valuing of the level of empathy offered. Partners, managers and political leaders alike face the curse of comprehension- one's understanding of one's acquaintances to extents that lead to partnership and co-operation with lopsided appreciation of the philosophy that starts it.

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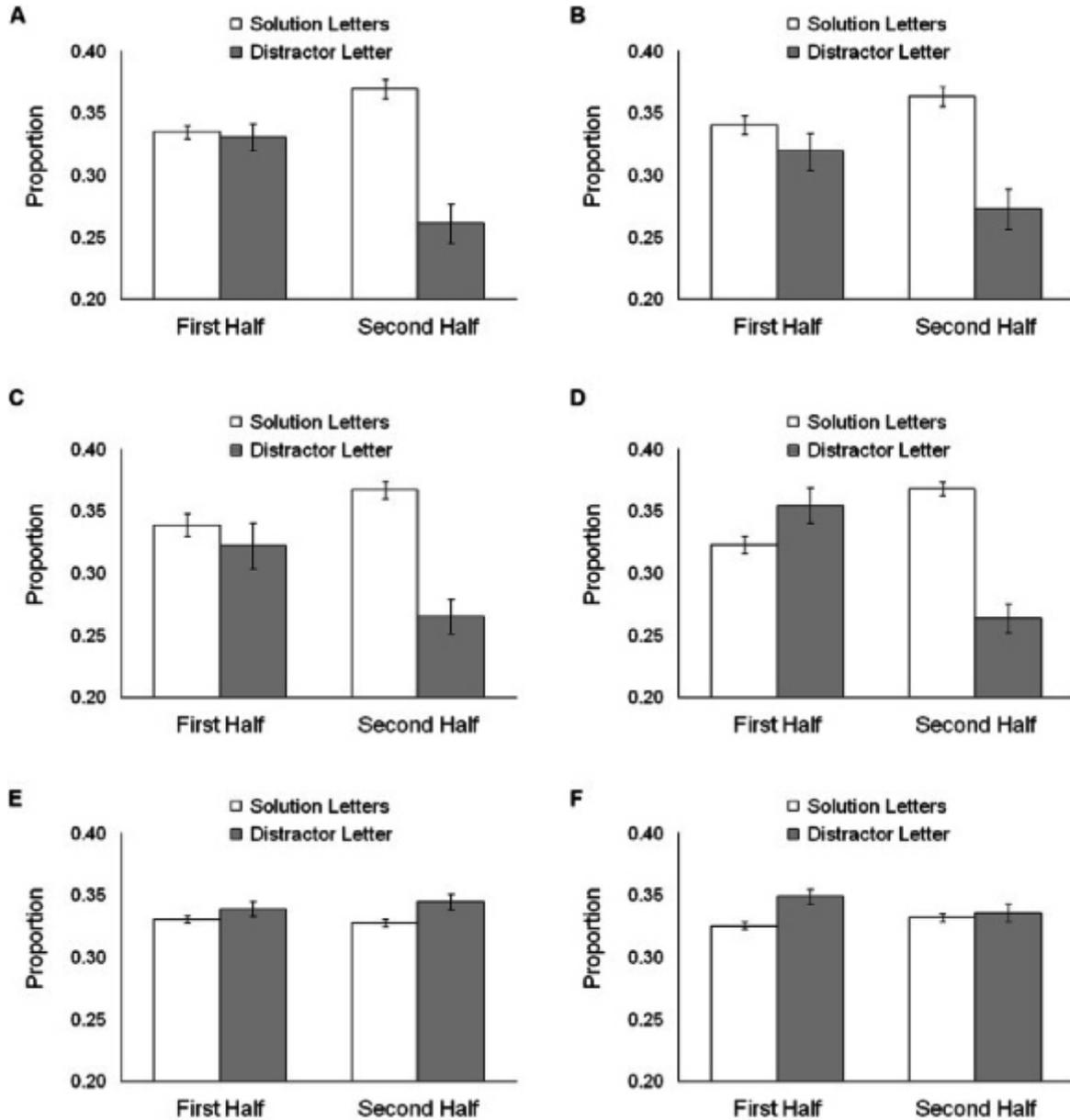
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GRAPH 1



Mean eye movement measures for word and nonword conditions within popout and non-popout trials: initial latency on the central letter string (A); subsequent dwell duration on the central letter string (B); and dwell duration on individual letters (C)

GRAPH 2



Proportion of viewing time on the solution letters and the distractor letter in the first and second half of trials for each combination of central letter string type (word in A,C,E; nonword in B,D,F) and trial type (popout in A,B; non-popout in C,D; unsolved in E,F).





The Largest E-Commerce Deal Concludes

GROWTH OF A NATION OR FALL OF A COMPANY?

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The joint venture, however, was dissolved in the October of 2013, not because the companies weren't willing to carry on, but because the conditions weren't optimum.



ABSTRACT

The market is encouraging. Competition is intense. The stakes are high and an era later, Walmart's secret e-commerce dreams in India are coming true. It finally acquired 77 per cent of Flipkart. The skirmish however has just started. It has now to face the same battle it left in its home turf. The Indian market invites and yields a lot of profit hungry corporations. Alibaba has its eyes on India. Paytm is already on its way of developing a consumer base, so are Snapdeal and eBay.

KEYWORDS: Acquisition, E-Commerce, Flipkart, Walmart, competition, Amazon, economy

LOOKING BACK

An era of waiting:

When Walmart initially declared entry into India in 2007, it had grand plans to have its huge marts sprinkled across the country. The Indian government restricts foreign multi-brand giants to open front-end stores in the nation on their own. Hence, the American retailer entered into a joint venture with Bharti Enterprises in 2007 to create the Joint Venture-Bharti-Walmart.

The plan was plotted and it was simple: Walmart would supply Bharti Retail, the trade subsidiary of Bharti Enterprises, which would be the consumer-facing end of the business. Walmart would provide, from its arsenal, infrastructure and technical support for the business to be carried on. The agreement was to be acknowledged until the Indian Government allowed foreign investors to set-up fully owned retail stores.

The joint venture, however, was dissolved in the October of 2013, not because the companies weren't willing to carry on, but because the conditions weren't optimum.

The prerequisite that those interested in making FDI in India's wholesale or multi-brand retail industry should source at least 30 per cent of their products from local small and medium size industries was problematic for the retail giant. Scott Price, Walmart's chief executive called it as 'critical stumbling block' to establish its stores in India. He said that the industries don't have the ability to meet the large scale requirements of Walmart.

Secondly, in 2012, Walmart spent nearly \$25 million on lobbying Indian authorities to open up enhanced market access for investment in India. While lobbying is legal in the U.S., it is illegal in India. So when Walmart disclosed the same to the U.S. Senate and the House of Representatives, there was a huge uproar in the Indian Parliament which led to the Indian government starting an investigation against Walmart.

Only days after it signed an agreement with Bharti Enterprises to enter the Indian market, several thousand retailers throughout the country held vocal protests against its plans. In the metros of Delhi, Mumbai, Bangalore and Calcutta, hundreds of farmers and small-scale retailers took to the streets near vegetable markets. Since it was August, the Independence month, retailers chanted slogans like 'Quit Retail' against the venture.

THE DEAL

Under the Bharti Walmart venture, Walmart has been operating 21 stores being mostly stagnant in the Indian Market. Walmart's investment in Flipkart is at a time when India's e-commerce industry is emergent rapidly. By 2026, online e-commerce sales is anticipated to account for 12 per cent of the country's overall retail market, from just 2 per cent in 2016, as per Morgan Stanley. May 18, 2018, the day when 20 months of negotiations and talks finally ended and Walmart became Flipkart's parent company. The deal was of \$16



billion (roughly ₹ 1.07 lakh crores) buying Walmart 77 per cent stake in the Indian online sales giant. The remainder of the business will be held by some of Flipkart's existing shareholders, including Binny Bansal, co-founder- Flipkart; China's Tencent Holdings Ltd.; Tiger Global Management LLC; and Microsoft Corp. The deal however, sees co-founder Sachin Bansal exit the company and expected to take away around \$1 billion from the deal. The deal will include \$2 billion of fresh investment as Walmart looks to take on rival Amazon's global expansion, pegging the value of Flipkart at \$22 billion.

The transaction will result in the biggest exit of private equity — expected to collectively amount about \$14 billion in the sale of shares to Walmart.

Flipkart has continuously been in a tussle with Amazon, another major competitor in the Indian e-commerce scenario burning up funds on offers,

Walmart sees this as an opportunity to benefit from Flipkart's goodwill-being in the business for more than 10 years and also with its customer base of 54 million.

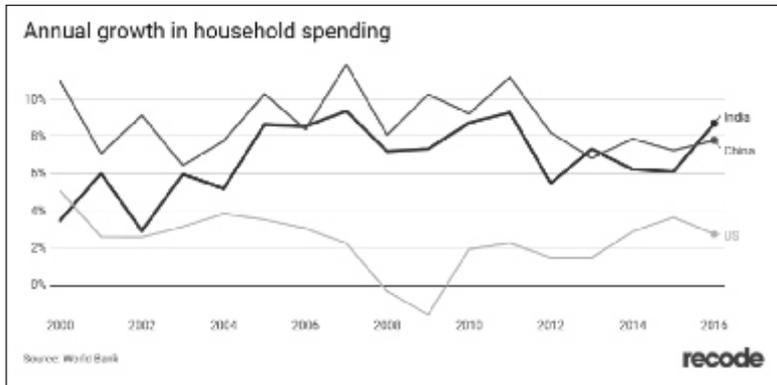
discounts, and contests to lure in customers. While Amazon, having a global presence can stand such competition, Flipkart has to continuously get on meetings and appointments with investors for funding. This changes as Walmart enters the Indian e-commerce economy.

A distinct feature of this deal is that Flipkart retains its original identity just like Google does under its parent Alphabet. Walmart sees this as an opportunity to benefit from Flipkart's goodwill-being in the business for more than 10 years and also with its customer base of 54 million.

REASONS FOR INVESTMENT

Some of the big questions hovering over the deal were why wouldn't Walmart use some of these funds to try narrowing its massive gap behind Amazon in the U.S., or rather invest in another economy. Why India? And whether Flipkart can really give an advantage to Walmart to get ahead of its rivals.

There's a whole bunch of data in Walmart's files that backs the risk it is taking. At the very top level, it starts with the size of India — it's the second-most-populous



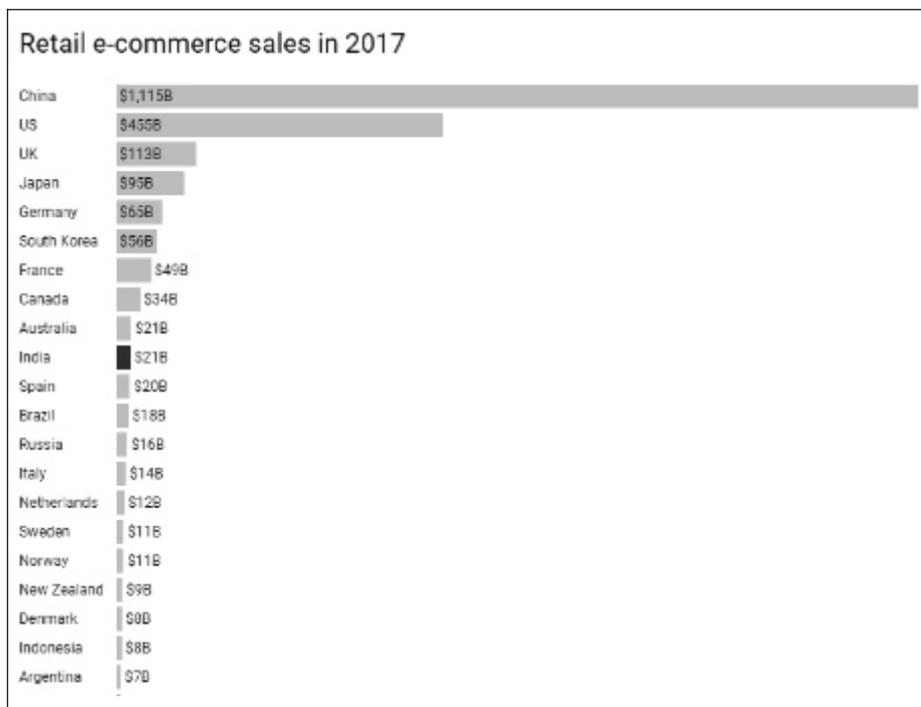
country in the world with a population of 1.3242 Billion (Census 2016), just behind China. Of course, that size alone doesn't matter — rather, it's the ever changing behaviour of Indian consumers that Walmart strives to take advantage of from its highly diverse product line.

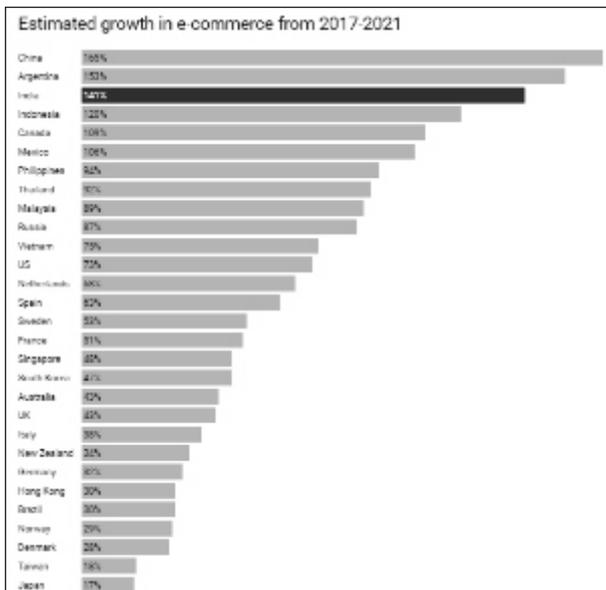
India is home to a growing middle class who fuels the household spending growth at a steady and increasing rate. India had a growth of 8.69 per cent in household spending in the year 2016, surpassing China's (7.79 per cent) and the US (2.73 per cent).

With the Indian traditional-shop market fragmented more of the country is gravitating online where purchasers can buy their entire home supplies at one spot. In 2017, India was 10th in online retail sales at \$21 Billion surpassing countries like Russia and Brazil.

The statistics at \$21 Billion doesn't seem much in comparison to China's \$1,115 Billion, but it is only recently that the Indian consumers are realizing e-commerce. Most of the countries have a predominant –retailer like China's Alibaba or US' eBay and Amazon or Japan's Rakuten, India however has a segregated e-commerce economy with no seller at a distinct lead than the other.

Most importantly, India's estimated growth in e-commerce is predicted to grow 141 per cent to \$50





billion surpassing countries like the US and Russia.

These statistics and data sure make India a promising economy to invest with an expectation of higher return.

SIMILAR FACES TO FACE AGAIN

With the presence of both Walmart and Amazon in the same economy, the question arises that will India will be the next battleground for these companies?

Amazon is already buckling up for Walmart in India. Amazon is expanding its product assortment making available a wider range of products for the Indian buyers. Inclusion of new categories in its product line-up, signing contracts with companies to sell their products exclusively on Amazon (Amazon Echo, One Plus devices etc.), undertaking contests and quizzes that lure the Indian e-commerce users to itself.

Secondly, it is also deepening its seller base to meet newer demands. Amazon currently has over 300,000 sellers whereas Flipkart has only near to 100,000. Cloudtail, Amazon’s flagship seller, generating at least 40 per cent of the company’s sales is rising in profits whereas Flipkart’s WS Retail slips down in losses.

‘We will continue to invest in India where we are seeing great progress with both sellers and also customers’, Amazon CFO Brian Olsavsky told investors in a company earnings call. Amazon plans to invest near to

\$3 billion in India upping their total investment to \$5 billion in response to the acquisition of a ‘local competitor’ (Flipkart) by Walmart.

EFFECTS OF THE DEAL

India sees both positives and negatives with this deal. From the consumer’s point of view, the economy low prices and more variety of products. Employees on the other hand get benefited from ESOPS (Employee Stock Options), making bonus gains from their stock options. This also gives incentives to more workers to join e-commerce who had earlier fled the sector due to the downturn in the sector. Job creation, the revival of e-commerce and improved supply due to Walmart entering into partnerships with around 6,000,000 kiranas cause advantage to the economy in its growth.

On the flip side, with Walmart coming into India, the vision of PM’s ‘Make in India’ is conflicted as Walmart would try to sell its own home brewed products. There also exists a serious threat of a clash between Walmart and Amazon for acquiring customer base which would result in a colossal loss of funds. Large amounts of data of Indian shoppers including in-site search history will be analyzed for targeted ads. A breach of such data would be catastrophic to the personal lives of the people.

FUTURE PROSPECTS

Since Flipkart retains the same identity even after the deal, it could use its parent company’s resources to get ahead of its competitors. It could strive to improve its logistics division, E-kart to enable customer reach in the remote places of the country and reduce outsourcing its package deliveries to other courier companies. It could increase its seller base to cater the demands of the consumers as many orders are cancelled automatically due to the incapacity of the sellers to meet the demands. It could also improve the availability of goods and even include premium items to cater the elite class to get ahead of the competition.

VERDICT

Walmart, with huge experience in a first-world economy, will revolutionize Indian e-retail with low prices and a vast variety of consumer goods, the very idea that Walmart was based on. Low prices mean more sales and more sales mean more profit. Amazon's fight will ensure that prices remain competitive. On the other hand, the deal has faced opposition from independent traders. The Confederation of All India Traders, representing thousands of small businesses, wrote to the government urging to block the deal.

'The deal will create an uneven playing field with retailers unable to compete', said Pravin Khandelwal, the body's secretary general.

'Indian e-commerce will now have Amazon, Walmart and Alibaba, which is exactly what the FDI policy did not want', said Shopclues cofounder and CEO Sanjay Sethi.

In the short term, this acquisition will accelerate the already frenetic competition in the Indian retail market with Flipkart, now backed by Walmart, and Amazon continuing to cut prices and offering supplementary services like Prime Movies, Kindle, and AWS (Amazon Web Services): meaning even bigger losses for both the competitors, and smaller online retailers will be falling to the wayside. The winners, though, will be Indian retail customers who, in the words of the Godfather, 'Will be made offers that they cannot refuse!'

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Government has portrayed itself as a corporate entity which provides benefits only on the condition of receiving your personal information.



Aadhaar: A Vexed Ordinance

WILL INDIAN CITIZENS NEGOTIATE WITH THEIR PRIVACY?

Swarnim Chiripal & Harsha Choubey
Department of Commerce (Evening), 3rd Year

ABSTRACT

With the hype around Aadhaar, our respected Government has been on the receiving end of amphibological frames of reference. While some have generously praised the venture, others have had a highly critical take on it. The outlook behind the idea is irrefutably philanthropic, but the enforcement has been rather flawed. There have been various benefits that this mandate has provided, for instance, reducing employee absenteeism in government offices by enforcing Aadhaar enabled attendance systems. The World Bank stands to believe that no other country has been able to develop such a sophisticated arrangement. In a country with a population of more than 100 crores, some hurdles are bound to be faced. What we have to wait for is to see if all the obstructions and resistance can be overcome to make the idea an impeccable success. Has a legacy been created? Only time will tell.

KEYWORDS: Aadhaar, government, unique, identification, privacy, security

AADHAAR

It has been the most used word around us lately. What is the hype all about? How does it help the masses? How does it make us, as a country, more efficient?

Aadhaar is a 12 digit unique identity number that every Indian citizen is entitled to get. However, to obtain an Aadhaar number, it is mandatory upon a person to disseminate their biometric and demographic data to the government. Such data is collected by a sole authority called Unique Identification Authority of India (UIDAI). UIDAI has been set up by an Act of Parliament and it comes under the purview of Ministry of Electronics and Information Technology.

You must be wondering about why we need such an identity number at all. To answer that, let's travel back in time to the year 1985 when Prime Minister Rajiv Gandhi had made a very interesting observation about the Public Distribution System of our country that was originally created to provide food grains to the poor and needy. He quoted, the efficiency of such food grains reaching the poor is only 15 per cent, since there is an approximate leakage of 85 per cent inherent to the system. This meant that the benefits conceived for the poor was not ultimately reaching them.

Let us discuss a very simple example to understand the need of such an identity number. India is believed to be a welfare State, meaning that the state has to provide benefits to beneficiaries who belong to the marginalized and downtrodden strata of the society. These benefits include the provision for subsidies in gas cylinders and kerosene, pensions, scholarships et al. Let's say, under the pension scheme for the old and poor, every entitled beneficiary will be provided with ₹ 500 per month.

Now, the question arises, what is the mechanism involved here? This ₹ 500 reaches the beneficiaries via a chain of middlemen. But due to corruption in the system, the entire benefit does not ultimately reach the poor. It is siphoned off by the middlemen and only a portion of it reaches the people for whom it was intended. Such leakage in the system means, that despite millions being spent by the Government for poverty alleviation programmes, India remains ambushed in the vicious web of poverty and the poor

continue to remain poor and helpless. The second problem that arises here is that of duplication. The middlemen tend to fabricate and overstate the number of beneficiaries from a particular area, i.e., say there are 700 people who are eligible for the benefits in a particular district. The middlemen inflate the number to 1500 and the extra money that is allotted by the state is pocketed by these middlemen.

Like it is popularly said, 'A vision without proper execution is only an illusion'.

Now, how does Aadhaar provide a solution to these problems? It provides a Unique Identification System. Aadhaar number is based on one's biometric data capturing one's fingerprints and iris scans. Such data is unique to every individual and cannot be duplicated or created falsely. The problem of leakage can be solved by eliminating the role of middlemen, i.e., the Government can directly deposit the ₹ 500 in the beneficiary bank account. Linking the bank account with Aadhaar numbers will ensure that there are no false accounts created in the name of fake beneficiaries and the authorities will be in a position to identify every individual who is entitled to the benefit. A single 12 digit number can be a breakthrough solution to solve the twin problem of leakage and duplication.

After verification of the necessary details, the authority issues a unique 12 digit Aadhaar number. It is prima facie perceived as a proof of identity and not citizenship, since the criteria for eligibility mentions 'resident of India' and not 'citizen of India'.

All information is saved with the UIDAI which cannot be shared with any other authority subject to the following exceptions:

1. In the interest of national security – If a Joint Secretary or senior level officer at the Central Government says that the biometric data of an individual is required in the interest of national security, UIDAI may share one's data. The phrase, 'in the interest of national security' has not

In politics, it is execution that matters most, not just the idea.

been defined and is thus, subject to the discretion of such officer.

2. Upon the instructions of the court of law – Such data can be used for investigation of a criminal case. Court can instruct the UIDAI to share such data and UIDAI has to comply.

With the Supreme Court having extended the deadline for linking Aadhaar with various services indefinitely, the top most authority of India has given us a hint that in spite of its noble intentions and plausible benefits,

labour and hence, they don't match the records that were made during registration.

2. Biometrics are easy to steal too, because we leave our fingerprints everywhere meaning that under this structure too, fake beneficiaries can be created. It is interesting to know that there are free tools available on the Internet such as a SFinGe (Synthetic fingerprint generator) which allows us to create fake biometrics.

3. Seeding of Aadhaar number with every database

means linking our Aadhaar with PAN card, driving license, bank account, and IT returns. Seeding makes the divergence of personal information very easy. So, if the number is linked to a gas subscription, ration card, voter ID, medical records etc., then anybody who learns to use this ID platform can access the citizen's record at will. It will lead to what is called 'a



linkage is still a major concern for privacy and security reasons.

By mandating linkage with Aadhaar, government has portrayed itself as a corporate entity which provides benefits only on the condition of receiving your personal information. This is far from being a prominent characteristic of a welfare state. In a true welfare state, the benefits should be unconditional for the real upliftment of the society as a whole.

So, let us have a look at the pitfalls associated with Aadhaar based linking system:

1. In sundry States, reports have been made that genuine beneficiaries were deprived of the right due to problems in Aadhaar authentication and there have been numerous instances of technological and infrastructural failures. Fingerprints of some people can sometimes be altered due to hard manual

surveillance mechanism' by creating and monitoring a 360-degree profile of the citizens. This seems to violate our fundamental right to privacy.

4. Another worrying aspect is that while enrolling for Aadhaar, we give our consent by signing a form that says, 'I have no objection to the UIDAI sharing

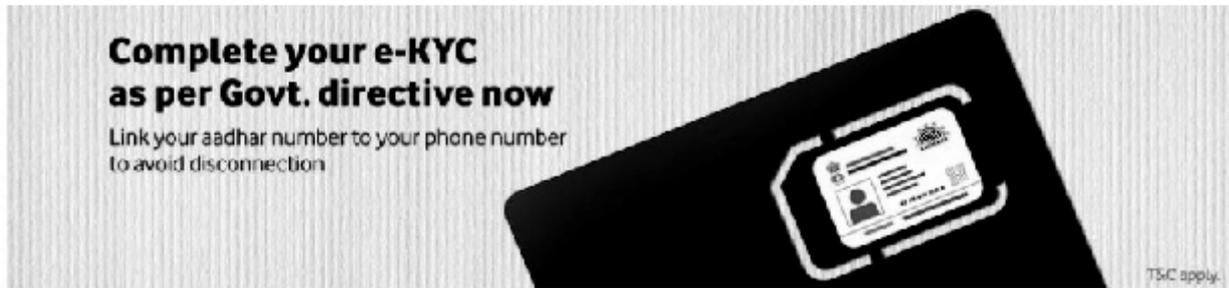
Monday 20:03

Dear Preferred customer, update your Aadhaar Card No. to your HDFC Bank A/c ending 1072. SMS AR <Aadhaar No> < Y > to [5676712](tel:5676712)

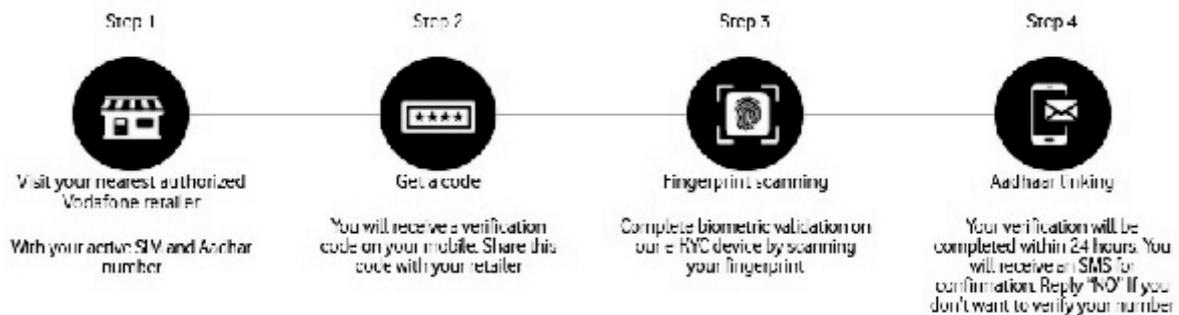
Yesterday 18:49

Dear Preferred customer, update your Aadhaar Card No. to your HDFC Bank A/c ending 1072. SMS AR <Aadhaar No> < Y > to [5676712](tel:5676712)

Link Aadhaar to your Mobile Number



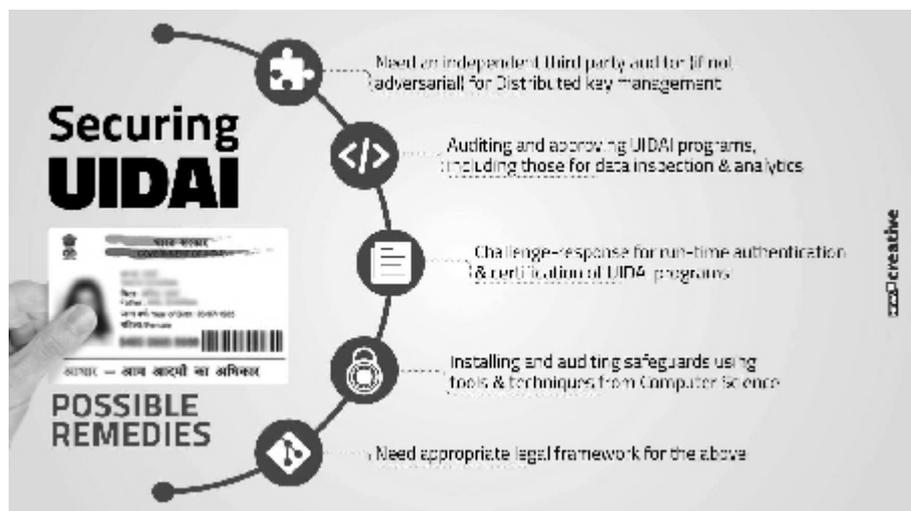
Here's how you can seamlessly link your two most important numbers, Aadhaar and mobile. Follow these steps:



information provided by me, to an agency which is engaged in delivery of public services' wherein 'sharing of information' has not been defined which creates a smokescreen between the beneficiary and the authority. The government has explained that the biometric data is locked by default and you can unlock it with an OTP (one time password) which would be sent to your registered mobile number but this feature is out of reach for those without the access to internet or mobile phones.

UIDAI cannot share our biometric details but can share our demographic details. It has information of all the people in this country and corporate entities are

keen to access this data so that they can pounce at the opportunity of reaching out to them and selling their products. UIDAI has become the monopolistic provider of all the identification data in India. This is a matter of concern as it overshadows the spirit of free market.



#AADHAARFAIL

an idiot proof guide

There are a lot of complicated arguments about Aadhaar in the public space and the government has an organized programme of false information to confuse the already intellectually lazy. Here is help.

IS AADHAAR AN ADDRESS PROOF?

If yes, will someone inform UIDAI?

If no, will someone inform the RBI and the Passport office?

RBI

Reserve Bank of India (RBI) has notified that the Aadhaar Card is a valid proof for opening of a bank account under the Know Your Customer (KYC) scheme for both identity and address.

BUT... JIO?

There have been contradictory reports - for example enrolling for Jio with Aadhaar gives them your details automatically.

Jio misuses access as an e-KYC provider to sell SIM cards. UIDAI allows it.

UIDAI

The UIDAI does not authenticate address. You could take a printout with a doctored address and it will validate.

Aadhaar as proof of address is meaningless. Banks might as well remove the requirement for address proof for no frill accounts

PASSPORT OFFICE

Aadhaar letter/card or the e Aadhaar (an electronically generated letter from the website of UIDAI), as the case may be, will be accepted as Proof of Address (POA) and Proof of Photo-Identity (POI) for availing passport related services.

UIDAI

The Aadhaar number is a proof of identity, however, it does not confer any right of citizenship or domicile in respect of an Aadhaar number holder.

SO NOW...

That easy to give a fake address to banks?

Any random Jio salesman has the security clearance to get your personal details from your Aadhaar?

If Aadhaar isn't proof of citizenship, but is valid address proof for passport, has India started issuing passports to non-Indians as well?

Here's one final thought we'd like you to ponder over.

What is the probability that an unethical hacker will break into a store which houses or contains all authentication factors such as our passwords and PINs. The probability is zero because such a house does not exist. But what if we twist the question a little? What is the probability of an unethical hacker breaking into the CIDR (Central Identities Data Repository)? CIDR is where the UIDAI houses all our biometric data. The probability is definitely greater than zero. UIDAI made a statement that it will heavily penalize any person who attempts to break into CIDR, which subtly implies that the CIDR is hackable.

To conclude, the idea or the intention behind this endeavour may be philanthropic, but fallouts in the implementation cause it to be far from perfect. As we already know, in politics, it is execution that matters most, not just the idea. Before bringing such a massive institutional change in a huge democracy like India, the authorities should have thought it through. All the cul-de-sacs should be eliminated to make it the success that it is meant to be.

'With great power comes great responsibility'. With responsible use of power vested in the Government, will the result of this endeavour be a boon or a bane? Have we been gifted a legacy? Only time will tell.

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The People Problem

FACTORING HUMAN RESOURCE MANAGEMENT

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According to Economic Times' India's Best Companies to work for 2018, companies with the best human resource management mechanisms and high job satisfaction among the employees have earned the top positions, which reinforces the paradigm shift in the interest of job seekers from high earning to highly satisfying jobs.



ABSTRACT

The article aims to bring out the need for efficient Human Resource Management in the global scenario and specifically in India. Companies like SAP, Intuit and Mahindra & Mahindra, which have been ranked as the top companies to work for in 2018, have been used as the benchmarks to bring into light the innovative practices that ensure employee satisfaction. The key to manage human resource effectively in an organization, is getting the fundamentals of HRM correct, which include recruitment, ERM, compensation and benefits, and training and development. This has been elucidated by using relevant examples of companies who have the best HRM systems. Taking the global scenario into account, the survey conducted by Kelly Services shows that more than half of the global population may quit their job due to low contentment levels. The article discusses the grim scenario of low human skills and development in India, and the remedial solutions and approach that must be taken in order to overcome the problem.

KEYWORDS: Human resource management, employee satisfaction, business environment, employee relationship management, feedback mechanism

India, with a population of a whopping 1.32 billion, is the world's second most populated country. Amidst all the depleting natural resources in the country, the human resources see a steady rise, and this imbalance puts a tremendous amount of pressure on the limited resources. In order to curb the effects of rising human factor, efficient human resource



management is the need of the hour.

The corporate sector in India has adopted various measures and techniques in order to ensure efficiency and job satisfaction of the human component of their organization. Along with consumer satisfaction, providing job satisfaction to the employees is of utmost importance to maintain a conducive and productive business environment. Employee motivation, egalitarian and productive business environment, open door policy, employee development programs, et cetera, are the non-monetary human resource management ingredients, whereas the basic monetary ingredients include fair pay, bonus and ESOP. According to Economic Times' India's Best Companies to work for 2018, companies with the best human resource management mechanisms and high job satisfaction among the employees have earned the top positions, which reinforces the paradigm shift in the interest of job seekers from high earning to highly satisfying jobs.

SAP Labs India Pvt. Ltd. has been rated as the top most



SAP Labs India Pvt. Ltd. receiving the Best Company to Work for in 2018 by The Economic Times

company by Economic Times to work for, beating all the national and multinational giants in India. 'Parichay' is the extension of the recruitment process at SAP Labs where the new trainees, mostly college graduates, undergo training after getting the job for perfecting e-mail etiquettes, improving business communication, developing customer relationship and polishing other soft skills to make the employee ready to perform his job in the organization. Speed mentoring at SAP is another effective tool used to mentor employees on specific areas to gain necessary technical know-how from the mentee.

Taking a global scenario into perspective, it was found that half of the employees of the world are on the verge of quitting their jobs.

Godrej Consumer Products Limited have a brilliant feedback mechanism, 'Sujhao Do!', where each month, the best suggestion which could impact the functioning of the factory units is selected by the factory head, and the suggestion along with the photograph and name of the employee is labelled as 'Suggestor of the Month'. The company also provides necessary support to implement the suggestion, thus creating a conducive feedback environment and enhancing job satisfaction. Mahindra & Mahindra's Automotive and Farm Equipment divisions have their own meaning for ESOP which means Employee Social Options where the employee is encouraged to be a part of the

company's social drives and contribute towards the environment.

Recruitment forms one of the major functions of Human Resource Management. Innovative recruitment practices are carried out in the top companies, and with the advancement of technology candidates can be evaluated and matched to the job requirements in a much better way than before. According to a LinkedIn survey, around 56 per cent of the companies prefer tech-driven interviews. Soft skills and team work can be better assessed in this setup over a traditional interview. Lloyd's Banking group conducts talent acquisition activities in simulated 3D environments using Virtual Reality to evaluate the candidate's reaction and working in the real business environment. Data Analytics and Artificial Intelligence based recruitment not only enhances candidate evaluating standards, but also helps in predicting the outcomes of hiring. Companies like Novartis, Nielsen and JetBlue have adopted these modern techniques for hiring. Employee Relationship Management, as a function of Human Resource Management, gives another dimension to the whole process of management. It focuses mainly on integrating the efforts of the employers and employees to collaborate in typical managerial tasks for the smooth functioning of the organization. According to Mr. Rajesh Jatiani, Solutions Manager at SAP Labs, India-sharing of information and knowledge across departments, partners and employees is one of the major roles of ERM. SAP provides the necessary tools and technology to enable the workforce to build collaborative and interactive relationships. It offers role based capabilities for employees, line managers and HR Managers, who are connected by workflow mechanisms

to work efficiently. SAP leverages latest technology to ensure that the employees are well connected with the suppliers, distributors and others involved in the business. The impact of ERM in SAP was huge: it reduced cycle time, costs per transaction and error rates. ERM also enhanced productivity of workers, bettered communication within the organization and teams, channelized flow of information and helped the

company to be on top of all situations through proactive management.

Compensations and benefits provided to employees play a major role in influencing the job satisfaction of the employees. Optimum compensation and benefits need to be provided to the employees to keep them motivated and to retain able employees. One of the best examples of a sound and successful compensation scheme is of Procter &

Gamble, which rewards its employees in cash, based on individual performances and not on team performance, to keep the hard working employees motivated. Google India is one of the best companies to provide non-monetary benefits to its employees which include sleep pods, indoor and outdoor games at the workplace, et cetera. RMSI Pvt. Ltd. provides training to their employees to develop their hobbies and soft skills like

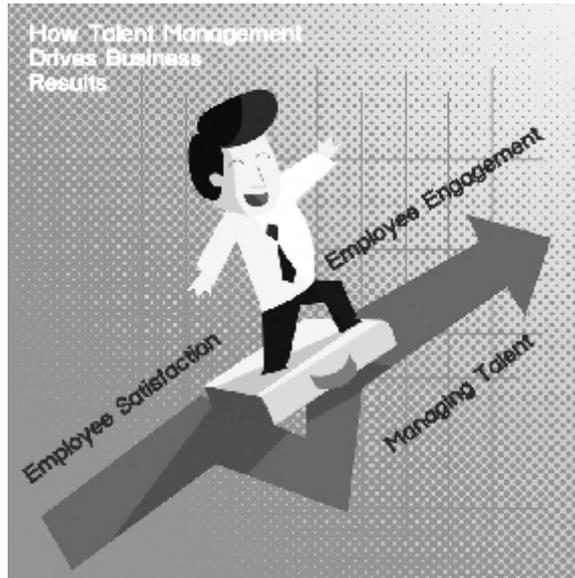




Figure 1

movie making, dancing, photography, acting, guitar classes and numerous similar sessions. SAP Labs provides 20-week long paid adoption and maternity leaves, whereas Hindustan Unilever undertakes the responsibility of educating the children of the employees. These benefits ensure security and flexibility to the employees.

Training and development programs help employees in understanding their job roles better and gain necessary skills to efficiently perform the tasks in hand. Airbnb organizes fireside chats, in which they bring in industry experts to share their insights. Overdrive provides its employees with a Professional Growth Planner in order to track their progress. Optoro provides its employees with a professional development budget and also offers training in eMetrics and classes with internal management sessions.

Figure 1 shows the results of a survey conducted in 2013 by Kelly Services in the EMEIA countries to determine the employee contentment levels and graphs the rate of job change in those countries. It was

found that in Australia, the employee contentment levels were the lowest and rate of job change was 67 per cent, which is the most volatile, followed by France at 61 per cent of job volatility and Portugal at 58 per cent. On the other hand, it was found that in countries like South Africa, Indonesia and India, the job contentment levels were high and the rate of job change was reasonably low at 21 per cent, 31 per cent and 33 per cent respectively. The low job volatility in developing countries like India and Indonesia can be attributed to the inflow of foreign direct investments and the dynamic conditions affecting the economy, whereas in developed countries like Australia, the high job volatility was due to the rebalancing in

the economy as the mining boom gradually faded. Taking a global scenario into perspective, it was found that half of the employees of the world are on the verge of quitting their jobs. This clearly shows the grim reality of employees and how Human Resource Management hasn't been explored by the smaller and medium sized organizations. It is clearly visible that the top companies in the world, be it Google, Facebook or Apple have only been able to maintain their global dominance due to efficient management of their human resources – who actually manage the other

On the other hand, the philosophy of the private sector should not be to just build a business, but to build a human resource structure, which builds the business.

resources of the firm.

Speaking about the Indian scenario, as per the Human Capital Report 2017 by World Economic Forum, the major problem is the low level of skills and education in the country; we rank 103rd out of 130 nations, which is extremely poor. The Times of India's report of March 2018 suggests that nearly 31 million Indians are still jobless, which reflects that nearly six per cent of the population is still unemployed. The major challenge in India is to achieve maximum employment along with maximum job satisfaction. The HRM scenario in top companies like Flipkart, Mahindra and Mahindra and Godrej is pleasant, but the satisfaction levels in public sector banks, railways and certain other private and public sector undertakings are below normal standards. To overcome this problem, the government has to change its approach and from merely creating wage earning jobs, it has to create fulfilling jobs to usher an era of human resource development. On the other hand, the philosophy of the private sector should not be to just build a business, but to build a human resource structure, which builds the business. Employee feedback, team building practices, monetary and non-monetary bonuses and security are some of the basic elements which would necessarily ensure minimum satisfaction levels and should be adopted by each organization. The art of Human Resource Management is indeed a tricky one to master.

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‘Power doesn’t corrupt people, people corrupt power’

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No Fraud is Above the Law

DWINDLE THE SWINDLE

Jenika Vipul Bhimani, Paridhi Bhattar & Tanisha Kaur Chandhok
Department of Commerce (Evening), 2nd Year

ABSTRACT

There does not exist a magical formula for becoming a fraud-free nation. There is, however, an ongoing view that can be adopted to pave the path towards becoming an anthropologically kosher nation.

Unfortunately, every morning, a new swindle is being unearthed and in most of the cases, the perpetrators of scams are roaming freely because cases remain pending in the courts. We have succumbed to their lobbying and the entire policy space has been laid before them. They misuse it by freely overwriting the policy script to evade subsequent regulations. This article examines the issue in a broad socio-economic and political framework and shows how the neo-liberal establishment considers no price too high to accomplish its partisan agenda. The agenda being to bring the perpetrators and the swindled amount back to our country.

KEYWORDS: Avarice, swindle, bill, offender, government



INTRODUCTION

Back in 1000-1025 C.E., Mahmud Ghazini plundered and drained India of her fortune 17 times over. The subjects of the kingdom inculpated the king for his inefficiency and inability to prevent these invasions. History truly does repeat itself and Ghazini has bequeathed the tradition to the modern day swindlers of India. The analogue strikes sharply. The Ghazinis were indigenous and so are our fraudsters. The King becomes the Government, and the hard-working and diligent Indian citizens represent the kingdom's subjects. However, in a way, we, the common citizens, are responsible for allowing ourselves to be taken for aride, by those who have the power to misuse the regulations and evade the bird's view of the respective authorities. The act of swindling money is like a chronic disease, spreading venom, infecting everyone around and making even those not inflicted, wary of the prognosis. It slows down the growth of the economy and hinders the country's climb towards reaching the pinnacle of success. However, the Government, both Central and State, is making a headway by taking strict measures against swindling and money laundering, one of the major steps being, the passing of The Fugitive Economic Offenders' Bill, 2018.

According to Government data, in December, 2017, a total of ₹ 8,409,580 million was reported as Gross Non-Performing Assets of a cumulative of all banks in the country. A major stake of these NPAs were led by industrial loans, followed by those in service and agriculture sectors. The Honourable Minister of State for Finance, Mr. Shiv Pratap Shukla, presented a glaring condition of the NPAs of PSU Banks of India on 9th of March, 2018, in the Lok Sabha, which unveiled that the largest lending bank of India, State Bank of India, had the highest gross Non-Performing Assets of ₹ 2,015,600 million. The data has been represented in Figure 1.

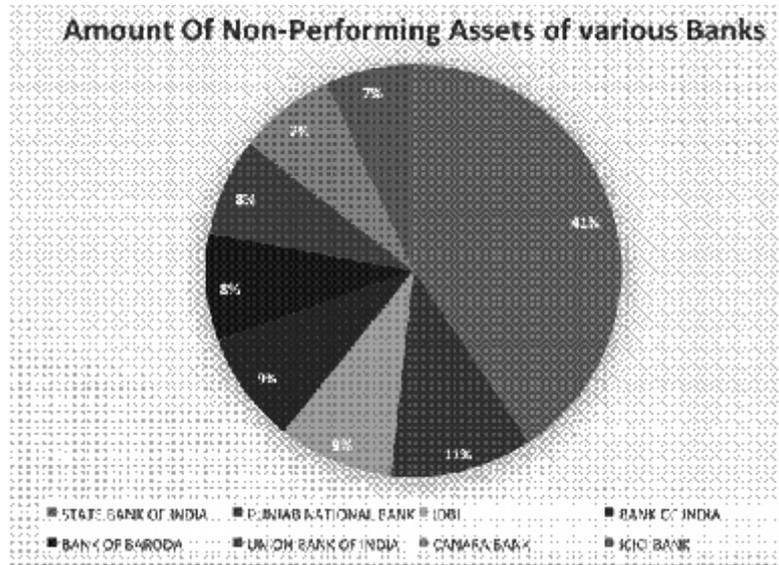


Figure 1

According to the Reserve Bank of India, a whopping 23,866 cases of swindling of ₹ 100,000 or above have been reported over the past five years involving a gross amount of ₹ 1,071,800 million. The data has been represented in Figure 2.

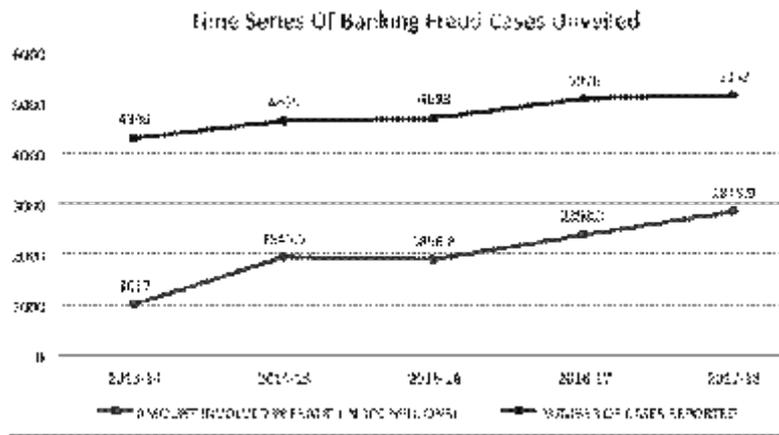


Figure 2

This alarming data itself shows the gnawing conditions of the PSU banks. From coal block allocations, Jain Hawala, Bofors payoff, Satyam Computers, Sarada chit funds, 2GSpectrum, Commonwealth Games to Mr. H Mehta, Mr. CR Bhansali, Mr. Parekh, Mr. Mallya to Mr. Modi, the list is endless. The embezzlement of Indian National Army's wealth, from back when India had become a Republic till now, has increased in terms of the frequency and the amount involved in these scams.

A tax-payer feels cheated of his valuable contribution towards the growth and development of the country when a multi-thousand million scam is unveiled. Figure 3 shows some of the major scams that have backstabbed us in the past years.

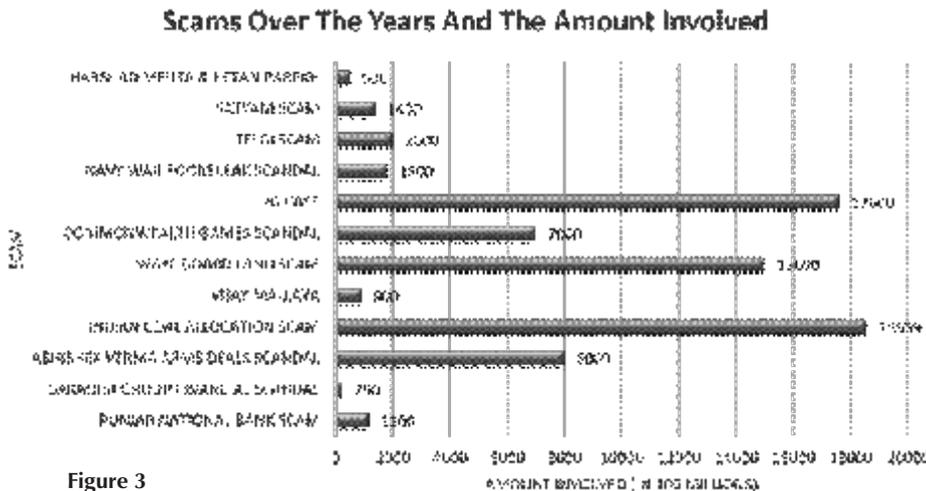


Figure 3

The risk mitigation consultancy, Kroll, with the aid of the Economist Intelligence Unit, presented in its Global Fraud Report, 2015-16, that India is the third highest among all countries and regions surveyed across six continents in terms of prevalence of perceived fraud. Only Colombia and Sub-Saharan Africa surpass India. In an independent scrutiny, it was observed that from 69 per cent in 2013-14, an eye watering 80 per cent of companies voted that they had been casualties of dishonest behavior in 2015-16 in India.

While the universality of knavery was on the ascent, the lack of deterrent measures and an appalling legal arrangement had given a conclusion that 92 per cent of the respondents had witnessed an escalation in vulnerability to such deceptive shenanigans. This data depicts the extent of urgency to implement the required measures before a modern day Ghazini loots the country and renders the ordinary citizens penniless. Consequently, the Government and the related authorities have taken the corrective measures to remove this pervasive stain on our country.

ALL IS NOT GLOOM AND DOOM

Though this quandary is just the tip of the iceberg, in

congruence to the proclamation made by the then Honourable Finance Minister, Mr. Arun Jaitley in the previous year’s Budget, the government has made a significant move to provide a course of action to dissuade deceivers and defrauders from evading the

process of law in India by staying outside the jurisdiction of Indian court. The Fugitive Economic Offenders Bill, 2018, was passed by the Lok Sabha on 19th of July, 2018, and approved by the Rajya Sabha through a voice vote on 25th of July, 2018. The aforementioned legislation endeavors to prevent such economic offenders from leaving the country and avoiding prosecution. It incorporates felony

involving an amount of ₹ 1,000 million or above. The Bill would allow the State to take custody of properties belonging to such swindlers.

There has never been a dearth of laws regarding this predicament. India has the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFESI), Recovery of Debts Due to Banks and Financial Institutions Act (RDBFI), Insolvency and Bankruptcy Code and Prevention of Money Laundering Act (PMLA). There are inconsistencies in the law on how to deal with these scammers. Nonetheless, Section 19 of the Fugitive Economic Offenders Bill includes that the provisions of this Act will overrule any irregularity in any other law in force.

Who is a Fugitive Economic Offender?

The Bill promulgates that a person shall be a Fugitive Economic Offender (FEO) only when an arrest warrant has been issued against him or her for specified offences over ₹ 1,000 million but is not apprehended and also leaves the country to evade prosecution. There are 55 economic offences tried under this Bill, which include tax evasion, money laundering, transactions defrauding creditors, benami transactions, counterfeiting

government stamps or currency and dishonouring cheques.

What does the offender have to do?

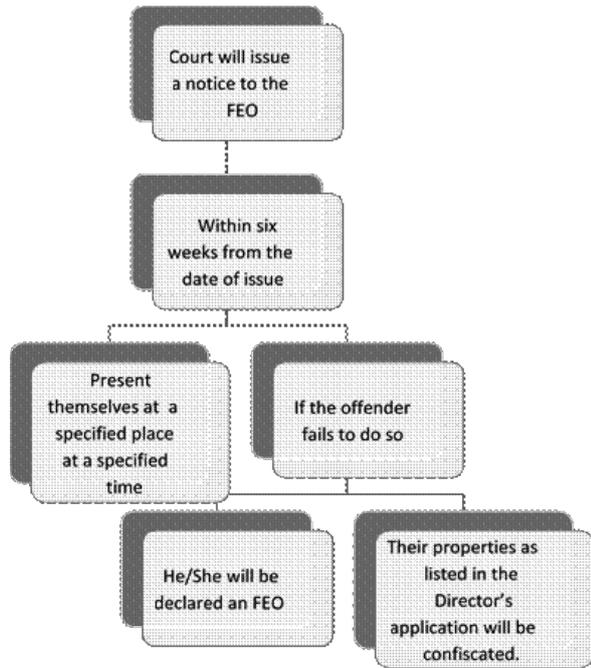


Figure 4

The Bill contains a provision, which does not mandate the jurisdiction to acquire a search warrant or ensure the attendance of witnesses before a search. This provision contradicts the Code of Criminal Procedure (CrPC), 1973, which safeguards and protects the witness against harassment and planting of evidence.

Can the offender file a civil claim after his or her property is seized?

According to Section 11 of the Bill, those declared as

offenders can neither file nor defend a civil claim in the court of law. (Averting these persons from filing or defending civil claims may contravene Article 21 of the Constitution i.e. the right to life which has been interpreted to encompass the right to access justice.)

However, the Bill has a few advantages and disadvantages which have been mentioned in figure 5.

The beleaguered Government has been in the spotlight after infamous fugitives like Mr. Vijay Mallya and Mr. Nirav Modi have left the country after duping the banks. The deteriorating health of the banking industry has slowed down the progress of the Indian economy. The presence of the bill is, however, not the only paved path.

- Ever-greening of loans should be stopped and an honest assessment of the circumstances should be made.
- In the purview of law, those defaulters who could not complete their projects due to non-clearances should be assisted to get their projects going, which shall help in the progress of the economy and the other defaulters should be cruelly penalized.
- Some FinTech experts feel our best bet is blockchain, which provides end-to-end encryption which shall help in spotting the fraud sooner, if not in real time. Experts should be appointed to spot the trend of scamming and report to the Government on a regular basis.
- Mechanisms like enhanced lie detection should be incorporated to avoid such scams in the future.
- Incentive and protection should be provided to

ADVANTAGE

- The law will apply to new as well as old cases which removing any scope of letting and defaulter off the hook.
- The Bill provides for confiscation of property upon a person being declared an FEO. This differs from other, such as CrPC, 1973, where confiscation is final two years after proclamation as absconder.

DISADVANTAGE

- A threshold of Rs 100 crore leaves many transactions omitted from the Act which implies a person who may have committed economic offences up to Rs 80 crore or 90 crore, cannot be declared an FEO due to this clause.
- The power to declare a person FEO without a trail would tantamount to penalizing an individual even before conviction and can thus be challenged for being arbitrary.

Figure 5

those who report any kind of scandalous activity to the Government to promote efficient follow up of the law.

'Power doesn't corrupt people, people corrupt power'

-William Gabbis

CONCLUSION

Avarice and opportunism are perennial and all pervasive. In the present context, development of ethical and incorruptible background of the people has gained stimulation. Their moral development shall help the government in accomplishing their envisaged goals. The jurisprudence will penalize those who shall perforate knavery against the financial institutions. Every citizen should conscientiously contribute towards the successful implementation of this law. It is about time that we renounce the defrauding stain that was bequeathed upon us and pioneer a legacy of creating an inculpable nation.

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The Contemporary Trump card: Corporate Social Responsibility

WITHOUT A SENSE OF COMMITMENT, THERE CAN BE NO SENSE OF CONTINUITY.

Supunya Saluja
Department of Commerce (Evening), 3rd Year



The practice of CSR transited from being a voluntary, sporadic exercise to mandated, structured, transparent and accountable compliance - not only to the Government, but also to the other stakeholders and most importantly, to the Companies themselves.



ABSTRACT

The relationship between corporate social responsibility (CSR) and earnings management (EM) has only emerged recently as a topic of academic research. The idea of corporate social responsibility (CSR) gained currency in the 1960s. Since then, attention on CSR has been growing in both academic and practitioner communities around the world. While there have been debates on whether it was appropriate for corporations to expand their remit beyond shareholder value, corporations have created dedicated organizational units to effectively manage their social obligations. With a variety of options for corporate engagement in mainstream society and local communities, an increasing majority of corporations have proactively committed to addressing larger societal challenges. This article focuses on the idea of businesses bearing a responsibility to the society and considering a broader set of stakeholders beyond its shareholders, provisions made and instances of commitments made by some companies to do the same.

KEYWORDS: Corporate citizenship, corporate philanthropy, inclusive growth, stakeholders' perspective, triple bottom line approach, brand integrity, societal engagement, social upliftment

A tremendous social responsibility comes with being a successful public figure. Corporate Social Responsibility (CSR) indulges in exploring this great frontier

where the boundaries between business and the higher purpose merge into one. Now, a term which is heard more often than ever, and less intended than ever; CSR symbolizes the recognition that prosperity is best achieved in an inclusive society. In a layman's terms, CSR is an all-encompassing management concept that duly enables a company to achieve a balance of economic, environmental and social imperatives, primarily benefiting its stakeholders. According to a study by Cone, 91 per cent of global consumers expect companies to not only make a profit, but also operate responsibly in addressing social and environmental issues.

In India, the concept of CSR is governed by section 135 of the Companies Act 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29th of August, 2013. The CSR provisions of the Act are applicable to companies with an annual turnover of ₹ 10 billion or more, or a net worth of ₹ 5 billion or more, or a net profit of ₹ 50 million or more. The new rules became applicable from the fiscal year 2014-15, also required companies to set up a CSR committee consisting of their board members, including at least one independent director.

The concept of Corporate Social Responsibility (CSR) underwent an overhaul in India for certain large, stable companies post the passing of the Companies Act, 2013. The practice of CSR transited from being a voluntary, sporadic exercise to mandated, structured, transparent and accountable compliance - not only to

the Government, but also to the other stakeholders and most importantly, to the Companies themselves.

CSR AND CORPORATE PHILANTHROPY

Leading companies are tapping the new competitive advantage of societal engagement.

With increased recognition of corporate citizenship, management budgets for almost all companies now include corporate giveaways in multiple forms. One such form is Corporate Philanthropy. CSR and Corporate Philanthropy are two congruent terms with a thin line of difference. Corporate Philanthropists are more than willing to hand over cheques and supervise the impacts of their contribution at an arm's length. But CSR demands much more in real terms. It involves engagement beyond the monetary transaction. It is most likely to yield much more than a couple of million dollars in the coming decade. On close observation, one might sight perceptible difference in brand integrity, employee morale, staff retention, enterprising opportunities, market share and differentiation from competitors. It enables an organization to engage with multiple communities and build a legacy with networks and stakeholders eventually proliferating globally.

The concept of CSR has had a long and diverse history in extant literature. Murphy (1978) classified four broad CSR eras that embraced the period before and after the 1950s, as follows (Table 1). Infact the year 1950 is popularly known as the beginning of the modern era in CSR.

Table 1

Four Broad CSR Eras Before and After Year 1950 till 1978

Period	Role of CSR
Up to the 1950s	'philanthropic' era, in which companies donated to charities more than anything else
1953-67	'awareness' era, characterized by more recognition of the overall responsibility of business and its involvement in community affairs
1968-73	'issue' era, in which companies began focusing on specific issues such as urban decay, racial discrimination, and pollution problems
1974-8 and, continuing beyond	'responsiveness' era, where companies began taking serious management and organizational actions to address CSR issues

TRIPLE BOTTOM LINE APPROACH

The Triple Bottom Line (TBL) Approach is a fairly new concept which seeks to broaden the accounting and financial perspective of a firm by including social and environmental angles. Normally, a company's income statement's last line is its net income. In effect, TBL inculcates the possibility of running an organization in a way that not only makes space for financial profits, but also two other vital elements that keep the community going – People and Planet. Consequentially, the three elements of the Triple Bottom Approach are – People, Planet and Profits.

Considering the 'people' element of social responsibility, the corporate bottom line includes aspects like fair treatment of employees and enacting favorable practices in the communities where companies are conducting business operations. For instance, Mars' Sustainable Cocoa Initiative to ensure that it follows a code of conduct that includes fair treatment to those providing labour has mandated its cocoa farmers to be certified by fair trade organizations. In exchange for certification, Mars provides productivity technology and buys cocoa at premium prices.

Incorporating the 'planet' element leads to the implementation of sustainable practices and the reduction of adverse environmental impacts. These measures range in scope from green initiatives such as recycling programs within corporations, to companies dedicated to manufacturing products using only sustainable materials. For instance, Axion Structural Innovations is a global corporation that builds railroad ties and pilings. Instead of using standard materials such as wood, steel and cement, they have switched to using recycled plastic bottles and industrial waste. A Nielsen Report released in October 2015 found that 56 per cent of U.S. consumers were willing to pay more for products offered by companies committed to social values.

While the issue of profitability is black and white, what constitutes social and environmental responsibility is somewhat subjective. How do you put a dollar value on an oil spill or on the prevention of one? How do you measure the cost of child labour? How do you measure the impact of using hazardous variants in the production process, or damaging the ozone layer, or the extent of deforestation caused?

Consequentially, the measurement of such aspects becomes gruelling. However, indicators used to measure the TBL Approach may include job creation, employee turnover, fossil fuel consumption, alternative fuel usage, hazardous waste management, number of air pollution ozone action days, percentage of women and minorities employed overall and in management positions, crime statistics, voter participation, educational attainment and the number of employees taking advantage of workplace benefits for pursuing higher education.



TATA GROUP: A COMMITMENT TO INCLUSIVE GROWTH

The Tata Group undoubtedly possesses an enduring legacy of giving back to the society and empowering people and communities. It took its first step towards this commitment in the 1970s by amending its Articles of Association to include CSR and moral

responsibilities towards its stakeholders. The Tata Steel Rural Development Society (TSRDS) was established in 1979, with the objective of initiating and promoting rural development. In 2001-02, it set apart ₹1.50 billion for basic education, vocational training, community health and infrastructural development. It achieved targets of environmental improvements in areas such as Greenhouse Gas emissions, Suspended Particle Matters and emission of poisonous gases. It also set up JUSCO – Jamshedpur Utilities and Services Company, which undertook upscale social sector projects like rainwater harvesting in residential areas and afforestation. Progressively, Tata Group emerged as India's largest contributor in the social sector, encompassing all possible angles it could, in the shortest span of time. Its present day initiatives, however, are aimed at tapping and promoting technological services more than basic social and environmental goals.

Tata Group had adopted a three-pronged approach to fulfil its corporate social responsibility goals: volunteering, disaster response and group programs. The first approach aims at developing a deep understanding of its core purpose to improve the quality of life of the communities it serves globally, by encouraging its colleagues to connect with the society at large.

Tata Engage aims to institutionalize volunteering across the group, in a manner whereby its efforts are invested in areas where they are needed the most and planned such that the outcomes are more fruitful and sustainable.

The Tata Group also runs a group CSR program called Tata STRIVE that equips communities with information, technology and the capacity to achieve improved health, education and livelihood outcomes.



X-axis: Firm ownership and Year; Y-axis: Average CSR expenditure (in million rupees)

Firms which are owned by foreign parent companies have been classified as foreign.

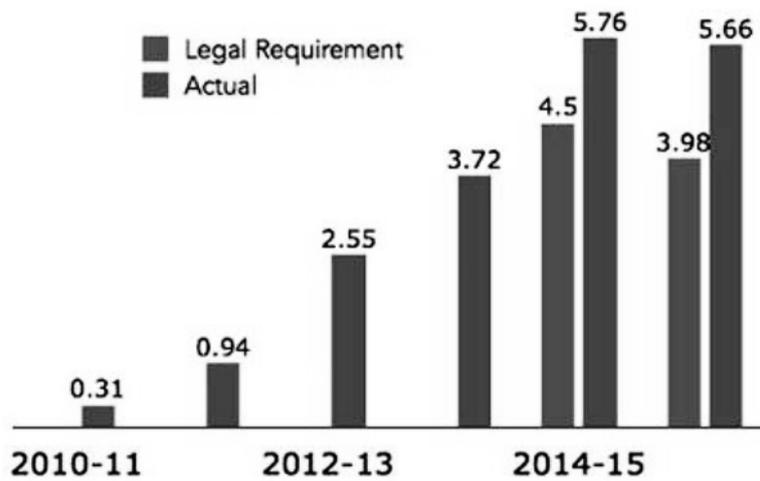
Source: Calculated by the authors using Prowess data for the year 2012-13.

The panoply of endeavours undertaken by Tata Group has brought about a revolution altogether, embracing everything from health and education to art and sports. The magnitude and dispersion of all that Tata has done in the field of community development cannot be enlisted. It is definitely an unending list. Encompassing more fields than a non-profit organization ever could, from livelihood to children welfare, from tribal hamlets in Jharkhand and the rural outback of Gujarat to the high ranges of Kerala and disadvantaged villages in Andhra Pradesh – the community work being undertaken by Tata companies touches a multitude of Indians across the land. Beyond purely social work, this support is extended to individuals and institutions pursuing artistic, sporting and academic excellence. And now, as Tata enterprises to spread their wings to reach global locations, the social upliftment efforts of the group are reaching communities in different parts of the world.

The panoply of endeavours undertaken by Tata Group has brought about a revolution altogether, embracing everything from health and education to art and sports.

Integrating CSR into core business operations has paved way for companies to achieve an all-inclusive growth structure and secure stakeholders' support. However, the real struggle lies in going beyond corporate philanthropy and translating concepts of CSR into actions, at the ground level, and eventually, growing. It is vital for non-profit organizations to establish themselves and grow. Similarly, the corporate world has gradually recognized the need to set apart its sole motive of generating profits and assume responsibility towards the community it operates in. By practicing CSR, companies have been making a conscious effort to realize the kind of impact they are making in the society.

CSR Spending in Rupees Cr vis-à-vis legal Requirement



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ANIL KAPOOR

ACTOR AND PRODUCER

Interview taken by
Faraz Rizvi, Anushka Gupta,
Aastha Talwar, Rohan Ghosh
and Dev Daga

YT: You've had the front row experience of how cinema has evolved in the country over a span of three decades. How would you describe these developments and how do you envision the future?

AK: This is a great time for Indian cinema, from fantastic actors to visionary directors, I think our industry is on an all-time high and this is just the beginning!

YT: You had started acting from a very tender age. In this modern age, where there are a myriad of career choices, how can one solidify one's vision and start working towards it at a young age?

AK: I had a dream and a passion for acting from a very young age, and for that clarity of vision, I consider myself fortunate. The dizzying number of choices facing today's youth can indeed be confusing, and it's not always easy to find your passion and calling in the midst of it all. But I believe that if you're a curious person who's hungry for opportunity, it will find its way to you. Once it does, grab it with both hands and give it your best shot. If then it doesn't work, it just wasn't the right opportunity for you and you just have to keep moving till you find one that is.

YT: From Mr. India to Mission Impossible, you have experimented with different roles and associated with different people across the world. How different have the experiences been for you?

AK: I don't know if my career choices led to my personal evolution or if changes in my personality determined my career choices. I think it's a bit of both. And in both ways, the journey has been incredible! A large part of who we become is a reflection of the people we live or work with, and I consider myself blessed to have been in the company of some truly incredible people, who have shaped not just the face of cinema in India and internationally, but also my life to a large extent!

YT: With your prolific line of work, you've inspired many young individuals to enter the world of acting. Growing up as an aspiring actor, who were the people you looked up to?

AK: My father was my greatest inspiration. He introduced me to the magic and power of cinema, and it set off a dream in me that I'm still living to this day!

There were a lot of other people that I looked upto, as an aspiring actor. Raj Uncle, Shammi Uncle, Javed Sahab... They've all been great influences in my life.

YT: As someone who has played iconic and diverse characters, what role does commercial viability play in the decision to take on a particular project?

AK: When I was starting out, I can't deny that a commercially viable project was not just appealing, but crucial for sustenance. But over the years, and after a lot of hard work, I was happy to reach that point where I could choose roles on the basis of their meaningfulness to me. And that's how it's been ever since. I choose projects when they speak to me on a personal level, when they add something to my life and when I feel like they'll add something to the lives of people who watch them.

YT: With streaming services like Netflix and Prime Video consolidating their presence in India, how do you foresee the evolution of cinema with respect to the digital revolution?

AK: In some ways, the digital revolution is transforming cinema everywhere and making it more accessible and available at a touch. I do believe that nothing can compare with a larger-than-life theatrical experience, but there's no denying that with the increasing sophistication in digital delivery platforms and with strengthening collaborations between digital content creators, the future is clearly... well, digital!

YT: As one of the directors of the highly renowned Asian Academy of Film & Television, you've had a first-hand experience of nurturing the acting talent of the nation. How do you see the cinematic art and industry evolving with these young talented individuals?

AK: Every generation brings something new and exciting to the world of cinema. I've often said that cinema is a reflection of the society it exists in. The youth that shepherd today's society are

adventurous, open-minded, risk-taking and empathetic, all of which bodes very well for the future of cinema. I'm always curious to see the new ethos and nuances that each new generation brings to Indian cinema.

YT: As one of the pioneers of the finite series structure to the country's small screens, in what manner do you think, should the Indian television industry change in order to survive in this dynamic consumer market?

AK: The answer to your question may sound unoriginal to you, but it's what I truly believe - good content, well executed and well packaged, works every single time.

The definition of good content is, of course, fluid. It has a lot to do with timing, the circumstances, the pulse of the people, and the need of the hour. But if you can gauge these well, and you can tap into the nerve of the audiences, you will not just survive, but thrive!

Indian television has come a long way in understanding and leveraging this. Ekta Kapoor & Raj Nayak are prime examples of Indian visionaries who realize the importance of tuning into the changing heart & minds of audiences.

YT: Do you believe that with the changing times, the essentials of what it means to be an actor have also been changing? What do you think are the quintessential characteristics of a modern day actor?

AK: What it takes to be an actor in any era, is empathy and an ability to make others feel it. I don't think that essence will, or should, ever change.

YT: As someone who has been the country's youth icon for many generations, what would be your words of wisdom for the students of St. Xavier's College, Kolkata?

AK: Find your passion, even if it takes you all your life to do it. Find what makes your heart beat faster, what makes you truly come alive, what keeps you up at night and lets you sleep in peace. Find your purpose and once you do, surrender yourself to it. Body, mind and soul. That's enough. That'll always be enough.



RAJDEEP SARDESAI

JOURNALIST, AUTHOR,
NEWS ANCHOR

Interview taken by
Ishmeet Singh Batra,
Suswet Sukumar Patra, Swastik Jain
and Muskaan Bhalotia

YT: From being interviewed countless times to interviewing hundreds of people, you have been on both sides of the table. How different are the two experiences to you?

RS: Interviewing someone is my professional duty. I do it with a reverence that one should have for one's profession. Being interviewed is nice at times but it's not my passion or my profession. I guess it's just an opportunity to share my thoughts and ideas, which I can't when I am interviewing - where I listen to others.

YT: With media houses coming under scrutiny for their lack of objective reporting, what role do you think free and fair journalism plays in the society?

RS: Free and fair journalism is extremely important today given that society is getting so polarized. I won't use the word neutrality because I don't think neutrality exists but objectivity is the key criteria. It becomes more valued when society and newsrooms are polarized but at least there are some places where people can be assured of objectivity. Objectivity based on fact is the biggest challenge of our time because today the viewers or readers think that there is so much polarization that the news being agenda-driven makes it even more important to occupy the crucial space of objectivity.

YT: How challenging is it to maintain a responsible public presence, especially in the present day and age, where all your actions and inactions are constantly under the radar on the Internet?

RS: Today, we're in the age of 24/7, 365 days media- media 360 as I call it - where every little action of yours, even as a journalist, is scrutinized. It comes with the territory today and you've just got to accept it, be conscious of it and make an effort to ensure that you act responsibly in public.

YT: With over 28 years of journalistic experience, you've seen both the old-age and the new-age politicians. What changes have you noticed in their relationship with the media and reach with the masses?

RS: Politicians have changed and evolved pretty dramatically over the years. Old-age politicians had a relationship with the media which was rather interesting - we could write, report and criticize them but these politicians would still be accessible. Today's politicians don't have thick skins, so if you criticize them, they'll immediately see you as the enemy. So, the relationship between the politicians and the media today has become much more fearful, with each being suspicious of the other. Also, today there are very few mass leaders who have that instant connect with large crowds. I feel that the old-age politicians were more grounded and rooted than today's leaders are.

YT: From having a cricketer as a father to playing first-class for Oxford, cricket has been an essential part of your legacy. What role has your lineage played in incorporating your love for the game and politics in your latest book - 'Democracy's XI'?

RS: Cricket has always been my passion but I realized at a certain stage of my life that while I was passionate about the game, I wasn't good enough to play it at a higher level.

Cricket is not about bloodline, it's not about dynasties, it's about merit in the truest sense of the word. And that's the standpoint from which I have approached this book, to tell you the story of cricket as meritocracy. It's driven by individual abilities (unlike politics) and I wanted to make that distinction when I wrote Democracy's XI to try and reflect on how cricket has become this great Indian religion and how it is truly democracy in action in the context of it being merit-driven and not lineage-driven and I am a living example of that.

YT: As an author, you are acclaimed for adding ingenious nuances and painting an intricate picture of the state of affairs. Amidst your busy schedule, how do you focus on the minute details in your writing?

RS: I believe writing provides you a sense of the objectivity and the ability to step out of the chaotic world where sense is being replaced by sensationalism. When I wrote my book on the elections in 2014, on television it was all about breaking news but while writing about the elections, I was able to step back and put everything into context. You need to be disciplined about time management, and ensure that there are spaces where you can cut yourself off from the other people and the newsroom around you.

YT: You once said that sense has been replaced by sensationalism and news by noise. Where do you think the industry went wrong to arrive at such a condemnable position?

RS: Today we have almost 400 news channels that operate 24/7. So, what has happened is that I think there has been an explosion of quantity but this quantity was never matched by quality. Because of the maddening competition, we have lost sight of the bigger picture, which is news. News is not Box Office. News is a service. The day we forgot that news is a public service and started seeing it as a part of the larger infotainment industry where we have to battle for eyeballs and revenue, we lost sight of the bigger picture and that's where the revolution of television has devoured its own children.

YT: From the Ramnath Goenka Excellence in Journalism award to the Padma Shri, you've had a highly illustrious career. If you were to choose one particular achievement that you cherish the most, what would that be?

RS: I think it would be the setting up of CNN-IBN in 2005 because at that time nobody gave us a ghost of a chance. NDTV was the only real big English News Channel at that time and we set it up literally from scratch and from there we built a network - Hindi, Marathi. Setting up all that from scratch and nurturing some young talents is the biggest satisfaction. The ability to have built something from virtually nothing at a time when nobody really gave us a chance means the most to me.

YT: You left your job at NDTV, and went on to build your own company, Global Broadcast News (GBN). What would you advise the future entrepreneurs who wish to step out of their comfort zone and create something from scratch?

RS: Just do it. You know, keep your head on your shoulders and your feet on the ground and just go ahead and do it. Treat life as a journey rather than wanting something this very moment and being satisfied with that. If you do that, you lose the hunger to explore. Treat life as an adventure and do whatever you desire while retaining your integrity.

YT: In your extensive career, you've closely observed India, its people and its culture evolving over the years. Among the many changes, which are the ones you find most striking in shaping the current Indian landscape?

RS: India has changed dramatically over the years. Communication has transformed the way society operates. We've created a society where today's news is tomorrow's history. Everything is instantaneous. I see everybody around me constantly whatsapping, SMSing, looking at pictures, sharing videos and it's almost like life is now compressed into a mobile phone and I think that has transformed relationships.

What has not changed, unfortunately, is the deepening divides in our society. We are a deeply divided society - divided on cast lines, income lines and what is most troubling is the divide on religious lines. I sense a certain feeling of Ghettoization in our society which affects me deeply. I think that while technology has brought the world closer together, there is more disharmony than I think I felt 30 years ago.

YT: You've always been a strong advocate of freedom of speech and expression. Do you think these notions still hold supreme, even when they are regularly misused to propagate misinformation?

RS: Free speech should be a universal value and must be respected. Freedom of speech is not just a right, it is a responsibility. So, if free speech is abused through hate speech, through spreading violence, through instigating communities against each other, then that must be clamped down. No right or freedom is absolute so while I am a great advocate of free speech, I also believe that there is no space in today's society for hate speech. Free speech cannot become a license to initiate hate speech and in my view we haven't done enough to clamp down on it.

YT: As someone who has been a part of the St. Xavier's family, what words of wisdom would you like to share with the students of our college?

RS: I've always believed that the days in college are the best days of your life. So, just enjoy every moment first - live life in the moment. Life is too short for us to think about where we will be 10 or 20 years from now. Treat every day as a new day and learn something new and different. I think the world is your oyster and while doing anything, do it with integrity because ultimately when you sleep every night it's just you and your conscience that you are answerable to. So, live life with integrity, live in the moment and enjoy the journey of life. Have no regret while you celebrate your life everyday. You're young and to be young is to be joyful.



“

Apart from valence, it has been found that any content that evokes high arousal emotions are also likely to turn viral.

”

Brand's Destiny in Your Words!

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ABSTRACT

Word-Of-Mouth marketing is not directed on serendipitous reactions from customers but a carefully plotted strategy by the marketers. While discussing Word-Of-Mouth marketing, we often hear about social media marketing, buzz marketing, and viral marketing. This article attempts to connect these related terms under the umbrella concept of Word-Of-Mouth marketing using the popular concept of Tipping point. Further, the work shares insights from academic literature for marketers to structure the marketing strategy and to measure the engagement of customers.

KEYWORDS: Brand sales, tipping point, word of mouth, electronic word of mouth, viral marketing, buzz marketing

'Ideas and products and messages and behaviours spread just like viruses do.'
-Malcolm Gladwell, 2000

INTRODUCTION

By the turn of the twenty-first century, the web of internet sprawled across the globe with a dramatic increase in user base from emerging economies. Businesses started adopting internet to reach their



Figure 1: Word of Mouth (WOM) communication

customers through various social media outlets like Facebook, Twitter, blogs and online discussion forums (Stephen & Galak, 2012). These social media outlets approach towards reaching their potential customers is very different from traditional media outlets as the former is centered around and spreads through user-generated content, while the latter is based on the marketer generated content. This, in turn, leads to the empowerment of the consumers by raising their stakes to dictate the fate of a product. Research shows that product sales on reaching a certain level will percolate rapidly through the majority population (Day, 1981). This rapid percolation is facilitated by word of mouth

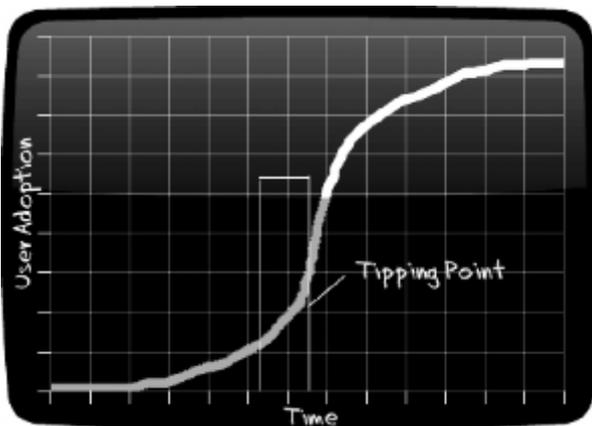


Figure 2: Tipping Point

(WOM) communication, mainly through online platform referred to as electronic word of mouth (eWOM) communication.

Therefore, it would be of interest to marketers to understand the mechanism through which WOM influences brand sales and the techniques involved in it. The point at which the rapid percolation of brand-related content occurs is referred to as the 'Tipping Point'.

TIPPING POINT

Gladwell (2000) has popularized 'Tipping Point', as the concept of social epidemics driven by social changes brought about by sudden changes in human behaviour by the products or ideas that disseminate and spread like infectious diseases and shape history.

Also termed as 'Ideavirus', it refers to a big idea that runs beyond control and proportion across the target audience (Godin, 2001). As compared to the traditional, hard and expensive branding strategy of interruption marketing 'where the marketer interrupts the consumer through the ads in order to reach the audience', the 'Ideavirus' spreads through the invisible currents that run through the consumers, thereby triggering interaction among each other. Also, the actor changes from the marketer to the idea, that replicates and spreads in the environment created by the marketer. When marketers want to implement a marketing activity, they try to create a sense of urgency on target points that would catalyze the successful take-off of the marketing activity. Marketers often define the point of initiation of the catalyst reaction as a tipping point. The tipping point is of broad interest among marketers because beyond this threshold; the marketing activity gains momentum for a quicker proliferation resulting in product success (Barash, Cameron & Macy, 2012). Existing research claims that word-of-mouth communication influences the diffusion (Arndt, 1967) to happen rapidly and reach the tipping point. The commonly followed marketing strategy to generate sales, is it to generate positive word of mouth for generating increased sales. Therefore, it

will be of interest to explore the techniques for garnering positive word of mouth communication.

Techniques for Positive Word-of-Mouth Communication

Malcolm Gladwell (2009) explains the success criteria for successful WOM with the help of the three rules of the tipping point namely 'the Law of the Few, the Stickiness Factor and the Power of Context'. The Law of Few implies that only those exceptionally few people who discover a product or trend will carry it forward to the masses. While Godin (2001) terms them as sneezers and groups them as promiscuous and powerful sneezers, Gladwell groups them as connectors, mavens and sales people. This critical few will act as a carrier to spread the message. However, to retain the impact of the message, Gladwell advises to improve the message presentation and content (Stickiness Factor) in an appropriate environment (Power of Context), to have a lasting impression on the consumers minds. By referring to the message presentation, the author refers to the medium through which it is encapsulated, which could be 'a picture, a phrase, a written article, a movie or even a mathematical formula' (Godin, 2001). The same has been reiterated in a user-generated video sharing platform- YouTube, where, for one's video spot to be viral, it should be loaded with more information (Wolter, Barth, Barthel, Gröbel, Linden, Wolf et al., 2016). The reason for the information load is the consumers' inherent need to feel empowered that enables them to match closer to reality (Smith & Mackie, 2007). Therefore, content that satisfies this want has higher chances of going viral. Also, the content shared is often a means of self-presentation or for identity communication (Wojnicki & Godes 2008). The likelihood of positive content to be viral is more as it projects the consumer positively to the audience. Apart from valence, it has been found that any content that evokes high arousal emotions are also likely to turn viral. Two techniques that are widely discussed to trigger positive WOM are viral marketing and buzz marketing.

VIRAL MARKETING

Viral marketing is a particular case of an 'Ideavirus'

where the product acts as the carrier of the virus (Godin, 2001). There is a lack of consensus in defining viral marketing, as one group claims that viral marketing refers to WOM communication about a particular product or service (Rosen, 2000) while others propose that viral marketing is marketing applied to WOM (Gruen, Osmonbekov and Czaplewski, 2006). Going by the latter claim, it is often seen as a form of WOM advertising in which consumers interact and spread information about a product or service (Vilpponen, Winter & Sundqvist, 2006). In fact, WOM acts as a primary factor behind 20-50 per cent of all purchasing decisions (Bughin, Doogan and Vetvik, 2010) as the credibility of the transmitting consumer influences the recipient consumer's beliefs and attitude (Brown, Broderick & Lee, 2007). Research has suggested that a message conveyed by a trusted friend (high impact recommendation) is up to 50 times more probable to prompt a purchase than one conveyed by a stranger (Bughin, Doogan & Vetvik, 2010). At this point, it is also of interest to note that the spread of an 'Ideavirus' need not necessarily be transmitted through a single trigger or chain of triggers, but may also take place through multiple triggers independently from different sources in different forms like a complex contagion. In such a phenomenon, the role of critical mass is necessary for initiating externalities, referred to as 'strategic complementarity', to become viral (Centola & Macy, 2007).

BUZZ MARKETING

The other technique that paces a product to reach its tipping point earlier is known as 'Buzz Marketing'. Dye (1999) states that a buzz is created through insightful marketing campaigns in which they seed a frontline group which carries forward the campaign, supports them with attention-grabbing content, provides celebrity endorsement, leverages on the trickle-down effect and triggers grass-root marketing.

eWOM COMMUNICATION

Over and above the WOM communication, influencers utilize online media platforms to disseminate their ideas which are referred to as electronic word-of-mouth

(eWOM). The difference between eWOM and WOM is that the circulation of information is only through the digital channel in the former case, while it's the sum of all marketing channels in the latter. The distinguishing factors of eWOM from that of WOM are high scalability, high diffusion rate due to multi-way information exchange, accessibility and persistence through an infinite period of time. With the advent of web2.0, consumers are more empowered to influence their network with user-generated content through various platforms. These platforms are classified into online discussion forums like zapak.com, online consumer review sites like shopping.com, blogs like blogger.com, and social networking sites like facebook.com and online brand/shopping sites like amazon.com. Further WOM is an informal communication about a product or service among a closed community whereas eWOM takes the internet as a platform for communicating the idea about a product or service to a multitude of all potential and actual customers. As eWOM takes the internet and a comparatively larger group of consumers for propagating the ideas, it generally has a stronger impact than WOM.

eWOM spawns over 3 billion brand impressions across platforms every day. The positive influence of eWOM on purchase behaviour, loyalty and sales is well established in the extant literature. Due to its significance, marketers monitor the interactions among consumers by measuring the volume and valence of content shared by customers through eWOM. The volume of content is provided by popular sites or can be retrieved using APIs. For instance, a brand owned Facebook page detail can be retrieved using Netvizz application and macro-level data from Social bakers website. The valence of the content (customer messages and comments) is nothing but the sentiment and plays a crucial role in influencing the customers. Sentiment mining techniques are used to dig customer sentiments from the contents created by them. The techniques are broadly classified as machine learning and lexical-based sentiment analysis. A lexical-based technique is more appropriate for measuring customer sentiments on an online platform that comprises informal and less-bounded language. The technique makes use of a dictionary consisting of human annotated words that are assigned positive, negative

and neutral polarity. It can also account for conversational usage of words such as repeated letters, emoticons and punctuation marks to stress on emotion ('Wowww!!!'), incorrect spellings and impromptu abbreviations ('ROFL' – Rolling on Floor and Laughing). A popular tool used to perform sentiment analysis on social media data is Senti strength, that assigns a score in the range of +5 to -5 to the words, where +5 is the most positive word, and -5 the most negative word. Thus, it is not only the importance of eWOM that is established, but the measures and tools are also captured in academic literature. The marketers may benefit by making use of the tools and techniques shared to enhance eWOM.

CONCLUSION

Extant literature shares considerable guidance for the marketers to enhance brand sales through various marketing techniques. The article has tried to provide an overview of popular concepts like WOM, eWOM, and Tipping point. Further, salient tools and techniques that can be used for measuring eWOM have been shared for marketer's reference. A brand's destiny often lies in the positive word of mouth shared by the customers, and it is essential for the marketers to understand its significance and adapt their marketing strategies.

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The Varied Legacies of the Rohingya Crisis

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- A publication of T.I.M.E. Private Limited.



The utter indifference and the lack of empathy of the world at large towards the Rohingya is a legacy that we can do without.



ABSTRACT

The volatile political situation in Myanmar, in spite of the extreme persecution and violence against the Rohingya community, has not yet arrested the world's attention in a way that could push major international powers to solve the implacable crisis.

Among the several ethnic groups in Myanmar, Bamar or Burman (68 per cent), Shan (9 per cent), Karen (7 per cent), and Rakhine (4 per cent) are the four major communities. Like in most multi-ethnic societies, the tensions between the various ethnic groups often surface with time and circumstances. However, the unique element in the Burmese scenario is that all of them have one common enemy to fear, that is the military. The unsparing skirmish between the military and the country's minor ethnic groups, especially the Rohingya, has long shaped the country's political, economic, and social milieu.

The unrelenting violence in the Rakhine province of Myanmar has brought international spotlight on the ethnic cauldron that has engulfed the predominantly Buddhist nation. The article focuses on the reasons behind the statelessness of the Rohingya, the cycle of violence, links with global terrorist groups, refugee crisis, and the varied legacies of the crisis.

KEYWORDS: Violence, terrorism, migration, refugee

WHO ARE THE ROHINGYA?

The Rohingya are an ethnic minority in Myanmar. A majority of the estimated 1.1 million Rohingya live in the Rakhine state, located in the west of the country. The Rohingya are predominantly Muslims with a small number of Hindu Rohingya. (Since they are spread across countries, and considering that almost all the nations, where they live, have not recognized them as citizens, it is difficult to get a reliable estimate of their total population.)

According to the International Observatory of the Stateless, after the British annexed the Rakhine region in 1824–26, they encouraged migration from India. Myanmar maintains that the Rohingya are illegal migrants from India and Bangladesh and has refused to recognize the community as one among the country's native ethnic groups. However, Myanmar says it is ready to grant them citizenship if the Rohingya identify themselves as Bengalis, i.e., non-natives, something that the Rohingya refuse to do, as they regard themselves as sons of the soil.

CYCLE OF VIOLENCE

The Buddhists and Rohingya Muslims in Myanmar have been at loggerheads for several decades; episodes of intense violence have followed periods of uneasy calm.

The Rohingya in Myanmar have accused the country's Buddhist majority community of discrimination and persecution. They have accused the Burmese Government of resorting to demographic subversion by destroying the ethnic identity in their own land.

Brushing aside the allegations of discriminatory treatment, the government has accused the Rohingya of waging a long secessionist movement (i.e., breakaway from Myanmar) as they never identified themselves as Myanmarese.

About a year back, Rohingya armed militants, especially from the Arakan Rohingya Salvation Army (ARSA), killed scores of police and military personnel in serial attacks on security camps and check posts. In retaliation, the country's police and military forces launched sweeping counter-terrorism operations against the Rohingya militants.

The Rohingya accuse the Myanmar security forces of extra-judicial killings, abuse of women and destruction of property – all in the name of anti-terrorism operations against the Rohingya militants.

TERRORISM

Myanmar has consistently accused the Rohingya Muslims of ties with radical Islamist terror groups, like the Islamic State (IS) and al-Qaida, from which both

money and arms flow. The Arakan Rohingya Salvation Army, (also known as Harakah al-Yaqin), the main Rohingya terror group, is led by a Saudi-based committee of Rohingya emigres.

Citing Brahma Chellaney, one of the world's foremost experts on conflict zones: 'The external forces fomenting insurgent attacks in Rakhine bear considerable responsibility for the Rohingyas' current plight. In fact, it is the links between Rohingya militants and such external forces, especially terrorist organizations like the IS, that have driven the Government of India, where some 40,000 Rohingya have settled illegally, to declare that their entry poses a serious security threat. Even Bangladesh acknowledges Rohingya militants' external jihadi connections.

'But the truth is that Myanmar's jihadi scourge is decades old, a legacy of British colonialism. After all, it was the British who, more than a century ago, moved large numbers of Rohingya from East Bengal to work on rubber and tea plantations in then-Burma, which was administered as a province of India until 1937.

'In the years before India gained independence from Britain in 1947, Rohingya militants joined the campaign to establish Pakistan as the first Islamic republic of the postcolonial era. When the British, who elevated the strategy of 'divide and rule' into an art, decided to establish two separate wings of Pakistan on either side of a partitioned India, the Rohingya began attempting to drive Buddhists out of the Muslim-dominated Mayu peninsula in northern Rakhine. They wanted the Mayu peninsula to secede and be annexed by East Pakistan (which became Bangladesh in 1971).

'Failure to achieve that goal led many Rohingya to take up arms in a self-declared jihad'. Local 'mujaheddin' [holy warriors] began to organize attacks on government troops and seize control of territory in northern Rakhine, establishing a State within a State. Just months after Myanmar gained independence in 1948, martial law was declared in the region; government forces regained territorial control in the early 1950s.

'But Rohingya Islamist militancy continued to thrive, with 'mujaheddin' attacks occurring intermittently. In 2012, bloody clashes broke out between the Rohingya

and the ethnic Rakhine, who feared becoming a minority in their home State. The sectarian violence, in which rival gangs burned down villages and some 140,000 people (mostly Rohingya) were displaced, helped to transform the Rohingya militancy back into a full-blown insurgency, with rebels launching hit-and-run attacks on security forces.'

REFUGEE CRISIS

Since August 2017, about 720 thousand Rohingya have fled to Bangladesh to escape the spiralling violence and unending persecution in Myanmar. Also, thousands of Rohingya flee every year in a desperate attempt to reach mainly Muslim-majority countries like Malaysia and Indonesia (even in these countries, Rohingya are recognized as refugees and not granted citizenship).

The Rohingya refugees in Bangladeshi refugee camps are battling disease, grinding poverty and a hostile environment – all shorn of the bare necessities of life.

Bangladesh and India have accepted the Rohingya refugees; however, almost no other nation has willingly accepted Rohingya refugees. In an ideal world, the Rohingya refugees could stay in India forever. However, in the real world, far removed from idealism, the Government of India realized quite early in the refugee crisis that it must temper its generosity with security concerns.

Even though India has admitted thousands of Rohingya refugees, the Government of India considers them a security risk, especially considering intelligence reports on radical elements among the Rohingya refugees. Currently, India is in talks with both Bangladesh and Myanmar to take back the Rohingya refugees who fled to India.

VARIED LEGACIES

A deep and important issue like the Rohingya crisis cannot be looked at through a single prism. A single prism will force us to sympathize with the justness of one party's approach (be it the Rohingya, the Government of Myanmar or States like India). Rather than being blind, it would be helpful if we broaden our

perspective and evaluate the legacies that the approaches of the three parties involved, will leave for the future generations.

Legacy One- The Rohingya's Use of Terrorist Violence:

It is true that the Rohingya have suffered untold misery, great loss of life and property, and persecution at the hands of a vindictive Burmese State. However, by resorting to terrorist violence, the Rohingya are blurring the thin line between their legitimate aspirations and the Burmese Government's violent response. A majority of the Rohingya are peace-loving folks more concerned with the welfare of their families than the utopia promised to them by the jihadis. These people should carefully consider the legacy they would leave for their descendants – one that is full of continuing violence or a calculated hard-earned peace through negotiations.

Legacy Two- The Indifference of the World at Large:

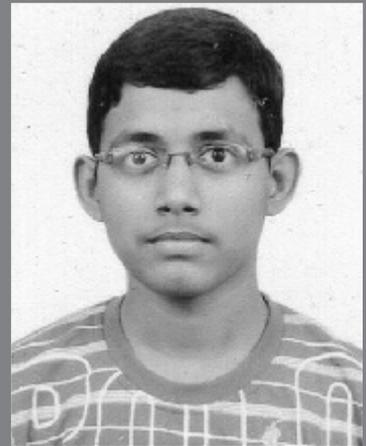
Major powers of the world, be it the UN or the G8, have failed miserably in piling pressure on the Government of Myanmar to stop the horrendous violence perpetrated by the country's military against the hapless Rohingya. Except for Bangladesh and India, almost no other country has accepted the Rohingya refugees. A serious shortage of emergency funds to tackle the humanitarian crisis unfolding in the various refugee camps is lamentable. The utter indifference and the lack of empathy of the world at large towards the Rohingya is a legacy that we can do without.

Legacy Three- The State of Myanmar:

By denying the Rohingya a voice, Myanmar has failed to build a common national identity. To emerge as a cohesive nation with a common national identity, Myanmar must not only address the issue of terrorism but also focus on accommodating peoples of all ethnicities in a unified national dream.

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With the number of registrations crossing ten million, it seems more businesses are signing up for GST.

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GST - After One Year of its Rollout

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ABSTRACT

Goods and Services Tax (GST) is the giant indirect tax structure designed to support and enhance the growth of the Indian economy. It is destination based, and is expected to unite the country economically, thereby realizing the concept of 'One Tax, One Market, One Nation'. It has subsumed various forms of taxes that were earlier levied at different points.

1st July, 2018 had marked one year of the launch of the Goods and Service Tax in India. This article is an analysis of the merits and demerits of its implemen-



tation and the overall impact so far, towards the growth and development of the economy. A brief description of the historic scenario of the launch of GST on 1st July 2017 has been stated to highlight the current scenario and the entire journey so far.

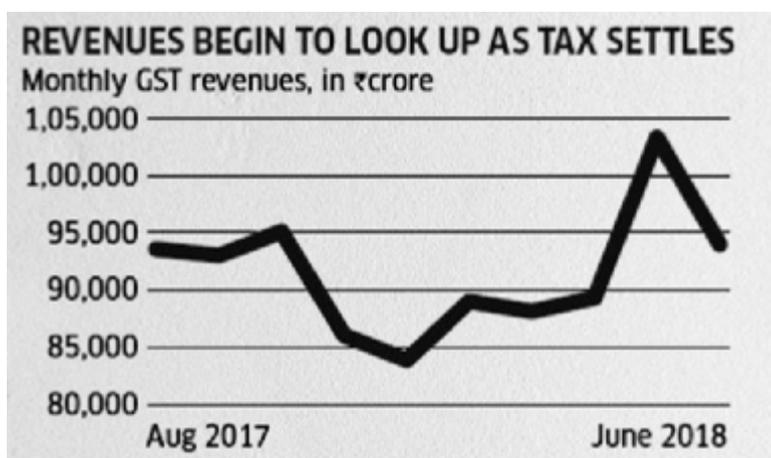
KEYWORDS: Historic scenario of tax reform, Good and Simple Tax, smooth transition, culture of honesty, positive impact on GDP, single common market

INTRODUCTION

India's biggest tax reform is now a reality. A comprehensive Goods and Services Tax (GST) has replaced the multiple indirect taxes with effect from the 1st July 2017. It paved way for the realization of 'One Tax, One Market, One Nation' and India has completed one year of the implementation of the said tax regime.

The main objective of the GST Act has been to transform the Indian market into a common market which should have a unified tax structure and broadly integrate the economy. There has been a definite expansion in the tax base with some revenue buoyancy over the period. With the wealth of data available with the government and the measures such as e-way bills, tax leakage is likely to be further plugged in the upcoming days.

GST collections have shown a steady improvement



over a period of time. It had reached a peak of ₹ 1,000 billion in the month of April, 2018 which was due to year-end compliance for March, 2018. Average

monthly collections for the period ended March 2018 were ₹ 890 billion. However, due to an increase in compliance level and returns filing to around 70 per cent, the collections are further improving. Collection figures of ₹ 940 billion in May 2018 and ₹ 956.1 billion in June 2018 clearly reflect the business sentiments. Even the survey conducted by the Confederation of Indian Industry (CII) has shown that more than 80 per cent of the respondents are satisfied with GST. Further, it appears that there has been a revival in businesses which is bound to set the employment cycle in motion.

GST implementation is expected to push up the GDP of the economy in due course. The defined tax structure is expected to become a blessing for the entire economy.

HISTORY OF THE LAUNCH OF GST

Goods and Service Tax (GST) was launched on 1st July 2017 which was India's biggest indirect tax reform ever since independence. The Hon'ble Prime Minister, Narendra Modi, former Hon'ble President Pranab Mukherjee, Hon'ble Finance Minister, Arun Jaitley and other leaders launched GST on the midnight of 30th June 2017 at a function inside the Parliament's Central Hall. 'GST is a transparent and fair system that prevents black money and corruption and promotes new governance culture,' hon'ble Prime Minister, Narendra Modi said in his speech, adding that while the new policy may cause minor problems, people will adjust soon. He called GST a 'Good and Simple Tax.'

IMPACT OF GST ON ECONOMY

The implementation of the game-changing GST seeks to transcend India into a unified market. A significant and bold move, GST had both positive and negative impacts on the Indian economy. No wonder, it has led to a hype and buzz. This has created chaos among the people at different levels.

The GDP growth of the economy has been recorded at 7.7 per cent from January to March 2018, as compared to 7.0 per cent in the previous quarter. The data for April

to June 2018 is yet to come but there lie some expectations among the economists for 6.7 per cent in the FY 2017-18, 7.3 per cent and 7.5 per cent in FY 2018-19 and FY 2019-20 respectively. The GDP growth rate of India is now higher than China's GDP growth rate of 6.8 per cent for the same period.

The Gross Domestic Product has a tendency to loom on the shoulders of the revenue generated by the economy in a year. However, it is significant to note that GST has the capability to extend the GDP by a total of two per cent in order to complete the ultimate goal of increasing the per-capita income of every individual. Further, in a research done by N.C.A.E.R., it was suggested that GST would be the key revolution in the Indian economy and it could increase the GDP by 1.0 to 3.0 per cent. The GST scheme will certainly improve the indirect revenues of the government as the tax compliance will be enhanced and made more rigid, extending the tax paying base which will add to the revenue.

As every coin has two faces, in the same way, GST has had both positive and negative impacts on the economy. We know that real estate also plays an important role in the Indian economy. GST has affected the real estate business negatively, by adding an additional 8 to 10 per cent to the cost structure, and a parallel decline in the demand by about 12 per cent. Further, the cotton industry is in a problematic situation in comparison to the pre-GST period where there was no tax on the buyers of cotton from the farmers. Tax is now levied at five per cent. GST would affect the cotton value chain of the textile industry including all garments for men and women like shirts, trousers, sarees, apparels, shoes and other clothing materials which are chosen by most small and medium enterprises as it currently attracts zero central excise duty (under optional route).

Despite the adverse effects of GST, GST has been welcomed because of its positive impacts on the economy.

POSITIVE IMPACT OF GST

Following are the positive impacts of GST, after one year of its implementation:

- 1. No rise in inflation:** It was feared and widely expected that GST would cause inflation to rise, as it happened with many countries that launched a single tax regime. However, the same did not take place in India. The anti-profiteering authority and multi-slab structure helped in maintaining the inflation level of the economy.
- 2. Widened tax base:** The transparent digital processes and incentive of input tax credit after invoice matching has reduced the scope of tax



evasion. With the number of registrations crossing ten million, it seems more businesses are signing up for GST. Further, there has been a substantial reduction in the number of products in the 28 per cent bracket, with goods being moved to the 18 per cent bracket, and this has led to the rationalization of tax slab over the period of its implementation.

- 3. Composition Scheme:** The implementation of GST has been a boon for the small-scale industry viz-a-viz small traders as the simpler Composition Scheme involves lesser compliances (such as filing returns, maintaining books of record, issuance of invoices), limited tax liability and high liquidity as taxes are at a lower rate.
- 4. E-way bill:** The Government was keen to introduce the e-way bill mechanism to monitor the movement of goods reported in the GST return and also to reduce tax evasion. The arguably successful implementation of the e-way bill has been an effective and convenient tool for requisite compliances.

NEGATIVE IMPACT OF GST

Following are the negative impacts of GST, after one year of its implementation:

- 1. Frequent amendments and GST rate slash:** GST reform has undergone frequent and continuous amendments over the period of one year. For example, the threshold limit for registration under Composition Scheme had been revised multiple times over the said period. Such frequent amendments are by and large detrimental to the industry, thereby making it tedious for the businessmen to operate. In the process of GST rate fitment, the Government has introduced multiple GST rates viz. 5 per cent, 12 per cent, 18 per cent and 28 per cent. However, the Government is undergoing frequent rate slashing even after one year of implementation of the tax regime due to various concerns being received from the industry.
- 2. Exports and Refunds:** The GST law came up with the concept of zero-rating for exports with or without the payment of integrated tax. To avail the facility for exports without payment of taxes, taxpayers were required to obtain a letter of undertaking (LUT)/bond manually. However, confusion prevailed over supporting documentation required to be submitted in different tax jurisdictions, which made obtaining LUT/bond, a tedious and cumbersome process. The industry also expressed its dissent towards the mechanism of disbursement of refunds since there was considerable delay in the integration of the customs and GST database.
- 3. Cumbersome Registration process:** Multiple registration requirements have complicated things for the industry, which was expecting simplicity. In many cases, registration is required in all states. Companies fear that multiple audits and assessments due to multiple registrations could make working more difficult for them as they move forward in the industry.
- 4. Issues in remote areas:** Remote areas and villages are facing problems since the implementation of GST involves e-registration, e-returns, et cetera. Whether it be registration, filing returns, advance

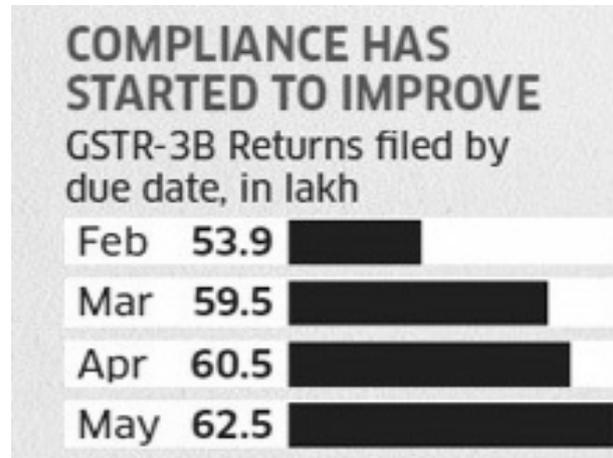
rulings or making amendments, every aspect of GST is based on the internet, which has disrupted the smooth functionality in the remote areas. Government is bound to provide free internet services as are being provided abroad to enable hassle-free business in remote areas.

CHALLENGES YET TO BE RESOLVED

Simplification of compliances:

With the Government's 'Digital India' initiative, the process of registration under the GST regime has been simplified, which is stepping in the right direction. The process of physical submission of documents (prescribed under service tax, excise and VAT regime) has been done away with, and the entire process is now automated.

However, such automation has brought challenges in the migration of registrations from the erstwhile regime to the GST regime, as well as in obtaining new registrations.



Further, the introduction of three-monthly returns and matching of inward supplies of the buyer with outward supplies of the supplier on a monthly basis were criticized by the industry. Due to technical glitches in the GSTN portal (such as affixing of digital signatures, delay in making cash payments et cetera), many taxpayers were unable to file returns in the first month itself. The Government also extended the due dates multiple times and eventually brought a summary return via Form GSTR 3B.

Addressing the above issues and industry concerns, the Government, in consultation with various stakeholders, has decided to revamp the compliance structure by introducing a single monthly return, which could significantly reduce IT challenges and compliance burdens.

Anti-profiteering:

Anti-profiteering provisions have been introduced to ensure that businesses pass on the benefit of any additional input tax credit or reduction in tax rates arising due to the introduction of GST, to customers, by way of reduction in prices.

However, anti-profiteering provisions fail in providing specific mechanisms and guidelines to determine the benefits accruing to businesses, and to check whether such benefits have been adequately passed on to consumers. Owing to the lack of clarity, businesses are struggling to estimate and then demonstrate that the aforesaid benefits have been appropriately passed on throughout the supply chain.

Thus, there is a need for clear guidelines to be specified in order to help businesses determine the aforesaid benefits. This would save businesses from the hassles of anti-profiteering inquiries and help them operate more efficiently.

Sector wise initiative:

GST, being a new law, has brought a new set of challenges for various industries. To resolve industry worries, the government has set up 18 sectoral groups such as oil and gas, telecom, mining et cetera, to better understand industry concerns and to interact with different sectors.

Pursuant to the above, the Government has also taken a step forward to provide clarifications on areas of concern and a steady attempt is being made to address the concerns of the industry.

In the second year of GST, it is expected that the desired objective of 'One Nation-One Tax' would be better achieved, especially with the government's pro-active measures and industry participation.

CONCLUSION

It may be concluded that the Goods and Services Tax (GST) is one of the undertakings that is expected to provide the much needed stimulant for economic growth in India by directing the earlier base of indirect taxation towards the free flow of goods and services. It is also expected to eliminate the cascading effect of taxes, and have a positive impact on the pricing and profitability of different goods and services that will play out in favour of both businesses and consumers, to subsequently improve economic growth.

The GST implementation was not smooth; there was opposition from both political parties and business houses, which were showing apprehension on the consequences of adopting the new tax regime. The GST regime may impede growth in the short-term as big companies reorganize their businesses and small firms lose revenue. But overall, GST is helpful for the development of the Indian economy - improving the Gross Domestic Product of the country and strengthening the rupee in the world market.

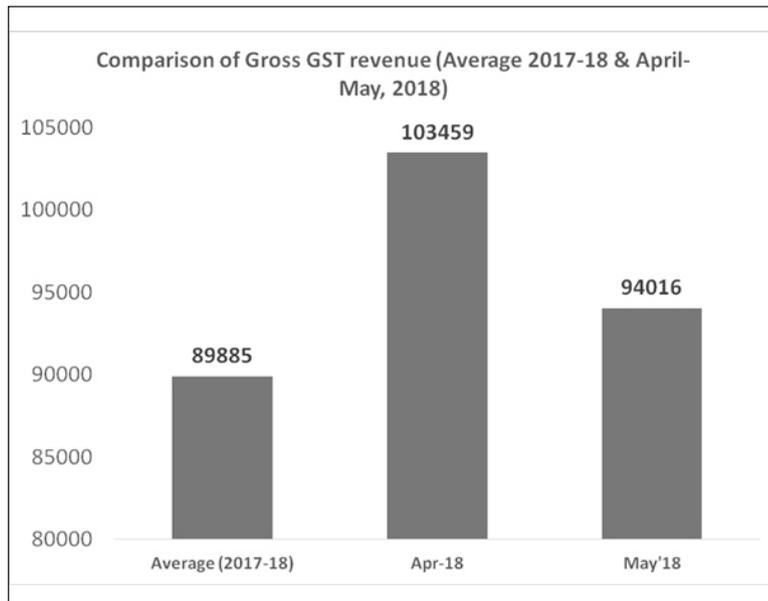
Though GST is still evolving and continues to face certain issues, the government has taken steps to address these concerns. Necessary notifications, circulars and FAQs are being issued to clarify the legal positions and remove the procedural hurdles. To summarize, the government has by and large been able to achieve the objectives behind the GST, on which it continues to take steps for a smoother rollout.

India is projected to play an important role in the world

It is also expected to eliminate the cascading effect of taxes, and have a positive impact on the pricing and profitability of different goods and services.

economy in the years to come. India, its neighbours and even developed economies of the globe are expecting

to change India's position in the global market. The businesses of the country are being unified into one market as compared to the previously numerous markets due to different tax structures in several states. Thus, GST can be called a 'Good and Simple Tax'.



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The trend seems encouraging for the Indian entrepreneurs and businesspersons who are motivated to undertake B2B e-business promotion.

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Indian Forging Industry and Online Trading: an Evolving B2B E-Marketing Perspective

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ABSTRACT

The study aimed to assess the readiness of the market for online trading of forgings and TMT bars in the arena of B2B marketing. A questionnaire based study was conducted to obtain the views of 60 respondents from the forging industry through online snowball sampling method. The data was analyzed using SPSS 24 and MS-EXCEL statistical software package. The findings indicate that the decision to undertake online trading of the forgings and

TMT bars manifest irrespective of the age related mental barrier. Moreover, the respondents expressed their choice to favour online trading and off-shore stockyard to validate the evolving global demand for e-business. The trend seems encouraging for the Indian entrepreneurs and business persons who are motivated to undertake B2B e-business promotion.

KEYWORDS: Forging industry, online trading, B2B e-marketing

INTRODUCTION

Liberalization of the Indian economy in 1991 ushered the entry of multinationals in India which changed the competitive landscape of the nation's market. The firms operating in India were left with no other alternative but to adapt themselves with the open competition. In the process, the Indian B2B firms had to enhance capabilities to remain relevant in this evolving scenario. In a de-regulated and liberalized Indian market scenario, the role of the government is that of a facilitator which lays down the policy guidelines and establishes the institutional norms for creating a conducive environment for improving efficiency and performance of the nation's industrial sectors including the steel sector. Likewise the Government of India has released the National Steel Policy, 2017, which has laid down the broad roadmap for encouraging long term growth of the Indian steel industry by 2030-2031, both on demand and supply sides. Business promotion in the contemporary world demands constant innovation for brand differentiation and brand repositioning. In this context, the electronic media has provided a wide array of options and e-trading has become an easy solution to lure away the potential customers and to attract business deals. With the Indian forging industry evolving from a traditional labour-intensive to a capital-intensive industry, the conjecture of potentiality and practicability of implementation of e-trading has not been empirically evaluated in details. This paper investigates the perception of the market about the concept of e-trading with respect to the lucrative forging industry in India.

REVIEW OF LITERATURE

Indian iron and steel and forging industry:

According to the IBEF (2018), India has produced crude steel at a compound annual growth rate (CAGR) of 5.43 per cent during the financial years 2012-2018 and the country's output has reached 102.34 million tonnes per annum (MTPA) in the financial year 2018. India stands at the third position in the world as the crude steel producer and at second position in production of direct reduced iron (DRI) as of July, 2018 (Table 1). The low per capita consumption of steel in India with respect to the global average indicates a possible rise in the demand for steel in the home market. Moreover, the resilience exhibited by the automobile, infrastructure and construction industries adds hope to the conjecture. The allied forging industry is a major contributor to the Indian economy. This manufacturing sector comprises of four sub-sectors: large, medium, small and tiny. According to the Steel World Research Team (2006), out of the 330 odd units the large sector consists of about 9-10 units, the medium and small sectors consist of about 100 units and under the tiny sector the functioning units are numerous.



Figure 1: The distribution of major forging units in India

Table 1: Top ranking nations in terms of being the producers of iron and steel for the month of June, 2018.

Rank	Crude steel production	Direct reduced iron (DRI) production	Iron production
1	China	Iran	China
2	Japan	India	Japan
3	India	Mexico	India
4	United States of America	Egypt	Russia
5	Russia	Saudi Arabia	South Korea

Outsourcing and niche marketing:

The act of strategic off-shore outsourcing by the companies of rich nations is primarily motivated to ensure cost effective services from low-waged countries and thereby expanding the scope for economic gains and trade relations beyond geographic boundaries. Financial benefits and availability of skilled labour have lured the firms of many Western nations to outsource labour-intensive works and processing functions to low-waged nations like India, China and East Asian countries. Indian forging industry attracts several outsourced businesses over a wide range of products and a contender of larger market share. Moreover, many a firms from the steel industry are now producing upstream-commodities by upgrading their assistances to more specialized and customized products and thereby gaining competitive advantage by promoting the iconized 'niche marketing'.

Online marketing:

The twenty first century has observed the rise of internet dominion which has moulded the global business approach and has redefined the marketing strategies. It has created new business opportunities and has promoted innumerable business innovations and has destroyed quite a few markets. Online marketing has opened up new vista of interaction between one to

one, one to many as well as many to many companies over a diverse issue in a very short period of time, and is thereby expediting the process of decision making and overall business dynamics. Thus, more or less every company hosts a web domain that flags its presence in the international forum of peers and competitors. This adds up to the marketing credentials of the company concerned and improves the sales by facilitating easier communication between buyers and sellers.

B2B e-marketing:

The use of internet technology in mediating interactive business relationship amongst trading organizations has been popularly described as business-to-business (B2B) e-commerce. The general opinion on B2B e-commerce in the global business forum sounds optimistic and predictions suggest of its voluminous growth in near future.

Framing of research hypothesis:

The present study was designed to assess the potential and innovative avenues which might promote the scope of growth for the Indian steel and forging industry in the years to come. An inspection in the mind set of the entrepreneur, businessman, advisors and job-holders associated with this industry would be relevant to understand the prospect and avenues to the said venture. In doing so, following research hypotheses were proposed for possible evaluation through

the electronic media has provided a wide array of options and e-trading has become an easy solution to lure away the potential customers and to attract business deals.

empirical study conducted on the data harvested from the mentioned target group through structured questionnaire:

- H1a: The decision one-trading practices for TMT bars is independent of the age of the decision makers.
- H1b: The decision on online trading practices for forgings is independent of the age of the decision makers.
- H2: One or more intrinsic/extrinsic criteria might influence the decision on trading of the forgings and TMT bar.

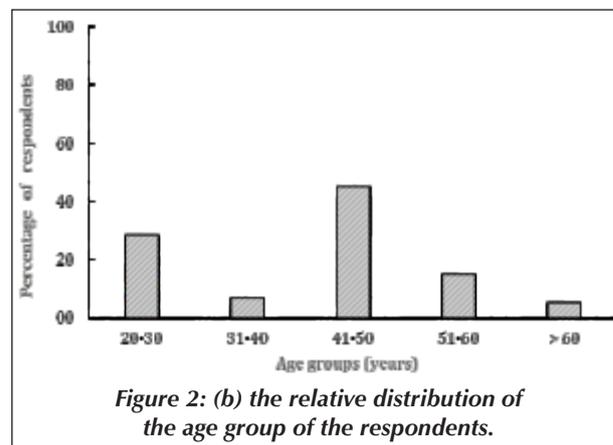
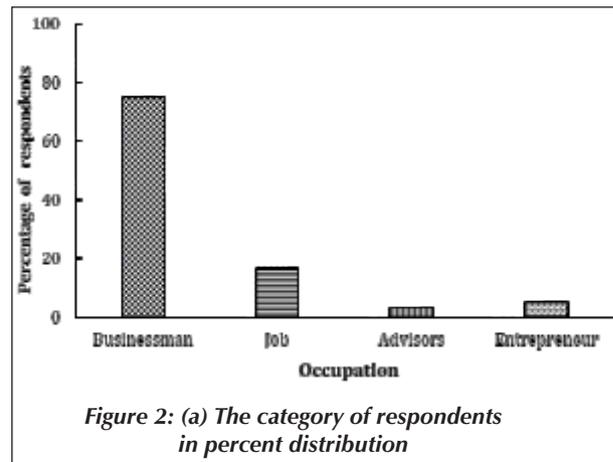
METHODOLOGY

Potential B2B customers/entrepreneurs of the forging industry from one hundred companies located worldwide were communicated through e-mail. The responses of a sample size of 60 volunteers were accepted. A set of questions was designed to assess the views of the respondents regarding their market orientation with respect to online trading practices of forging and TMT bar industry. The questionnaire was designed to obtain the response on making of the decision on the e-trading offorgings and TMT bars with relation to the age, and the data was validated through chi-square (χ^2) analysis. Further, the respondents were requested to rate their opinion on five possible factors which might influence the trading decisions of forgings and TMT bars in a five point Likert's scale anchored as 1=strongly disagree, 2= disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree. The construct validity of the questions was ascertained through consultation of published literature. The reliability of the response pattern was ascertained by deriving the Cronbach's alpha values. Factor analysis was carried out to deduce the significant criteria which might influence the decision on online trading for forgings and TMT bars. Pearson's correlation coefficient was calculated to ascertain the relationship among the influencing factors. The SPSS 24 and MS EXCEL statistical software package was used for computation and analysis of data.

RESULTS

Descriptive statistics :

The study was conducted on the feedback obtained from 60 respondents from the forging industry of which 75 per cent were businessmen, 3.33 per cent were industrial advisors, five per cent were entrepreneurs and remaining 16.67 per cent were job-holders (Figure 2a). Again, among the 60 respondents, 28.33 per cent belonged to the age group of 20-30 years, 6.67 per cent belonged to 31-40 years, 45 per cent belonged to 41-50 years, 15 per cent belonged to 51-60 years and remaining 5 per cent belonged to the age group greater than 60 years (Figure 2b).



Respondents’ opinion towards online trading of TMT bar:

At degree of freedom (df) value of four, the obtained χ^2 value of 9.15 is lesser than χ^2 critical value of 9.488 at five per cent level of significance which suggests that the decision to favour online trading of TMT bars is independent on age groups of the respondents (Table 2).

Respondents’ opinion towards online trading of forgings:

At degree of freedom (df) value of four, the obtained χ^2 value of 7.969 is lesser than χ^2 critical value of 9.488 at five per cent level of significance which suggests that the decision to favour online trading of forgings is independent on age groups of the respondents (Table 3).

Table 2: The pattern of the respondents’ opinion on the likelihood of selecting e-trading method for TMT bar (*P<0.05).

Age group	Number of respondents	Observed response		χ^2	H1a
		Yes	No		
20-30	17	15	2	9.15	Accepted
31-40	4	3	1		
41-50	27	17	10		
51-60	9	2	7		
>60	3	1	2		
Total:	60	38	22		

Factors influencing the decision of trading of the forgings and TMT bar

The factor deduced had significant Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's sphericity (Table 4) and it suggests that while making a decision on trading of forgings and TMT bars, the respondents had considered only two factors of significance, namely: online

Influencing criteria	Factor loading	Eigen values	Variance (per cent)	Cronbach's alpha	H2
Online trading	0.863	2.769	55.374	0.791	Accepted
Off-shore stock yard	0.831	1.046	20.920		
Advertisement and promotion of brand image	0.735		11.039		
Waste management and emission control	0.758		8.599		
Promotion of solid waste management	0.628		4.068		

trading and off-shore stock yard (Table 5). The Cronbach's alpha value of 0.791 is greater than the critical value of 0.700 which suggests the reliability in the internal consistency of the scale (Table 5).

Table 3: The pattern of the respondents’ opinion on the likelihood of selecting e-trading method for forgings (*P<0.05).

Age group	Number of respondents	Observed response		χ^2	H1a
		Yes	No		
20-30	17	13	4	7.969	Accepted
31-40	4	3	1		
41-50	27	15	12		
51-60	9	3	6		
>60	3	0	3		
Total:	60	34	26		

Table 4: Measurement of the adequacy and sphericity of response pattern of the respondents while making decision on e-trading of the forgings and TMT bar (*P<0.05).

Kaiser-Meyer-Olkin measure of sampling adequacy	Bartlett's test of sphericity		
	Chi-Square	Df	P
0.703	111.17	10	0.000

Table 5: Factor analysis for identification of the significant criteria influencing decisions on trading of the forgings and TMT bar (*P<0.05).

Table 6: Pearson's correlation among the ratings of the criteria which might influence decisions on trading of the forgings and TMT bar (*P<0.05).

Criteria	Mean	SD	1	2	3	4	5
1. Online trading	3.40	0.74	1.00				
2. Off-shore stock yard	3.60	0.69	0.78*	1.00			
3. Advertisement and promotion of brand image	3.70	0.90	0.36*	0.32*	1.00		
4. Waste management and emission control		3.78	0.55	0.30	0.21	0.51*	1.00
5. Promotion of solid waste management	3.40	0.78	0.59*	0.49*	0.48*	0.32*	1.00

Correlation among ranking of selection-criteria influencing the decision on e-trading of forging and TMT bar:

A significantly strong correlation was observed in the response pattern of the ratings of the criteria which might influence the decision on trading of forgings and TMT bars, like: online trading-off-shore stock yard, online trading-advertisement and promotion of brand image, online trading-promotion of solid waste management, off-shore stock yard-advertisement and promotion of brand image, off-shore stock yard-promotion of solid waste management, advertisement and promotion of brand image-waste management and emission control, waste management and emission control-promotion of solid waste management (Table 6).

CONCLUSION AND SCOPE FOR FUTURE STUDY

Technological innovation has always promoted business opportunities and the global history has witnessed this recurrently in the course of industrial development. Although late, the advent of the World Wide Web has undoubtedly touched the business minds of India and the Indian iron and steel industry stands no exception. The present study reveals that the acceptance of e-trading as a profitable means of business promotion and expansion is not restricted to any specific age (Table 2, 3). The situation seems encouraging as the benefit of e-trading is being perceived positively by a sizable group from the forging industry. Moreover, the ever ambitious and technology-oriented business communities have identified online

trading and off-shore stockyard as means of better market penetration and promotion of supply chain (Table 5). Moreover, the respondents could effectively correlate the intrinsic and extrinsic criteria which presumably exert their influence in decision making of trading in steel and forging industry, implying the subconscious alertness of the respondents about the examined factors (Table 6). India has abundant natural resource of iron ore which is a blessing for the forging industry. The said industry may get immensely benefitted in B2B marketing, both in domestic market and abroad if they adapt with the evolving e-trading environment. However, the present study is an eye-opener from the stand point of environmental impact assessment as the respondents seem to be least concerned about the criteria like: waste management and emission control and promotion of solid waste management, both of which constitute the intrinsic characters of a firm. It may be noted that the intrinsic characters of a firm are pivotal to shape the image and earn trust for a firm in the long run. Future research endeavour should be directed to fathom these vital issues so that they may be brought forward before the law-makers and policy formulators for redressal and management.

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The current demand for standard hotel beds shows that there is great potential for growth in the hotel industry in India and WCM cannot, therefore, be underestimated.



Working Capital Management and Profitability: An Analysis of Hotel Industry in India

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ABSTRACT

This study examines the relationship of each of working capital, operating cash flow and current ratio with profitability. The hotel industry has been taken into account for the same. Five 5-star hotels were taken and a study has been conducted on those 5 hotels. This study uses the tools of data analysis and statistical analysis for the purpose of understanding the role of effective and efficient working capital management in determining the quantum of profits earned.

KEYWORDS: Working capital, profitability, hotel industry

INTRODUCTION

Working Capital Management (WCM) is an important factor, and it is considered that the amount of working capital (WC) is directly related to the profitability of the firm. Proper optimization of WC balance means minimizing the WC requirement and realizing maximum possible revenue. About 60 per cent of a typical finance manager's time is devoted to effective and efficient WCM, having a significant impact on the success and profitability of a business.

The Hotel industry in India is among the top 10 sectors to attract the highest foreign investment, having registered \$10.48 billion FDI between April 2000 and June 2017, while the CAGR of foreign footfall is 7.1 per cent. The industry witnesses massive demand during the festive season and with the emergence of standardized hotel chains like Oyo and Lemon Tree, the need for efficient WCM has increased. The current demand for standard hotel beds shows that there is great potential for growth in the hotel industry in India and WCM cannot, therefore, be underestimated.

Most companies have a large amount of cash invested in WC, as well as a substantial amount of short-term payables as a source of financing. There should be sufficient planning and management of WC to ensure that excess funds generated during the peak season are optimally invested.

There are various determinants which are either positively or negatively related to the profits booked by an organization. The present study deals with the analysis of the composition of WC and its impact on the profitability of five-star hotels listed on stock exchanges in India over a period of five years from 2011-12 to 2015-16.

LITERATURE REVIEW

Horrigan (1965) made one of the first attempts to show a relation between financial ratios and their effect on other variables like profitability and market. Using empirical study, the relationship between the general trends in ratios in an industry with overall market trends was shown by the researcher.

Pandey and Parera (1997) studied the WCM practices of private sector manufacturing companies listed on the Colombo Stock Exchange through the use of questionnaires and interviews with CFOs. The researchers concluded that most companies in Sri Lanka have an informal WC policy, and Company profitability and WC policy influence the payable management and WC finance respectively.

Smith and Begemann (1997) evaluated the WC measures and ROI of firms listed on the Johannesburg Stock Exchange. The study revealed that the current ratio and quick ratio show insignificant association with ROI, while one of the newer WC concepts i.e the comprehensive liquidity index indicated the greatest association with ROI.

Shin and Soenen (1998) in their investigation of American listed companies, Deloof (2003) in his analysis of large Belgian firms and Lazaridis and Tryfonidis (2006) in their analysis of 131 companies listed on Athens Stock Exchange, all over different periods of study, found that there was a negative relationship between CCC and the profitability of the respective firms. Their results indicate that managers can create value for their shareholders by reducing the CCC to a reasonable minimum. Deloof (2003) concluded that the negative relationship between accounts payable and profitability is consistent with the view that less profitable firms wait longer to pay their bills.

Eljelly (2004) found that the variable size has a significant effect on profitability at the industry level. Based on a sample of joint stock companies in Saudi Arabia, it was clear that there was a negative relationship between profitability and liquidity indicators such as CR and cash gap. The study also revealed that there was great variation among industries with respect to the significant measures of liquidity.

Chiou and Cheng (2006) have analyzed the determinants of WCM and the influence of different variables like business indicators, industry effects, operating cash flows, production cost, et cetera. The result of this study indicated that the debt ratio and operating cash flow had a negative impact on WCM, whereas company size had a positive impact on it.

Ching et al (2011) studied the performance of sixteen companies listed on the Brazilian Stock Exchange for the

period 2005-2009. Using multiple linear regression analyses, the researcher established the effect of cash conversion efficiency, debt ratio, days of WC, days receivable and days of inventory on Return on Sales (ROS), return on assets (ROA) and return on equity (ROE). The researcher also concluded that days WC and debt ratio are the variables that have the most effect on ROS and ROA. However, a study conducted by Ganesan (2007) reveals that there was no major impact of days WC on ROA and profit margin.

Arora (2013) and Arora and Garg (2014) on studying the performance of Hindustan Unilever Limited (HUL) and TVS Motor Company respectively, observed that when there is negative WC, the company sales, net profit and operating profits are showing positive growth rate. This indicates that the company is doing well and the negative WC does not adversely affect profitability. Therefore, the company's performance was better while operating with negative WC than with positive WC.

Sharma and Rathore (2013) analyzed the impact of WCM on the profitability of Indian Oil Corporation Limited (IOCL) and revealed that out of the eight ratios associated with WCM, except profitability ratio and Return on Investment, rest of the ratios showed a negative correlation.

Tripathi and Ahamed (2017) conducted a study on 4,687 firms listed on various Indian Stock Exchanges for the period ranging 2000-2014 using a regression model. The research concluded that by reducing the CCC, a firm's profitability can be improved and additional value can be created. The optimum number of days marked by

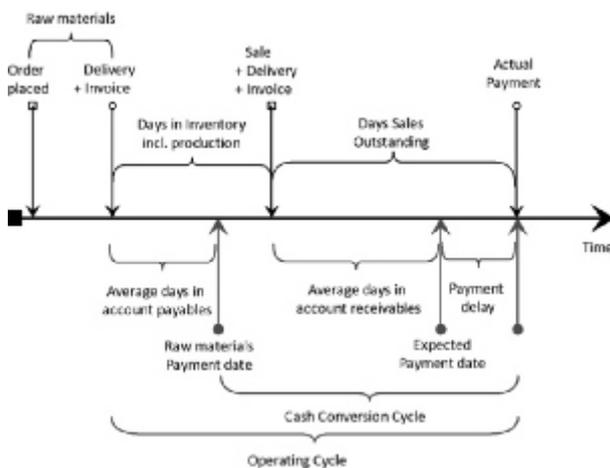


Figure : Operation Cycle of a Firm

peak performance (measured via Return on Assets) was found to be 90 days of CCC. A typical CCC is shown here:

Multiple studies by Panigrahi and Sharma (2013) on five top Indian cement companies over a period of 10 years from 2001-2010 revealed that though there is a positive relationship between WC and profitability, yet it does not always hold good. It was found that there is a negative relationship between the accounts receivable period, accounts payable period, inventory conversion period and a firm's profitability, but a positive relationship between a firm's CCC and its profitability. Further, there were companies that were generating good profits with negative WC whereas there were other companies that were unable to generate good profits in spite of having a good amount of positive WC. Therefore, it can be said that negative WC indicates negligible liquidity within the firm, which is not desirable at each and every stage of business.

RESEARCH OBJECTIVES

1. The main objective of the paper is to examine the composition of the WC and its effect on profitability.
2. We have also tried to discover a statistical model showing the relation between WC and profitability. Therefore, our objective is to determine whether there is a significant relationship of Profitability with each of Current Ratio (CR), Operating Cash Flow (OCF) and Working Capital (WC) respectively.

Research Hypothesis:

- a. H01: There is no significant relationship between the CR and Profitability.
- b. H02: There is no significant relationship between the OCF and Profitability.
- c. H03: There is no significant relationship between the WC and Profitability.

DATA AND METHODOLOGY

The study has majorly utilized secondary sources of data from the annual reports of respective hotels. The time period of the study is the five years from FY 2011-12 to FY 2015-16. There were eleven variables for each of the

five hotels, for a five-year period, which totals to 275 observations. The variables have been interchangeably used to derive various relationships.

The following five hotels listed on the Indian Stock Exchanges, which are operating in the five-star category, have been selected:

Table 1

Company Name	Brand
The Indian Hotels Company Limited (IHCL)	Taj Hotels Resorts and Palaces
EIH Limited (EIHL)	The Oberoi Hotels and Resorts
Hotel Leelaventure Limited (HLL)	The Leela Hotels Resorts and Palaces
Royal Orchid Hotels Limited (ROHL)	Royal Orchid Hotels
Asians Hotel Limited (ASL)	Hyatt Regency (in India)

CR and OCF have been taken as the determinants for the WC in addition to the other characteristics of the firm such as the size of the company and the growth in revenue. The effect of WCM on the profitability of the sector is modeled using the following regression equations pertaining to the i^{th} firm for the t^{th} year:

$NPM = f (CR, OCF, WC, SIZE, GROWTH)$; Where, ϵ is the error term and $\beta_0, \beta_1, \beta_2$ and β_3 represents the regression model coefficients.

Model 1: $NPM_{it} = \beta_0 + \beta_1 SIZE_{it} + \beta_2 GROWTH_{it} + \beta_3 CR_{it} + e_{it}$

Model 2: $NPM_{it} = \beta_0 + \beta_1 SIZE_{it} + \beta_2 GROWTH_{it} + \beta_3 OCF_{it} + e_{it}$

Model 3: $NPM_{it} = \beta_0 + \beta_1 SIZE_{it} + \beta_2 GROWTH_{it} + \beta_3 WC_{it} + e_{it}$

Table 2: Variables & their measurement

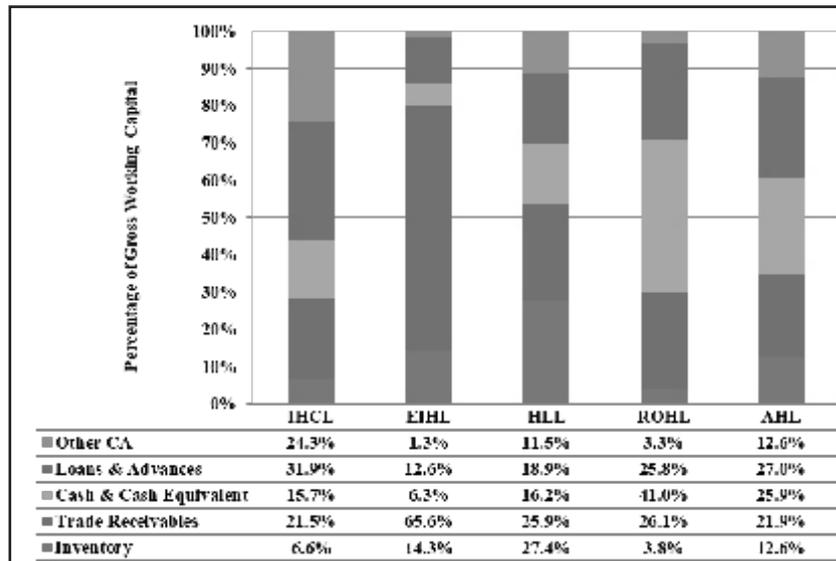
Variable	Abbreviation	Measurement
Net Profit Margin	NPM	Net Profit / Total Revenue
Company Size	Size	ln(Total Assets)
Sales Growth	Growth	$(Sales_t - Sales_{t-1}) / Sales_{t-1}$
Current Ratio	CR	Current Assets / Current Liabilities
Operating Cash Flow	OCF	Net Cash generated from operating activities
Working Capital	WC	Current Assets – Current Liabilities

DATA ANALYSIS

Working Capital Analysis:

In order to analyze the gross WC composition for the selected hotels over the years, we have obtained the gross average WC for the five-year period and analyzed its components.

From the graphical representation, we can observe that IHCL has a very low inventory build-up, while a substantial amount of CA has been held up as Loans and Other CAs. Cash & cash equivalents and trade



receivables account for one-third of the total CA. The other CAs and Trade Receivables have consistently increased over the years, along with an improvement in the EPS.

On analyzing EIHL, it was observed that a major portion of the CA is consistently blocked in Trade Receivables, which appears to be steadily rising while the company is maintaining a very low cash balance. This shows poor liquidity with high average collection period. Contrarily, there is no visible impact on the EPS of the company over the period.

Further, ROHL is maintaining on an average, a very low level of inventory, and a huge proportion of its gross WC comprises of idle cash. This implies that the cash is not being applied and exploited to advance the revenue cycle. This can be well depicted through the fact that the company has delivered negative EPS in the year wherein idle cash was maximum.

HLL and AHL, both have their gross average WC evenly spread in different classes of assets in different proportions. The EPS of HLL was consistent over the period, compared to the variation in gross WC, while AHL has witnessed huge variations in its EPS over the period of the study, which may not be attributable to the variations in gross WC.

In order to analyze the impact of current assets on total assets of the company, we have analyzed the company-wise average ratio of CA to TA in the following table:

Table 3

Average CA/TA					
Hotel Name	IHCL	EIHL	HLL	ROHL	AHL
CAs (₹ in Billions)	6.2774	2.6225	2.1250	0.3395	0.4860
TAs (₹ in Billions)	72.234	33.8216	59.3673	3.3032	18.7893
CA as per cent of TA	8.69 per cent	7.75 per cent	3.58 per cent	10.28 per cent	2.59 per cent

On analyzing the Average CA/TA, we can conclude that the industry has a practice of maintaining lower than 10 per cent of total investment in assets as CAs.

Further, HLL and AHL have a very lower amount blocked in CAs. It can be associated with the fact that both the companies are running down in losses. But it should also be considered that AHL was able to generate profit with CAs even lower than the average CA for the period. Therefore, an optimum level of CA couldn't be defined for hotels to perform well, although, the industry as a practice, maintains only 10 per cent of its total investment as CAs.

Statistical Analysis:

In this section, we have made use of statistical

techniques such as Regression and Correlation to analyze the relation between NPM and the constituents of WC. We have also made use of IBM SPSS Statistics to derive the results of Regression and Correlation analysis.

Pearson's Correlation Analysis:

The following table summarizes the correlation of different variables with respect to Net Profit Margin (NPM) for selected hotels:

Table 4: Pearson's Correlation co-efficient w.r.t. NPM

Variables	IHCL	EIHL	HLL	ROHL	AHL
SIZE	0.9338	-0.8389	-0.2288	0.1783	-0.4993
GROWTH	0.8335	-0.2963	0.054	0.5898	0.4856
CR	0.3035	0.5649	0.529	-0.6339	-0.0024
OCF	0.8056	0.623	0.566	0.6044	0.8279
WC	0.3638	0.8322	0.577	-0.3659	0.3527

It can be observed that Size, Growth, CR and WC of the company are both negatively as well as positively associated with the Profitability. Further, Size shows strong positive as well as strong negative relations.

Operating Cash Flows (OCF) is showing strong positive association ranging from 0.57 to 0.81 in all the selected hotels, whereas WC is showing strong association only in case of EIHL and HLL. The CR is found to be strongly related in case of ROHL with a value of 0.63.

Regression Analysis:

Model-1:

Table 5 summarizes the results of Linear Regression with CR, Size and Growth as independent variable and NPM as the dependent variable:

It can be observed that the model is a good fit with R-square ranging from 0.39 to 0.986 implying up to 99 per cent dependence of NPM on the independent variables. Of the three independent variables, the CR is considered to be the most significant in the majority of the cases, accounting for the greatest variation in NPM.

Further, the model doesn't seem to be a good fit in case of AHL as the Adjusted R-square shows a negative value of -1.437. This indicates that a potential relation of a company's CR with NPM cannot be established and the Model-1 may be rejected for AHL. But the model holds good in all other cases.

Table 5: Linear Regression analysis with NPM as Dependent variable

Model - 1 Summary	IHCL	EIHL	HLL	ROHL	AHL
R	.944 ^a	.878 ^a	.971 ^a	.993 ^a	.625 ^a
R Square	0.890	0.771	0.943	0.986	0.391
Adjusted R Square	0.562	0.084	0.772	0.944	-1.437
Std. Error of the Estimate	10.982	2.259	13.941	4.087	24.767

a. Predictors: (Constant), CR, SIZE, GROWTH

Model-2:

The following table summarizes the results of Linear Regression with OCF, Size and Growth as independent variables and NPM as the dependent variable:

Table 6: Linear Regression analysis with NPM as Dependent variable

Model - 2 Summary	IHCL	EIHL	HLL	ROHL	AHL
R	.996 ^a	.902 ^a	.922 ^a	.645 ^a	.934 ^a
R Square	0.992	0.813	0.85	0.416	0.872
Adjusted R Square	0.97	0.252	0.401	-1.335	0.488
Std. Error of the Estimate	2.877	2.041	22.577	26.489	11.355

a. Predictors: (Constant), CR, SIZE, GROWTH

It can be observed that the model shows the dependence of NPM on the independent variables up to 99 per cent with R-square ranging from 0.42 to 0.99.

Contrary to the results of ROHL in the Model-1, where the R-square value was 0.986, the value is mere 0.42. The potential relation between OCF and NPM could not be established as the adjusted R-square shows a negative value of -1.335. In the case of IHCL, the

dependence level is highest with the adjusted value of R-square being 0.97.

Further, the level of significance of a single variable varies across all the selected hotels and the model can be considered as a good fit for the selected hotels.

Model-3:

The following table summarizes the results of Linear Regression with WC, Size and Growth as independent variable and NPM as the dependent variable:

From the above table, it can be observed that the model is a good fit showing variance up to 100 per cent dependent on the WC combined with Growth and Size of the company.

Table 7: Linear Regression analysis with NPM as Dependent variable

Model - 3 Summary	IHCL	EIHL	HLL	ROHL	AHL
R	.941 ^a	.860 ^a	.985 ^a	1.000 ^a	.614 ^a
R Square	0.885	0.739	0.971	1	0.377
Adjusted R Square	0.541	-0.043	0.883	1	-1.493
Std. Error of the Estimate	11.246	2.41	9.968	0.149	25.05

a. Predictors: (Constant), CR, SIZE, GROWTH

Further, the range of R-square is from 0.38 to 1.00. But, in the case of EIHL and AHL, the R-square value is -0.04 and -1.493, depicting that the model doesn't hold good for the company.

Further, it can be seen that of the three models devised, the Model-3 holds good for the majority of the samples selected.

CONCLUSION

WC is an important constituent in the pursuit of profitability. The importance of this factor in determining the profitability of the hotel industry was studied and three models were proposed. CAs of the Hotel Industry on an average included trade

receivables, inventories, loans and advances and cash and cash equivalents.

It can be concluded that the hotel industry on an average maintains a very low level of CAs ranging from 2.6 per cent to 10.3 per cent of the TAs of the respective companies. Further, most of the companies maintained very low CR which was sometimes as low as 0.1 but not more than 1.2, which implies that most of the companies have negative WC.

Analysis of the OCF, CR and WC of five hotels for five years was conducted. NPM was proposed to be the additive value of firm size, sales growth and the variable factors of OCF, CR or WC. Regression analysis of each model on each hotel showed that out of the five hotels, three hotels showed that the best fit was the model involving WC, where up to 100 per cent of the variations in NPM were explained using this model. In the case of two hotels, the model involving OCF was observed to be the best fit accounting for up to 97 per cent of the variations in NPM.

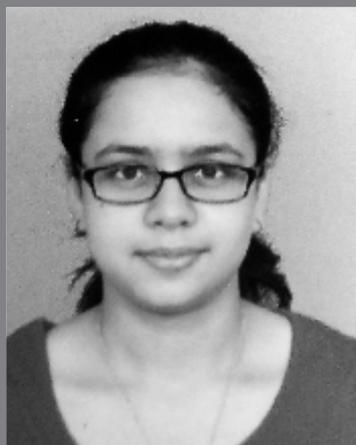
Therefore, it has been observed that WC positively affects the profitability of a firm. But, it has to be considered that the amount of WC should not exceed the optimal level and should be combined with managerial efficiency. Further, the size of the hotel is inversely related to its profitability, implying only capacity addition doesn't contribute to the value addition of a firm.

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Subliminal Advertising – A Study Based in Kolkata

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ABSTRACT

Advertisement is defined as a paid form of display of goods and services by an identified sponsor. Advertising was first invented in London with the invention of the type writer. Later with time, advertisement gave rise to what they term as Subliminal Advertising. Subliminal means under the level of human mind. Hence, this type of advertising refers to the way of advertising which directly attracts the minds of the consumers without the prior knowledge of consumers themselves. Subliminal advertising was first introduced by Vicary. He noted that with repeated advertisements, colour

attractiveness, the consumers' minds are attracted to the products and it creates a long-lasting impression in the back of the mind of the consumers.

KEYWORDS: Advertising, subliminal advertising, psychology, consumer behaviour

INTRODUCTION

It was rightly quoted by Vanda Scaravelli, 'Is it possible to have a different attitude in which a new intelligence, not imposed by authority, but born from interest, attention and sensitivity, will emerge and in which body and mind, fused in one single action, are collaborating together?'

Yes, subliminal messages in marketing do exist. Subliminal advertising is defined as that form of advertising where the advertiser creates the advertisements in such a psychological way, either with its sound effects, or its pictures such that it creates an impression on the mind of the customers without their awareness. It acts as a stimuli in the human brain to act as per the unconscious image captured in the brain. This stimuli further leads to the different purchase conditions of the human beings.

In fact, in our daily life it is highly likely that we have come across some form of subliminal message on TV, Internet or in magazines. Do we know how to detect them? Normally we won't realize it, but subliminal advertising has a purpose and communicates what it wants.

These sort of advertising techniques are often used by the advertiser because they are aware of the fact that people purchase products and services based on their physical and mental needs. Such physical needs ranges at an average of 60 per cent- 85 per cent of the marketing purchase ratio where the mental need ranges at an average of 15 per cent- 40 per cent based on advertising techniques.

It should be noted that the advertisements started affecting the human brain in its subconscious state and not in the conscious state. The simple reason behind it

lays in the fact that, when active or in a conscious state, is difficult to assure things via a human brain, so the advertisers choose to affect the human brain by affecting it in the subconscious state and not in its conscious state.

RESEARCH GAP

1. The subliminal advertisement is too costly to implement, so it is an efficient method for all advertisers?
2. Do all advertisers know exactly after what time the advertisement will strike the mind of the customers?
3. Any form of subliminal advertisement affects the customer in the negative sense and really helps for impulse purchasing?
4. Subliminal advertising is really so powerful that it easily penetrates in the human brain without the consciousness of the customers and then effects the customers?

OBJECTIVES

The different objectives are as follows:

1. To study if the customers are interested in the advertisements after watching them on television or hearing them over radio.
2. To evaluate if these advertisements make the customer remember them, leading to an increase in sale of such products, which further become profitable for them.
3. To determine if this way of advertising is profitable for the marketer after incurring the high cost on advertisements.
4. To assess if the marketers' efforts targeted customers of all age groups advertisements working as subliminal advertising for its customers.
5. To evaluate if the attractive display of the products makes the customer buy it.

RESEARCH METHODOLOGY

Research methodology is the way of defining how the project is verified. The different research techniques are as follows:

1. Convenient sampling method has been employed in which the researcher selects those units of population in the sample that appear convenient to him in conducting the research.
2. For our survey we have been interviewing marketers of the competing firms and consumers of different age groups for a better study of their behavioural minds.
3. Taking samples from different sources adds more credibility.
4. The sample design consists of marketers of various companies as well as the customers, in order to fulfil the objectives of the study.
5. For the betterment of my project and enhancement of solutions, descriptive analytical tools are used for the marketers as well as the consumers.

For the questionnaire, we will be recording the answers given by five marketers and 102 customers. The number of marketers and customers chosen for the survey is ideal, as it is neither exhaustive, nor irrelevant.

The top 5 firms with relation to their market rates are:

NAME OF COMPANIES	RANK IN MARKET IN INDIA	MARKET CAPITALISATION RATES (IN MILLIONS)
ITC Limited	3	3156586.5
HUL	1	2841770.9
Procter and Gamble	8	296080.9
Colgate Palmolive	2	282960.3
Cadbury	1	34808.9

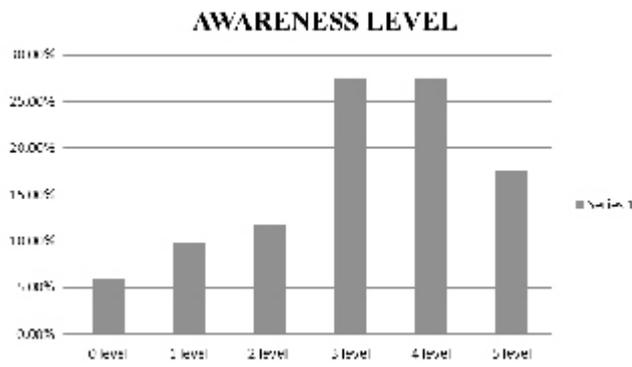
ANALYSIS OF CONSUMER MARKET

Q1. Awareness about Subliminal advertising.

Ans: The level of awareness of customers on Subliminal

Advertising is measured on the liker’s scale which is summarised below in the bar diagram-

LEVEL OF PREFERENCESPER	PER CENTAGE OF PREFERENCES
0 LEVEL	5.90 per cent
1 LEVEL	9.80 per cent
2 LEVEL	12 per cent
3 LEVEL	27.50 per cent
4 LEVEL	27.50 per cent
5 LEVEL	17.60 per cent



INFERENCES

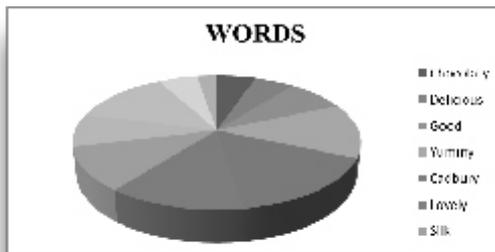
It is observed in the diagram that when liker’s scale was used for such a question, then maximum of 27.5 per cent people knew parts of the concept of subliminal advertising, whereas 18 per cent (approx.) were confident of their knowledge in the topic.

Q2. A word for the advertisement.



Ans: The answer for this type of question was different, still it was manageable to bring under a simple umbrella as-

WORDS CHOOSEN	REPITITIONS OF WORDS
CHOCOLATY	2
DELICIOUS	2
GOOD	3
YUMMY	5
CADBURY	6
LOVELY	5
SILK	4
SILKY	3
CHOCOLATE	5
TASTY	2
OTHERS	1



INFERENCES

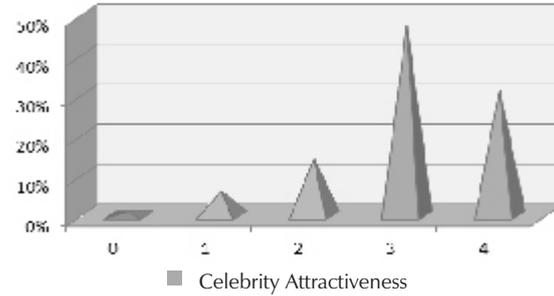
It was observed that though there were repetition of words, still there were many words which couldn't be included in the pie-chart given before. Those unmentioned words are beautiful, submerged, weird, wanting, dairy milk, awesome, luscious, wow, exaggerated, happy to lick and so on. It hence determines how a range of words can hit the minds of the customers after watching a simple picture in an advertisement.

Q3. Celebrity in advertisement increases the cost of the product.

Ans: This survey was taken on the liker's scale where the decisions of every customer were taken into account by its scale. The measurement can be shown below as follows:

LEVELS OF EFFECTIVENESS	CELEBRITY ATTRACTIVENESS PERCENTAGES
0 LEVEL	1 per cent
1 LEVEL	6.10 per cent
2 LEVEL	14.10 per cent
3 LEVEL	47.50 per cent
4 LEVEL	31.30 per cent

CELEBRITY ATTRACTIVENESS



INFERENCES

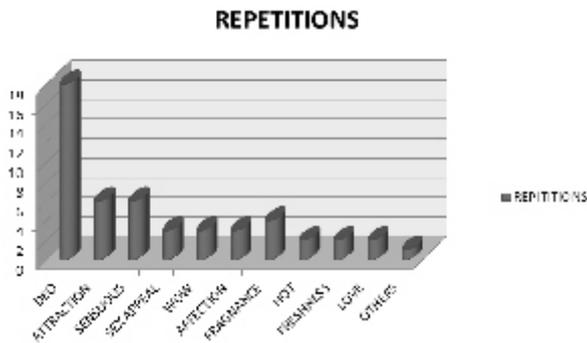
This question was recorded to determine the mentality of the customers about the celebrity endorsement in the advertisement. It can serve as a negative point for the firm because according to this concept, 45 per cent customers can avoid the purchase of products which have a level of celebrity endorsement.

Q4. A word after watching this advertisement:



Ans: The answer for this advertisement varied in form of different kinds of words, heterogeneous in nature, summarised as-

WORD FOR THE AD	REPITITIONS OF WORD
DEO	12
ATTRACTION	6
SENSUOUS	6
SEXAPPEAL	3
WOW	3
AFFECTION	3
FRAGRANCE	4
HOT	2
FRESHNESS	2
LOVE	2
OTHERS	1



INFERENCES

It is analyzed from this customer survey that the different words coming into the minds of the customers do not depend on the state of mind of the customer, but the presentation of the way of subliminal advertising by the marketer. The frequently used words are sensuous, sex appeal, deodorants, and so on and the words referred by the customers are exposure, intense, sex ad, vulgar, engaged and so on.

FINDINGS AND OBSERVATIONS

It is stated by Carol Gilligan, 'Theory can blind observation'. In this context both the marketer and the customer tried to come to the ultimate observations and create a rhythmical relationship among these factors. The different findings which were observed from the analysis of different questionnaires to the consumer and marketers can together be classified as the observations of this project.

1. The first objective was to study if the customers are interested in the advertisements after watching them on television or hearing them over radio. To study this objective, the questionnaire was made for both the marketers and the consumers wherein it was observed that the consumers are attracted to the subliminal advertisements. It was seen in the consumer survey that the customers are highly interested in the advertisements which are subliminally presented through celebrity endorsement. Customers were not only interested in such advertisements but also keenly observed it and related them to the celebrities of such advertisements. Hence subliminal advertising was a huge success on the customers mind.

2. The second objective is to study if these advertisements make the customer remember them, leading to an increase in the sale of such products further becoming profitable for them. When it was surveyed in the market, it was seen that there is a huge impression in the minds of the customers. Marketers via their advertisements made sure that they are subliminally presented and the customers face the total impact of the advertisement. It was further seen that the customers are not only remembering the advertisements but also getting interested in the products and purchasing it when they see it in the shops.

3. The third objective was to study if this way of advertising is profitable for the marketer after incurring a high cost on the advertisements. It was seen that the customers are remembering the advertisements and it is affecting them to the extent that they feel a desire to purchase and use the product along with revealing further information about it. Hence, by the way of subliminal presentation of the advertisements, the marketers can create a sense of desire and want for the customers, thereby increasing the sales of the product. So even the high cost of implementation of such advertisements won't be a factor for the marketers due to their constant flow of profit.

4. The fourth objective was to study if the marketers' efforts were really working as a subliminal advertising for its customers. It was noted that these types of advertising techniques worked well for a teenagers as well as old people. Marketers of the above mentioned market were observed and it was analyzed that marketers know what customers like. Marketers are aware of their targeted customers, their age preferences and their attractions. Hence, marketers try to make advertisements in such a way that it is readily accepted in the market and by which the marketers can gain the attention of its targeted customers.

5. The fifth objective is to study the legality premises in the level of advertising, thereby not affecting its customers on the legal grounds. It was seen that the legality premises are not affected in subliminal advertisements. Subliminal advertising was never

considered to be illegal; rather it is just a trick of the marketers to advertise its products. It should be noted that customers were not at all affected by the legality premises of subliminal advertisements.

6. The last objective was to study if the front shelf attractive display of the products makes the customer buy the product. It was noted that the subliminal advertisement created an impression in the back of the mind of the customers. Hence when the customers saw any products displayed in the front shelf of retail shops, they recollected the advertisement of the product and out of uninvited desires they purchased the products. It was also noted that if the retail shops display any product which have subliminal packaging or any subliminal colors, it attracts the customers, leading to purchase of the products.

RECOMMENDATIONS

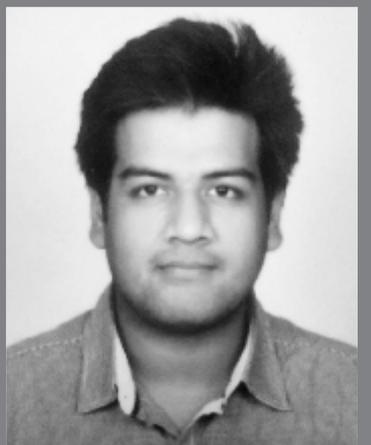
1. The marketers are suggested to not do excess celebrity endorsement in their product knowledge as the customers shift from the products and hence there is a change in brand loyalty.
2. Marketers are suggested to give the advertisements as per the choice of colour preferences of the consumers so that the products attract the consumers.
3. Marketers are hereby suggested to increase the display of products in the front shelf of the shops to attract the mind of customers.
4. It should be recommended to the marketers as well as the advertisers not to create any negative image of the products in the mind of the consumers. According to the survey results it was seen that many advertisements of Cadbury silk, ITC engage, HUL Axe men, and so on carried messages to few customers. Customers in the survey attached words to such advertisements like 'feeling to lick', 'sexually attractive', 'closeness', 'attraction' and so on which in turn adds to a negative image on the advertisements.

CONCLUSION

There are numerous studies based on the main argument whether Subliminal Advertising techniques are effective and efficient enough in the society as the human psychology is unpredictable. Subliminal Advertising is not 'bad' or 'unethical', rather it is a modern way of advertising by seeking the attention of the customers without their prior knowledge. Thus it can be concluded that subliminal advertising is that form of advertising which effects the minds of the customers without the conscious knowledge of the customers themselves.

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The average investor will be better off investing for the long term in a cash account, rather than trading for the short-term in a margin account.

”

Marketable Securities as a Collateral Security for Loans

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ABSTRACT

Margin funding is being increasingly used by various individuals to fulfil their ever-increasing risk appetite. Moreover, marketable securities are also becoming prevalent when it comes to providing collateral for loans. This study aims at analyzing the impacts of such trends in the marketplace with the help of detailed analysis and research. It also showcases the great scope they have in the Indian market if utilized knowledgeably.

KEYWORDS: Margin, our profit, stocks, crisis

INTRODUCTION

Loan against marketable securities is one of the most highly exercised options during a financial need for a corporation or an individual due to the lack of personal loans at low interest rates. An individual or a corporate can raise loans without selling their securities in the market and can easily raise funds just by pledging them at nominal interest rates. LAS helps you to get loans against the securities that you have, for the time being, merely pledged without selling them off in haste. An overdraft facility is advanced to you by a bank or a financial institution when you pledge your securities. The value of the overdraft limit that is advanced to you is determined on the basis of the securities that have been pledged under them. For smooth transactions, a current account is opened in your name and it is at your discretion how and when to withdraw and use the money. The rate of interest is calculated only on the amount withdrawn by you and only for the period of utilization. Since the price of a share can fluctuate with market demand, the value of the stock used to secure a loan is not guaranteed over the long term. In situations where a stock loses value, the collateral associated with a loan may become insufficient to cover the outstanding amount. If the borrower defaults at that time, the lender may experience losses on the amount that is not covered by the current value of the shares being held.

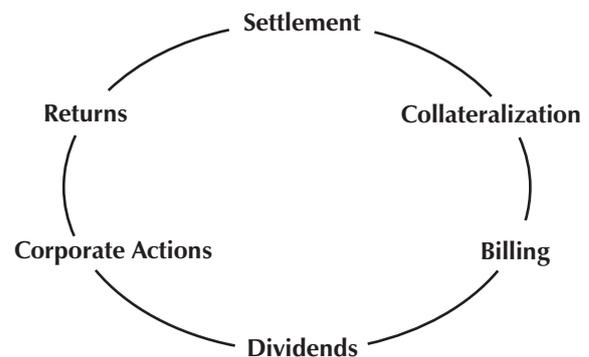
SECURITIES LENDING

In finance, securities lending or stock lending refers to the lending of securities by one party to another. The terms of the loan will be governed by a 'Securities Lending Agreement', which requires that the borrower provides the lender with collateral, in the form of cash or non-cash securities, of value equal to or greater than the loaned securities plus agreed upon margin. Non-cash refers to the subset of collateral that is not pure cash, including equities, government bonds, convertible bonds, corporate bonds, and other products. The agreement is a contract enforceable under relevant law, which is often specified in the agreement. As payment for the loan, the parties negotiate a fee, quoted as an annualized percentage of the value of the loaned securities. If the agreed form of collateral is cash, then the fee may be quoted as a 'short

rebate', meaning that the lender will earn all of the interest which accrues on the cash collateral, and will 'rebate' an agreed rate of interest to the borrower. Key lenders of securities include mutual funds, insurance companies, pension plans and other large investment portfolios.

BUYING ON MARGIN

Buying on margin is borrowing money from a broker to purchase stock. You can think of it as a loan from your broker. Margin trading allows you to buy more stock than you'd be able to normally. To trade on margin, you need a margin account which is different from a regular cash account, in which you trade using the money in that account. In this, loan can be kept as long as the client wants, provided he fulfills the obligations. First, when they sell the stock in a margin account, the proceeds go to your broker against the repayment of the loan until it is fully paid. Second, there is also a restriction called the maintenance margin, which is the minimum account balance you must maintain before your broker, will force you to deposit more funds or sell stock to pay down his loan. When this happens, it's known as a margin call. Margin trading is a risky business, and therefore is governed by rules set by a number of entities – the Federal Reserve Board, self-regulatory organizations (SROs) such as the New York Stock Exchange (NYSE) and Financial Industry Regulatory Authority (FINRA), and brokerage firms. Margin trading is best left to sophisticated traders and high-net worth investors who are conversant with its risks. The average investor will be better off investing for the long term in a cash account, rather than trading for the short-term in a margin account.



Trading on margin allows us to borrow capital from our spread betting broker to be able to control a much larger position with our existing equity. This can generate more generous returns but can also account for bigger losses due to the position size we are able to control. It's our job to manage risk and even with the possibility to control such a big position, we must follow strict rules to protect our equity from adverse market moves. Trading on margin can be a great tool to build up an account, but if used too aggressively it can become a trader's worst enemy.

OBJECTIVE OF THE STUDY

The objective of this study is to show how margin funding works. Creation of a tool without buying the software to make it suitable and ease in making the transactions smoothed. The ledger and records of shares sold and bought by an individual client can easily be recorded in the books and updated at the end of the market hours. A number of brokers lending companies purchase softwares which cost a huge sum of money for the smooth operations of its transactions. A new company, being a startup, finds it difficult to invest such huge amount at an initial stage. So, the help of 'Google Finance' in 'Google Sheets' would reduce such problems to a great extent.

ANALYSIS

1. For every individual, on the basis of their creditworthiness, a sanctioned amount is decided which states that total loan amount cannot exceed that amount.
2. The client's account is directly linked to their individual Depository account which executes their trades on a regular basis.
3. Every stock has its trigger code which helps to extract the current data from that particular stock exchange.
4. To extract the name, the formulae is '=googlefinance (trigger-code, name)'. Just by entering its name the exact name from the exchange is extracted and is displayed on the screen. If any stock is added or deleted, only the trigger code has to be changed and the name is updated accordingly.
5. The quantity of shares bought is to be entered manually because the system doesn't know how much the client has bought or sold.
6. The current market price of that particular share itself is updated on a real time basis.

To extract the current stock price, the formulae is '=google finance (trigger-code, price)'. This price will change on a real time basis.

NAME	SANCTIONED AMT	LOAN DISBURSED	REQ SECURIT	Current securi	PREVIOUS DAY CL	Margin shortfall/gain	Margin%	ELIGIBLE AMT
ARINDAM GANGULY	250,000.00	114,272.01	226,544.02	202,503.60	5/1/2018 202,487.10	-25,950.42	43.60	101206.8
MADHU SHARMA	3,000,000.00	2,972,848.89	5,945,697.78	4,771,400.50	4,740,461.25	-1,174,297.28	37.66	2385700.25
NAVIN CHAND JAIN	750,000.00	0.00	0.00	234,325.50	235,400.00	234,325.50	100.00	117162.75
RAJENDRA KR SHARMA	5,000,000.00	4,970,101.12	9,940,202.24	9,820,803.45	9,719,113.10	-119,388.79	49.38	4910401.725
CHINTANYA P SHETHIYA	1,000,000.00	1,000,000.00	2,000,000.00	1,714,350.00	1,709,437.50	265,650.00	41.67	857175
AJAY BHASKAR	2,000,000.00	0.00	0.00	1,813,000.00	1,785,250.00	1,813,000.00	100.00	909500
BIMAL KAR	200,000.00	172,343.69	344,687.38	290,000.00	296,012.50	-46,607.30	42.17	149000
MUKUL GANGOPADHYAY	250,000.00	247,120.77	494,241.54	523,720.25	520,216.75	20,478.71	52.81	261860.125
SANA AJUNALI RUPANI	500,000.00	37,368.34	74,716.68	154,700.00	154,150.00	79,983.32	75.86	77380
SOLIMITRA KR GHOSH	500,000.00	8,965.53	17,931.06	786,330.50	781,537.50	768,399.44	98.86	393165.25
BHAIKAVI D PABARI	1,000,000.00	88,863.04	177,726.08	832,386.80	830,842.80	654,670.72	89.32	416196.4
DINESH B PABARI	1,000,000.00	182,919.15	365,838.30	1,046,469.50	1,046,678.85	680,631.20	82.52	523234.75

Figure 1

- ? The current value is calculated using the formulae (no. of quantity multiplied by current market price). It also changes on a real time basis.
- ? The previous day closing price is to be considered because the Indian stock market is a highly volatile market and fluctuates a lot. The decision for additional loan or margin call is made on the basis of previous day closing price. The formulae to get the

METHODOLOGY

For the purpose of this project report, live market transactions were taken into consideration from the National Stock Exchange based on which a model was formed. All data used in the study has been taken from various reliable web-sites and online newspaper articles.

the previous day closing price is ‘=googlefinance (trigger-code, closest)’

- ? Once again, the total value is considered to find out the actual value in consideration.
- 7. This whole system is taken into consideration for all the individuals.

Date of pledge	Stock	TRIGGER CODE	Quantity pledged	CURRENT PRICE	VALUE	LAST CLOSING PRICE	CLOSING VALUE
03/08/2017	Larven & Toubao Intotech Ltd	NSE:IT	20	1340.4	26808	1344.25	26885
25/08/2017	Housing And Urban Development Corp LI	NSE:HUDCO	350	65.65	22977.5	65.7	22995
11/10/2017	Housing And Urban Development Corp LI	HUDCO	500	65.65	32825	65.7	32850
09/10/2017	Sintex Plastics Technology Ltd	NSE:SPPL	500	58.35	29175	57.5	28750
09/10/2017	Shripur Gold Refinery Ltd	SHRIPURG	100	127.4	12740	129.65	12965
25/10/2017	L & F3 Investment Managers Ltd	NSE:IVC	5,000	16.95	84750	17.1	85500
27/10/2017	Gokaldas Exports Ltd.	GOEXE	200	83.5	16700	84.45	16890
31/10/2017	Gokaldas Exports Ltd.	GOEXE	100	83.5	8350	84.45	8445
			300				
Portfolio Value					234325.5		235430

- 8. The first page of the margin funding is the master sheet in which the viewer will get to know about the client’s fund status and by how much his/her account is overfunded or underfunded.
- 9. Conditional formatting is done to focus on the client’s portfolio, whose account has to make a margin call within a span of two working days beyond which necessary action will be taken to cover up the margin shortfall.
- 10. Maximum amount of additional loan that can be given of that has to be called for margin has been calculated using the following formulae:
 ‘{(minimum of sanctioned amount or eligible amount)-loan disbursed}’
- 11. Eligible amount of loan that the client is eligible for is equals to ‘actual/current security value*loan to value ratio’

CONCLUSION

On the basis of the analysis, the main thing that comes into the picture is that Loan against shares and margin funding has a great scope in the Indian market if utilized with proper knowledge about it. Loan against shares can help raise loans to fulfill the different needs of individuals at a good interest rate. Brokers are not interested in creating awareness of loans against shares

and are more interested in margin funding of shares. On the other hand, Chartered Accountants are more concerned towards Loan against shares and are ready to create and bring clients with some payout in return to them. In margin trading, avoid margin call on your account. Margin call mandates the investor to either deposit more cash into their account to offset the reduction in the value of their portfolio or to sell a position. Under margin trading, when the overall portfolio value drops a certain percentage, the margin call will be invoked by the broking house. So, understand the threshold level of trigger for margin call as margin calls are not good. One way to avoid margin call in your account is the effective use of stop loss orders. Stop loss orders do not only prevent margin calls, but also save you from incurring heavy losses. The Securities

and Exchange Board of India (SEBI) has allowed brokers to offer a margin funding facility that does not mandate clients to bring cash up-front to initiate a leveraged trade. Brokers have begun offering this facility to clients that would allow them to buy shares worth over four times the pledged value. Earlier, only non-banking financial companies were allowed to offer such margin products. Margin funding refers to lending money to clients to trade in shares, for which the brokerage charges an interest. For instance, a client can trade in shares worth ₹ 400,000 by putting in only ₹ 100,000 in cash or by pledging existing shares, while the rest is financed by the brokerage.

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Regulators, investors and stake holders had faced many challenges during convergence, but the same have been overcome for the benefits and the bigger cause.

”

A Comparative Study on IGAAP & IND-AS

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ABSTRACT

The Indian Accounting Standard (Ind AS) was a big revolution in the corporate arena. Therefore, an analysis has been done on the key impacts of Ind AS, particularly in Financial Reporting. A differential analysis has been conducted with respect to a company - how the quantum of measurement of various elements of financial statements has undergone a change due to the implementation of Ind AS and the reasons thereof.

KEYWORDS: Reporting, analysis, GAAP, Ind AS

INTRODUCTION

Ind AS is the new set of accounting standards and was notified by the Ministry of Corporate Affairs (MCA) on 16th February 2015. As of date, there are 39 standards under Ind AS as notified by the MCA. The Ind AS are named and numbered in the same way as their corresponding International Financial Reporting Standards (IFRS). The application of Ind AS is based on the listing status and net worth of a company. The comparative study is presented with respect to the company 'Vesuvius India Limited (VIL)' and all information has been sourced from publicly available data. VIL is a public company domiciled and headquartered in India. It is incorporated under the Companies Act, 1956. The company is primarily engaged in manufacturing and trading of refractory goods and caters to both domestic and international markets. Here, an analysis has been done to depict the key changes in financial statements due to the implementation of Ind AS.

REVIEW OF LITERATURE

There are many literatures on Ind AS and AS, but not on their differential analysis. Differential analysis can be best comprehended if presented statistically for an original corporate structure rather than on hypothesis.

OBJECTIVE

The objective of this study is to understand the impact of Ind AS on financial reporting and Key Performance Indexes by using a case study. This work would enable us to understand the impact of Ind AS in the real world rather than on hypothesis.

RESEARCH METHODOLOGY

All data relating to this work is secondary in nature and is sourced from publicly available information from company's website, stock exchanges et cetera. Various analytical portions have been presented using pie charts and bar diagrams. Financial Statement for the year ended 2016 has been taken into consideration for analysis because the company's first Ind AS statement was published in 2017.

ROAD MAP TO IND-AS

A. Voluntary adoption:

Companies can voluntarily adopt the Ind AS for accounting periods beginning on or after 1st April 2015 with comparatives for period ending 31st March 2015 or periods thereafter. However, once they have chosen this adopted these standards, they cannot switch back.

B. Mandatory applicability:

Phase I:

Ind AS will be mandatorily applicable to the following companies for periods beginning on or after 1st April 2016, with comparatives for the period ending 31st March 2016 or thereafter:

1. Companies whose equity and/or debt securities are listed, or are in the process of listing on any stock exchange in India or outside India and having net worth of ₹ 5000 million or more.
2. Companies having net worth of ₹ 5000 million or more other than those covered above.
3. Holding, subsidiary, joint venture or associate companies of companies covered above.

Phase II:

Ind AS will be mandatorily applicable to the following companies for periods beginning on or after 1st April 2017, with comparatives for the period ending 31st March 2017 or thereafter:

1. Companies whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than ₹ 5000 million.
2. Unlisted companies, other than those covered in Phase I and Phase II whose net worth are more than ₹ 2500 million but less than ₹ 5000 million.
3. Holding, subsidiary, joint venture or associate companies of above companies.

VIL was mandated to adopt Ind AS under Phase II consideration.

DIFFERENTIAL ANALYSIS

There are many differences in reporting, but major differences in reporting are due to the following standards:

1. Revenue Recognition: Ind AS 18
2. Financial Instruments: Ind AS 109
3. First Time Adoption: Ind AS 101

The definition of 'revenue' given in Ind AS 18 is broader compared to the definition of 'revenue' given in the existing AS 9 because it covers all economic benefits that arise in the ordinary course of activities of an entity which result in increases in equity, other than increases relating to contributions from equity participants. Also for recognition of revenue in case of rendering of services, existing AS 9 permits the use of completed service contract method. Ind AS 18 requires recognition of revenue using percentage of completion method only.

Ind AS 109 has brought major changes in the measurement, recognition and de recognition of financial instruments. Under IGAAP, preference dividends are always recognized similar to equity dividend and are never treated as interest expense, bank overdrafts are classified as cash & cash equivalents and not borrowings, and allowance for doubtful debts are recorded without the impact of expected credit loss. However, under Ind AS, dividends on financial instruments classified as financial liability are recognized as an interest expense in the statement of profit or loss, and bank overdrafts are classified as short-term borrowings. Further allowance for doubtful debts are recorded as per the expected credit loss method. Under Ind AS, financial liabilities are recognized as per the Effective Interest Method (EIM) and financial assets are measured at amortized cost or fair value through P&L or OCI.

Ind AS 101 facilitates companies in smooth transition to Ind AS. Ind AS 101 prescribes two types of exemptions for the first-time adopters to facilitate a smooth transition to Ind AS. These may be either mandatory or voluntary exemptions. In case a company is not eligible for these exemptions, then all applicable Ind ASs are to be applied retrospectively.

KEY EXEMPTIONS- MANDATORY

Following are the significant mandatory exemptions, which are available to the first-time adopters:

Estimates:

The estimates used under the existing Indian GAAP are to be consistently applied, with the following exceptions:

1. if there was an error, or
2. the estimate used under existing Indian GAAP is no longer relevant since the entity has chosen a different accounting policy on the adoption of Ind AS. In case a company receives some information after the transition date with respect to the previous estimates, then the company shall treat this as a non-adjusting event.

Non-controlling interests:

Certain requirements of Ind AS 110 - consolidated financial statements are applied prospectively from the date of transition to Ind AS. For example, the requirements for accounting for changes in the parent's ownership interest in a subsidiary that do not result in a loss of control.

KEY EXEMPTIONS- OPTIONAL

Some of the significant optional exemptions from other Ind AS are as follows:

Business combinations:

A company may choose not to apply the applicable Ind AS retrospectively to past business combinations. However, if that company restates any business combination to comply with the requirements of the applicable Ind AS, then it shall restate all later business combinations.

Long term foreign currency monetary items:

A company may continue with the previous policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the previous financial statements as per the existing Indian GAAP.

Deemed cost

A company may choose to measure an item of property, plant and equipment at its deemed cost as prescribed under Ind AS 101, on the transition date. VIL has opted for this exemption and is measuring its fixed assets on cost basis with previous IGAAP figures.

STATISTICAL PRESENTATION

1. Revenue from Operations:

Revenue from Operations in 2016 as per IGAAP was ₹ 8350 million and as per Ind AS, was ₹ 8950 million. This was due to the difference in revenue recognition criteria as well as grossing up of excise duty. Under Ind AS, Revenue is shown as a gross up of excise duty due to which revenue has increased by ₹ 600 million.



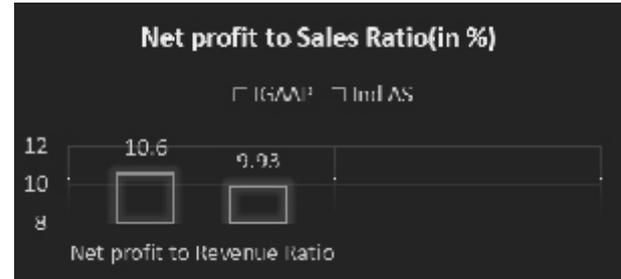
2. Employee Benefits Obligation:

Employee Benefits Expense has reduced in Ind AS regime as compared to IGAAP, because under Ind AS, re-measurement benefits on actuarial gains and losses are classified in Other Comprehensive Income instead of P&L. Hence Employee Benefits Expense has decreased by ₹ 27.1 million.



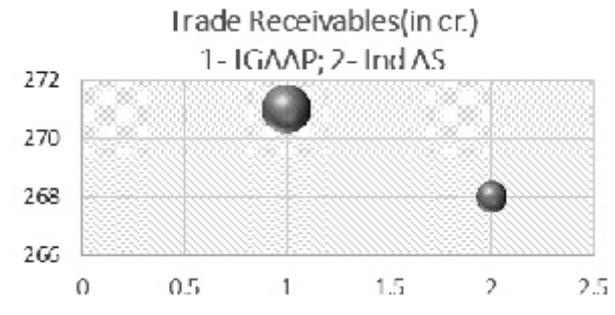
3. Net Profit to Revenue Ratio:

Net Profit has decreased due to increase in Expected Credit Loss for the year for allowing for provision for doubtful debts. Hence, profit has decreased by 0.67 per cent.



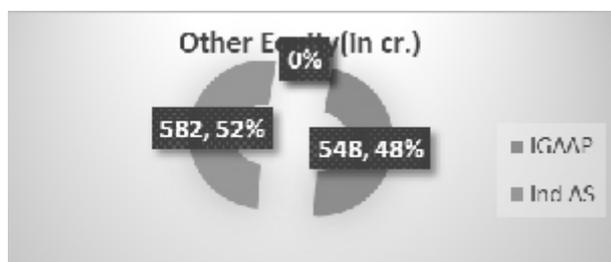
4. Trade Receivables:

Trade Receivables have decreased in Ind AS, as compared to IGAAP due to the allowance of doubtful debts as per Expected Credit Loss (ECL) method, while in IGAAP, there was no such provision. Consequently, it has decreased from ₹ 2710 million to ₹ 2680 million. in 2016.



5. Other Equity:

Other Equity in Ind AS is equivalent to Reserves & Surplus in IGAAP. However, there is a hopping difference. Under Ind AS, it is ₹ 5820 million and under IGAAP, it is ₹ 5480 million. The difference is because under IGAAP, provision for proposed dividend has been made while in Ind AS, no such provisions is permitted. Moreover, due to reclassification of gains or losses in employee defined benefit plans' re-measurements, such a difference has arisen.



6. Property Plant & Equipment (PPE):

There has been no change in the Fixed Assets of the company because it has applied optional exemption under Ind AS 101 to carry its asset at deemed cost. Hence PPE including CWIP and Intangible Assets is same as before, at ₹ 1402.5 million.



CONCLUSION

The above comparatives enable us to comprehend the impact of Ind AS in financial reporting. There are numerous changes, but only important changes are presented in the study.

Ind AS is more inclined towards principle based financial reporting, and not rule based reporting. Regulators, investors and stake holders had faced many challenges during convergence, but the same have been overcome for the benefits and the bigger cause. The above comparative study is solely presented from publicly available data sourced from company's website and stock exchanges and the purpose is purely educational.

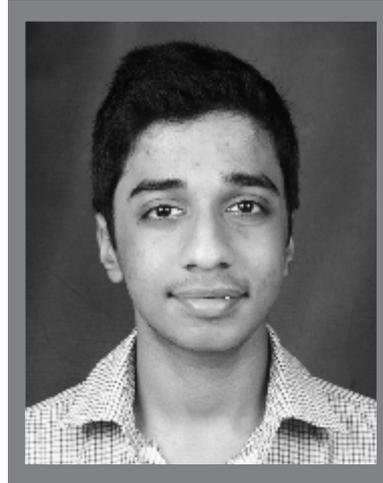
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Please refer following link for details of Ind AS and Financial Statements respectively.

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- <http://www.mca.gov.in/MinistryV2/Stand.html>
- <http://www.vesuviusindia.com/>

Books:

- A quick guide to Ind AS of 'Taxmann'
- Comprehensive Guide to Ind AS Implementation by 'CA Anand J Banka'



The Blockchain Technology has provided a way to minimize or rather eliminate the dependence upon intermediaries.



Blockchain Technology - Hashing The Unhackable

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ABSTRACT

Businesses are generally built on the chain of several intermediary stakeholders. The success of a business is largely dependent on the trust and commitment of these stakeholders towards a sustainable business environment. Blockchain represents a technology that stores data in an open distributed ledger. It allows multi-user access to the data, and at the same time ensures confidentiality and security of the same. The concept ultimately eliminates the dependence on the third party and enables direct data exchange among the participants for any transaction in a secure manner. This paper attempts to dig into the concept of Blockchain technology and then

tries exploring its viability for transaction data management in the context of today's business environment.

KEYWORDS: Cryptocurrency, security, flash, privacy

INTRODUCTION

The Blockchain Technology has provided a way to minimize or rather eliminate the dependence upon intermediaries. This technology facilitates transformation of the business system from centralized approach to an approach of decentralization and distributed technique (Figure 1).

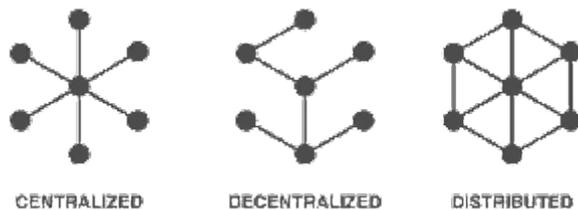


Figure 1

The world economy has 'TRUST' at its centre. There is always a trusted third party helping in mediating transactions which works well enough for most of the transactions, but it still suffers from the inherent weaknesses of the trust based model. We have accepted trust as the fundamental currency of business. Without trust, there can be no business transaction and in today's day and age, in business, we manufacture trust by using mediating third parties, contracts, government et cetera. Completely non-reversible transactions are not really possible, since financial institutions cannot avoid mediating disputes. The cost of mediation increases the transaction costs. In 2007, internet banking was not secure and people had to pay transaction fees for every transaction they made. Fast forward to 2018, many financial institutions as well as corporates have brought wallets and mobile banking to the fingertips of the end user to facilitate micro digital transaction on the go. People can send an amount as

nominal as one rupee instantly. But this also has trust embedded in its roots. During transactions, One Time Passwords (OTPs) are sent to the sender's mobile through SMS or voice call which are easily hackable. The sender trusts these messages to not be malicious. Malicious messages have resulted in high levels of internet fraud. Shri. Ravi Shankar Prasad, the minister for Information Technology of India, said that there were over 25,800 cases of digital fraud in India in 2017 resulting in the theft of nearly ₹ 1.8 billion. As the use of digital banking applications becomes widespread, it is likely that the rate of frauds will only increase. These costs and payment uncertainties can be avoided in person by using physical currency, but there is no mechanism to make payments over a communication channel without a trusted party.

There is a dire necessity of an electronic payment system based on cryptographic proof instead of trust, which allows any two willing parties to transact directly with each other without the need for a trusted third party. Digital signatures provide part of the solution, but the main benefits are lost if a trusted third party is still required to prevent double-spending. Transactions that are computationally impractical to reverse, would protect sellers from fraud, and routine escrow mechanisms could easily be implemented to protect buyers. In the fall of 2008, the effects of the financial crisis in the USA were at its peak and financial institutions like Lehman Brothers were being shut down. Officials were being jailed for misconduct and unethical behaviour. The concept of blockchain was proposed by Satoshi Nakamoto, proposing a solution to the double-spending problem using a peer-to-peer distributed timestamp server to generate computational proof of the chronological order of transactions resulting in an effective improvement in service quality due to sharing of encrypted data among all the stakeholders. The technology has got several business benefits. Businesses can adopt one common digital currency instead of the traditional currency thereby reducing the tariffs for currency exchange and enabling micro payments effectively. Also, in case of supply chain and logistics, the operations can be made

more traceable and transparent due to data sharing. Record tampering can be easily detected and traced to its origin. Blockchain technology enables fast, economical and protected data transfer throughout the globe in a peer-to-peer manner.

HOW BLOCKCHAIN WORKS?

Blocks hold batches of valid transactions that are hashed and encoded into a Merkle tree (figure 2). Each block includes the cryptographic hash of the prior block in the blockchain, linking the two. The linked blocks form a chain, deriving the word, blockchain. This iterative process confirms the integrity of the previous block, all the way back to the original genesis block. In the mint-based model of digital coin, after each transaction, the coin must be returned to the mint to issue a new coin, and only coins issued directly from the mint are trusted not to be double-spent. The problem with this solution, is that the fate of the entire money system depends on the company running the mint, with every transaction having to go through them, just like a bank. The solution to this flaw of the mint-based model, as proposed by the Satoshi Nakamoto, is a timestamp server. A timestamp server works by taking a hash of a block of items to be time stamped and widely publishing the hash. The timestamp proves that the data must have existed at the time, obviously, in order to get into the hash. Each timestamp includes the previous timestamp in its hash, forming a chain, with each additional timestamp reinforcing the ones before it. To implement a distributed timestamp server on a peer-to-peer basis, Proof of work system is used. This was proposed by Adam Back. The proof-of-work involves scanning for a value, that when hashed, such as with SHA-256, the hash begins with a number of zero bits (Nakamoto, 2008). The average work required is exponential in the number of zero bits required, and can be verified by executing a single hash. Implementation of the proof-of-work system by

incrementing a nonce in the block until a value is found, that gives the block's hash the required zero bits. Once the CPU effort has been expended to make it satisfy the proof-of-work, the block cannot be changed without redoing the work. As later blocks are chained after it, the work to change the block would include redoing all the blocks after it.

The proof-of-work also solves the problem of determining representation in majority decision making. If the majority were based on one IP address-one vote, it could be subverted by anyone who would have been able to allocate many IPs. Proof-of-work is essentially one CPU-one vote. The majority decision is represented by the longest chain, which has the greatest proof-of-work effort invested in it. If honest nodes control a majority of CPU power, the honest chain will grow the fastest and outpace any competing chains. Every CPU is called a node in the peer-to-peer network. Every node in a decentralized system has a copy of the blockchain. Data quality is maintained with massive databases replicated and computational trust. No centralized 'official' copy exists and no user is 'trusted' more than any other. Transactions are broadcasted to the network using software. Messages are delivered on a best-effort basis. Mining nodes validate transaction, add them to the block they are building, and then broadcast the completed block to other nodes. New transaction broadcasts do not necessarily need to reach all nodes. As long as they reach many nodes, they will get into a block before long. Block broadcasts are also tolerant of dropped messages. If a node does not

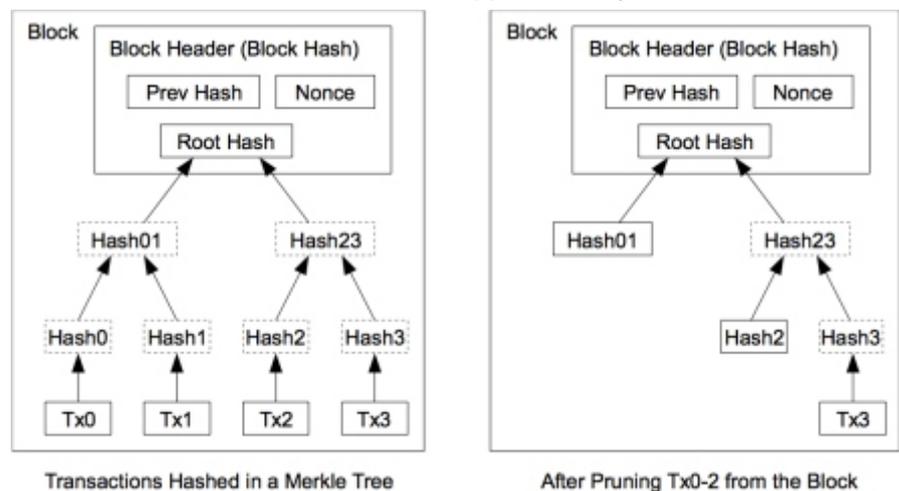


Figure 2: Blockchain Mechanism

receive a block, it will request it when it receives the next block and realizes it missed one. Once the latest transaction in a coin is buried under enough blocks, the spent transactions before it can be discarded to save disk space. To facilitate this without breaking the block's hash, transactions are hashed in a Merkle Tree, with only the root included in the block's hash. Old blocks can then be compacted by stubbing off branches of the tree. The interior hashes do not need to be stored.

APPLICATIONS

Blockchain has been developed and transformed over a span of 10 years after it was initially proposed by Satoshi Nakamoto in the year 2008. Some of the major applications of blockchain which people around the world are using or are researching upon are:

- 1. Cryptocurrency:** Digital currencies like Ethereum, Dogecoin, Litecoin, Ripple, et cetera are being used extensively and have taken boom in the recent years. The most popular of all is Bitcoin which reached an all-time high exchange rate of \$19,783. Research produced by the University of Cambridge estimates that in 2017, there were 2.9 to 5.8 million unique users using a cryptocurrency wallet, most of them using bitcoin.
- 2. Smart Contracts:** Digital contracts are embedded with an IFTTT code, which gives them self-execution. In real life, an intermediary ensures that all parties follow through on terms. The blockchain not only waives the need for third parties, but also ensures that all ledger participants know the contract details and that contractual terms implement automatically once conditions are met. It can be used extensively in sectors like music, healthcare, finance, government, real estate and in any sector where repetitive transactions take place. Quorum is a private blockchain by J P Morgan Chase with private storage, used for contract applications.
- 3. Hyperledger:** It is a cross-industry collaborative effort from the Linux Foundation to support blockchain-based distributed ledgers, with projects under this initiative including Hyperledger Burrow (by Monax) and Hyperledger Fabric (spearheaded by IBM).

4. Voting: Blockchain voting is still in its infancy, and hasn't been used in any large-scale open elections. But it has been deployed for some voting processes. For example, Nasdaq used blockchain for shareholder voting in Estonia. And, earlier this year, West Virginia became the first state to pilot test a blockchain-based platform for mobile voting, using the technology for 2018 primary elections.

5. Identity: The blockchain could make record-keeping more reliable by encrypting birth and death certification and empowering citizens to access this crucial information. The first digital passport was launched on Github in 2014 and could help owners identify themselves online and off. A digital form of ID can be engineered to replace all these forms of physical identification.

There are many more applications and advantages by which blockchain is changing the world potentially at neutral costs and transcending the world into an age of zero frauds.

THREATS

Though there are innumerable applications and advantages of blockchain, it has some concerning and irrefutable threats and hurdles, blocking its journey towards the core of the business structure. Some of the major threats and hurdles are:

The 51 per cent Attack: In his white paper, Satoshi Nakamoto has constantly mentioned this major hurdle in which he says that in case of a decentralized blockchain, if a majority of CPU power is controlled by honest nodes, the honest chain will grow the fastest and outpace any competing chains. To modify a past block, an attacker would have to redo the proof-of-work of the

One could theoretically spend crypto currency and then erase the transaction so it appears like it never happened.

block and all blocks after it and then catch up with and surpass the work of the honest nodes. After this, he shows a calculation in which in no scenario does an attacker catch up with the honest nodes. For example, one could theoretically spend cryptocurrency and then erase the transaction so it appears like it never happened. But in May 2018, this double-spending technique was used against Bitcoin Gold, the 26th largest cryptocurrency, to defraud cryptocurrency exchanges of millions of dollars. In response, exchanges repeatedly raised the threshold needed to confirm a transaction, but the criminal had enough computing power to exceed those thresholds and continued double-spending for three days.

Privacy: Although data on public blockchain is encrypted and touted as anonymous, yet it is in the hands of every participating node, rightfully. Satoshi has also stated the fact that it is possible to trace down one's identity via transactional patterns. Web trackers and cookies have been used in the past in investigations to track down identities, proving that blockchain is not as private as it may seem.

Energy Consumption: The proof of work system increases the time and the difficulty of calculation with increase in number of miners or CPUs racing against each other to crack the math problem. After one node outpaces every other node, the work of the other nodes are rendered useless. According to a recently released estimate by Digiconomist, Bitcoin mining consumes about 30.14 Terawatt Hours of energy annually. This

level of consumption is actually higher than more than 159 countries. About 381,000 bitcoin transactions are processed in a day. Therefore, in a year, a bitcoin transaction would consume an average of 200–210 Kilowatt Hours of energy. An Indian household consumes an average of 75 Kilowatt Hours of energy in a month. A single bitcoin transaction, therefore, consumes as much energy as a household does in three whole months. Thus if implemented on wider scale the energy consumption will be exorbitant.

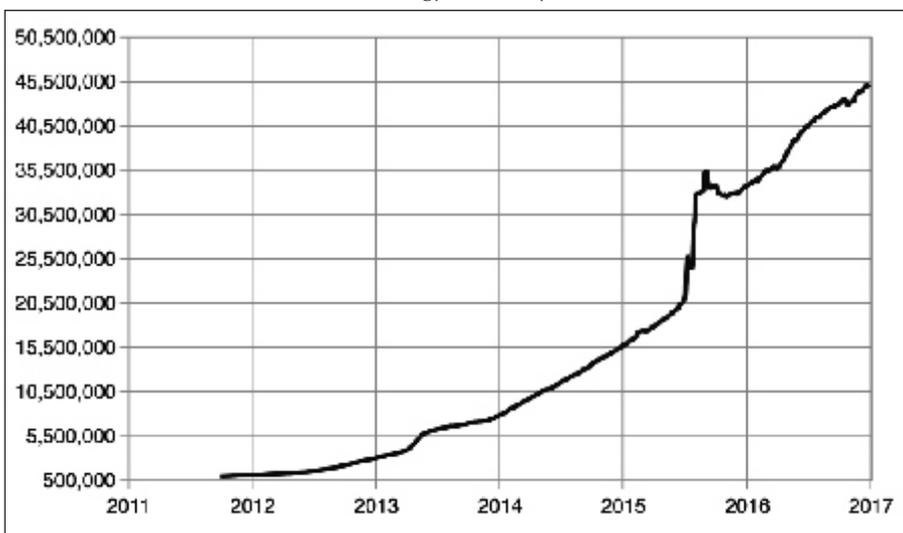
Anonymity: Due to the fact that cryptocurrencies are very anonymous, illegal trade has shifted to the use of these digital coins, which is a huge concern for the world community and governments as these trades will go unchecked and will give a boon to these illegal traders. Citizens had started laundering their black money to tax havens and neutral countries unchecked.

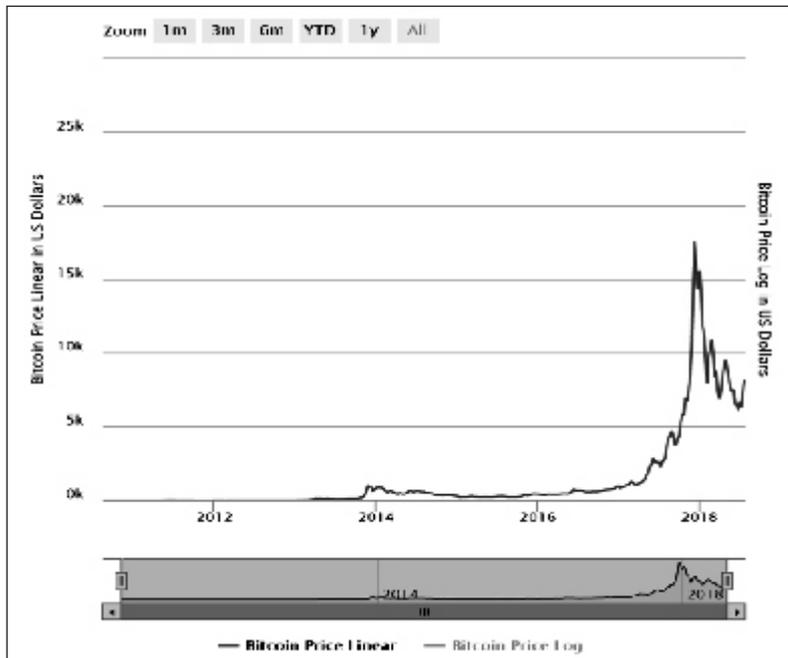
HYPE VERSUS REALITY

Blockchain is supposed to be an important future revenue stream for IBM, Microsoft and others in equipment sales, cloud services and consulting. If it materializes more slowly, analysts will have to make downward revisions. So far, IBM and Microsoft have grabbed 51 per cent of the \$700 million market for blockchain products and services, WinterGreen Research Inc. estimated earlier this year. For a large swath of companies, blockchain remains an exotic fruit. Only one per cent of chief information officers said they

had any kind of blockchain adoption in their organizations, and only eight per cent said they were in short-term planning or active experimentation with the technology, according to a Gartner study. Nearly 80 per cent of CIOs said they had no interest in the technology.

Cryptocurrency, being a buzzword in present times, Bitcoin has become very successful. It has been predicted that by the end of





2018, cryptocurrency would reach \$25,000 and by the end of 2022, it would reach \$250,000.

PROBABLE MEASURES

After Bitcoin had taken boom in the fall of 2017, regulatory bodies all over the world had taken many steps to curb illegal activities and trade of these digital coins till they could understand its concept and workings properly. Countries like India, Ecuador, China, Bolivia, Russia and Sweden have banned their citizens from trading these coins. Some of the measures which are being taken to overcome the hurdles of blockchain are:

1. **Regulators and exchanges:** Governments can set up regulatory bodies and exchanges, specifically for the purpose of monitoring these transactions and can come up with strict guidelines for trading and transacting.
2. **Centralisations:** By centralising, some of the advantages of blockchain are being dismembered, but it can still be used to develop futuristic technologies and overcome problems of the real world if used honestly and judicially.
3. **Privatisation:** Companies like IBM and Microsoft are taking the up the blockchain technology to use it for revenue purposes, which in turn will reveal

methods through which blockchain technology can be used safely by the public.

CONCLUSION

Blockchain technology converts the centralized data processing to peer-to-peer processing mode. Reduction of data leakage improves the security and privacy of data significantly. However, the continuous increase in multiple nodes scattered across the globe poses critical challenges to the blockchain implementers in various aspects like data handling, processing, anonymity of the other nodes, et cetera. Though blockchain's proof of work system crushes the trust based model of business and e-

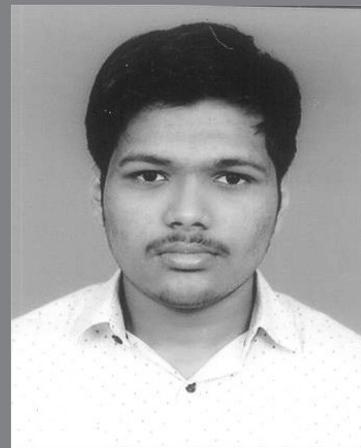
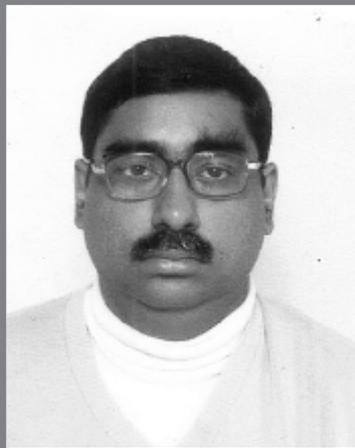
commerce (prevailing since the invention of the barter system), it has many great advantages along with few irrefutable disadvantages. As concept is still in its nascent stage of development, many organizations are hesitant in taking the first step towards adoption of blockchain technology. But if used in a planned and systematic manner, blockchain technology can provide a secure and powerful way of doing online transactions along with data privacy.

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From being brokers and bankers, the Marwaris went on to break the British monopoly over the jute industry after World War-I.

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The Marwari way of Business, Finance and Accounting

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ABSTRACT

This article showcases the origin of the Marwari way of business and how it shone to prominence during the British Era. The various ingenious systems, such as the Hundi and the Parta system, which have been used to great success by the Marwaris have also been mentioned about. This intriguing way of business along with the unique account keeping methods followed, has made sure that these 'Baniyas' have left their mark on history.

KEYWORDS: Hindu, parta, money, mahajan

THE RISE OF MARWARIS IN THE INDIAN BUSINESS SCENARIO- A BRIEF HISTORY

Marwaris are an Indo-Aryan ethnic group who originated in the Marwar region of Rajasthan in India and are widely known for their sense of enterprise and enormous risk appetite. Their language 'Marwari' is a part of the western group of Indo-Aryan languages. The word 'Marwar' is considered to be derived from



Sanskrit word Maruwat, the meaning of maru being 'desert'. Others believe that word Marwar is made up of 'Mar' from alternate name of Jaisalmer and last part 'war' of Mewar. The Marwari name was given to the people of Rajasthan who migrated to Kolkata for trading and to do business. They comprise of the people who originally belonged to Rajasthan, particularly, the areas in and around Jaipur, Sikar, Jhunjhunu, Bikaner, Pali, Jalore, Nagaur and certain other adjoining areas. The term 'Marwari' had a geographical connotation, so there can be a Marwari farmer, trader, Rajput, Brahmin, and so on. Traders and farmers of Marwari community can be found all over India (they have migrated in search of business). There is an old saying that best describes the Marwari knack for business – 'Jahan naa pahunche bail gadi, wahan pahunche Marwari' (the saying basically implies that nothing much comes in the way of Marwaris and their businesses, least of all the inaccessibility of a place).

Marwaris had been encouraged by various rulers of northern India to migrate to their kingdoms that saw the advantage in having their skills in banking and finance. The Marwari Jagat Seth family served as bankers to the Mughals and the East India Company. Jagat Seth's family was looted by a bandit Mir Habib in the year of 1742 for ₹ 20 million in cash and valuables which hardly had any effect on the fortune of the family.

This trend of migration gradually became divergent following the decline in wars between Rajput kingdoms (financed by the Marwaris) and a fall in the influence of the community over the North Indian caravan trading routes due to the British establishing themselves in the

region. The divergence in migration was also increased by the formation of new trading routes by the British as well as the declining political significance of Rajputs, whose famed conspicuous consumption had been supported by Marwari money due to the establishment of the Mughal Rule and later, the British Rule. The Marwaris

welcomed the British as their legal and organisational framework was more advantageous to them than the system prevalent under previous rulers.

This led to the migration of Marwaris to the British capital of Calcutta (now Kolkata). There were particularly significant population shifts to Bombay (now Mumbai) during 1835-1850 as well as to Madras (now Chennai). Under the British Rule, they spread into areas of British control throughout the nineteenth century, becoming mainly established as 'sahukars' (moneylenders) and inland trade-brokers in central India and Maharashtra. The migration of these traders accelerated in the second half of the nineteenth century which led to growing unpopularity and acts of communal violence against them.

From being brokers and bankers, the Marwaris went on to break the British monopoly over the jute industry after World War I; they then moved into other industrial sectors, such as cotton and sugar, and set up diversified conglomerates. By the 1950s, the Marwaris dominated the private industry scenario in India, emerging as the establishers of its most prominent business houses. A considerable number of Marwari business groups made their fortune on speculative markets in the nineteenth and early twentieth century.

THE MARWARI WAY OF BUSINESS

Thomas A Timberg, in his book: 'The Marwaris: From Jagat Seth to the Birlas', mentioned that there are seven secrets of Marwari businessmen which are still valid

'and perhaps will remain so'. These are:

1. Watch the money
2. Delegate but monitor
3. Plan, but have a style and a system
4. Lead to expand and do not let the system inhibit growth
5. The right corporate culture
6. Don't get blown away by fads
7. Do not miss new developments

Based on these seven commandments of Business, the Marwaris invented a number of unique business mechanisms which distinguished them from other business communities of the world. Some of these business styles are:

HUNDI SYSTEM

The hundis are an indigenous bill of exchange which made it possible for a cotton dealer from Bombay to sell in Kolkata without the risk of carrying cash and being mugged in transit. Instead, much like the modern practice, he could have the buyer draw in his favour a hundi of equivalent amount and present it to the latter's agent or drawer at Bombay, who would make the payment in cash. Alternatively, the seller could also transfer or endorse the same hundi to another lender who would extend the loan at a discount to its value, much like the present practice of discounting of bills of exchange. The same hundi was, then, encashed at par by the lender.

In other words hundis, served both as:

1. A cashless remittance facility enabling long-distance inland trade and
2. A source of mobile credit, by virtue of it being freely transferable through successive endorsements before being finally presented to the drawer.

It was the lubricant that greased the wheels of commerce, by connecting some 1,700 nationwide produce mandis and 12 nodal money markets handling the bulk of discounting of these bills at the turn of the century.

Such hundis were one of the reasons for the establishment of big Marwari firms like Tarachand Ghanshyamdas which is considered to be 'A Model Great Firm' by Thomas Timberg in his book 'The Marwaris'. Ancestors of many Marwari families that own big conglomerates now like the Mittals and Birlas used to work in the firm which had branches in various cities of the country.

'DESI' FUTURES AND OPTIONS

In the beginning of the twentieth century, few Marwaris introduced fatka or futures trading in raw jute that registered spectacular growth at the baras (informal exchanges) of Kolkata's Burrabazar market (major hub of Marwaris).

These were speculative contracts which very rarely resulted in the delivery of the underlying goods, since most purchases and sales got cancelled against each other before maturity date i.e. the exposure was squared off. These weren't taken kindly to by entrenched European interests as they were not used to such future date buying or selling and were only prone to spot buying. They saw their supply-and-demand calculations and produce flows getting disrupted by the widespread speculation stimulated by such trades, which extended to cotton, opium and grain as well.

Marwari financial engineering moved further, besides the hundi and fatka, and they also pioneered trading in indigenous options (satta): giving buyers the rights, without any obligation, to buy or sell a certain commodity at a specified future date and price. These could be teji (call) or mandi (put), with the premium paid by the buyer of the option known as nazrana. These are similar to present day trading options.

PARTA SYSTEM

The Birlas are commonly associated with following the Parta system (broadly a system that indicates profit and loss through net outflow or inflow of cash on a daily basis— net to pocket, in a sense). The late Ghanshyam Das Birla of the Birla Group, grandfather of the late Aditya Birla developed 'Parta' system. Though it may no longer be fashionable, many of Marwari businesses still

have an informal Partasystem, super-imposed with modern reporting.

Marwaris probably tend to focus on cash inputs more than others. This has cultural and social dimensions. The community has historically been in the money-lending business. They understand the power of knowing their cash flows. Many of the big bankers in the post-independence era were from Rajasthan—the Bangurs and the Birlas, for instance. They practiced tight financial rigour. The philosophy is clear—the cash you earn is the profit.

It is a system of establishing net return on investment and is based on actual cash inflow or outflow in the business. The system deals with cash inflow and outflow and not profit or loss. Parta implies the return to the pocket in net.

In due course, the Parta system developed and emerged into a system of establishing Return on Investment based on Cost Management. This helps in keeping a track of the organization on a daily basis. Parta is a convenient and efficient mechanism of control and monitoring. The simplicity and continuity in control mechanism on a regular basis made the system very popular evident by its adoption throughout a wide section of industries in earlier days. The relevance of the Parta System can also be seen in modern day society where industrialists like Kumar Mangalam Birla (Chairman of Aditya Birla Group) and Lakshmi Mittal (who heads Arcelor Mittal) have been using this system to manage their billion dollar companies.

THE MARWARI ACCOUNTING

The Marwari Baniya's business is controlled through the balance sheet i.e. management through accountancy, not through business administration. Accounts in a Marwari firm were kept by Munims. Marwari traders had very competent and efficient munims (accountants) who would look after the firm on behalf of their owners and handled the purchases and sales of the firm keeping in mind the variation in market prices. Munims were considered to have 'Baithak ka kurub'—the right to sit on the four chairs nearest to the royal throne. Munims were the decision making authority not

only for business but also in the personal decisions of a Marwari family. Their decision was binding on the members of the family. They had the final authority for taking any big decision in the family like marriages. It was a common practice for the Marwari munims to become rich, with the owners of the firm in partnership with them. The entire day's sales were counted with actual cash in hand along with their respective entry in the bahis. Both the munims and seths (owners) slept on a gaddi which was the place of operation of business for the Marwaris. The gaddi culture among the Marwaris is one of the true legacies of this ethnic group. Munims used to record transactions under single entry system and mainly consisted of maintaining:

It was a common practice for the Marwari munims to become rich, with the owners of the firm in partnership with them.

Cash Book:

It is not much different from the current cash book system but under this cash book all the transactions were recorded including any non-cash transaction.

Roznama:

It was like a daily diary where the financial records and entries of an entire day were recorded.

The Marwaris used Mahajani script to maintain their accounts. Mahajani is a Brahmi-based writing system that was commonly used across northern India until the middle of the 20th century. It is a specialized commercial script used for writing accounts and financial records. It was used for recording several languages, namely Hindi, Marwari and Punjabi. Mahajani was taught and used as a medium of education in Punjab, Rajasthan, Uttar Pradesh, Bihar, and Madhya Pradesh in schools known as *cataśala-ś*, where students from merchant and trading communities learnt the script and other writing skills required for business.

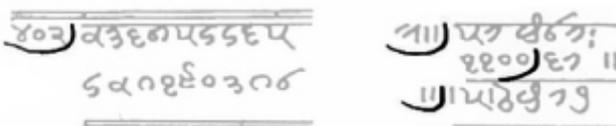
The name 'Mahajani' refers to bankers and money lenders, who were the primary users of the script. It is similar to accounting scripts known as Sarrafi and as Kothival ('merchant'). The majority of Mahajani records are account books known as bahi-khata. Other documents produced using the script are merchant diaries (roznama); financial instruments, e.g. bills of exchange (hundi); and letters. Several lithographed books for teaching the script were produced in the late 19th century. One such instructional manual is Mahajanī-śara-hīśśa-avvala-va-doyama, written by Lala Gaṅgadaśa MumśīLala in Delhi in the 19th century. Mahajani is not commonly used in present-day India. But, there is evidence that the script may not be entirely obsolete. Main characteristics of Mahajani scripts are:

1. It is written left to right.
2. Vowel signs are not used.
3. Generally no word spacing is used.
4. No specific punctuations are there.
5. Fraction signs are used in this system. The figure below shows in bold, the use of various fraction signs, where a vertical line stands for Char Aana, a horizontal line stands for Ek Aana.

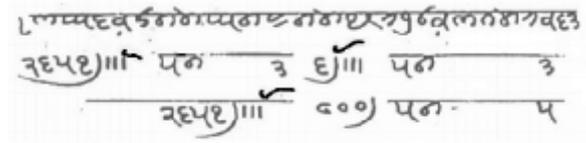


6. The figure below shows the use of currency sign in bold:

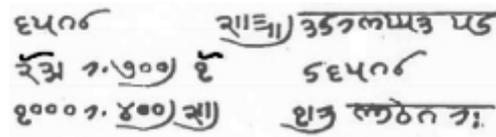
For example the 1st line shows 402 followed with a curled bracket which is the currency sign i.e. it denotes ₹ 402.



7. A tick like character is used in Mahajani scripts. Generally written over fraction signs and currency marks, and as well as digits:

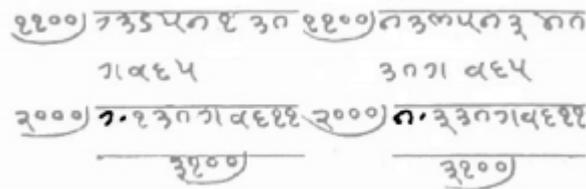


Use of tick marks over fractions



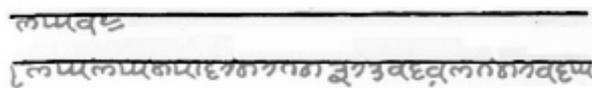
Use of tick marks over digits

8. No specific punctuation marks exist. Although, marks similar to dash, dot, colon and dandas are used.
9. Use of abbreviations is common and generally denoted by a full stop sign. The bold part below refers to raor rokad which denotes rupee.



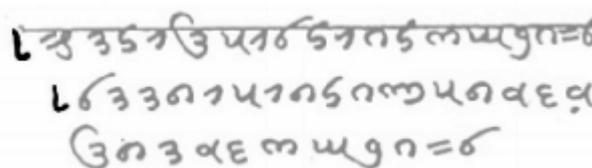
Use of Abbreviations

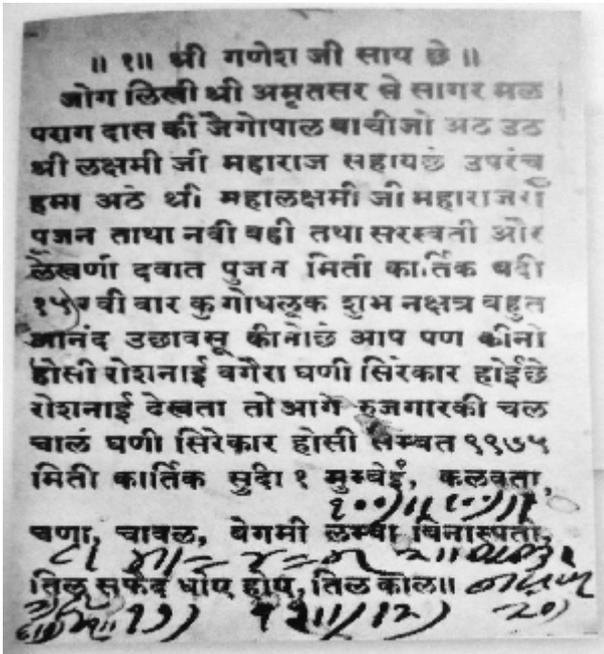
10. In the Mahajani System, ruled lines are used for titling and structuring of documents as in the figure below:



Use of ruled lines for titling and structuring

11. L like marks are used for showing line continuations:





A postcard sent by a Marwari firm to its business associates on Deepawali which also mentions the prices of Rice and pulses in Mahajani system.

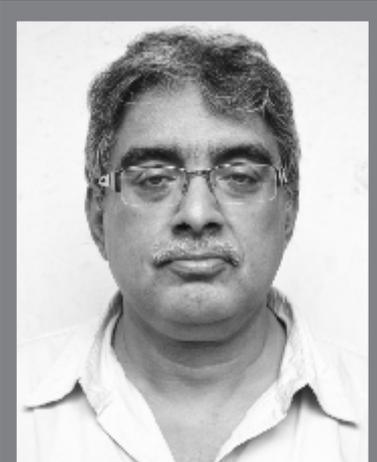
Mahajani subject is now being taught to students at only one institution- the 'Agrasen Mahajani Mahavidyalaya'. The Mahajans are still maintaining their relevance as the traditional businessmen engaged in the trades like Banarasi Sari, food grains, spices, ornaments etc., while others prefer them to prepare their 'Bahi-Khata'. However, the attraction for education in the subject of Mahajani has reduced, as only two teachers of this subject are imparting the education among few hundred students, that too at the elementary level only.

CONCLUSION

It is true that after the introduction of computerized accounting and accounting standards, the indigenous accounting system of the Marwaris has become obsolete, but its historic value is immense and the documentation of the accounting system of this ethnic group must be done for the future generations.

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The Green Dream

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“
The most important aspect about efficiency is not using the least amount of resources, but to reduce the amount of waste generated while using those resources.
”

ABSTRACT

A careful analysis of the proposed rates of GST shows that it has adequately integrated the polluter-pays principle. What matters most from the standpoint of environmentally responsible fiscal regime is the high sin/demerit tax along with the rates worked out in public interest. There is a growing international practice to levy sin/demerit rates in the form of excise beyond the scope of GST on goods and services. Thus, the principle of incentive and disincentive has to be on the table because the environment and development discourse has already exposed severe market distortions that make our country vulnerable to high levels of pollution and energy-guzzling.

KEYWORDS: Green GST, pollution tax, social wealth, Make in India, coal cess

'We already have - thanks to technology, development, skills, the efficiency of our work - enough resources to satisfy all human needs. But we don't have enough resources, and we are unlikely ever to have, to satisfy human greed.' - Zygmunt Bauman

If we adopt any efficiency measure, it automatically results in the saving of resources, whether it is saving a dime while shopping for groceries, or saving hundreds and thousands of dollars owing to proper operations within an organization.

The most important aspect about efficiency is not using the least amount of resources, but to reduce the amount of waste generated while using those resources.

In reference to the above context, the passing of the Goods and Services Tax (GST) Bill by the Centre in 2017 was a big move. This not only helped in saving tax, but also reduced waste.

For example, under the GST Regime, Octroi (or Entry Tax) has been abolished. The abolition of Entry Tax means that hold-up of trucks at every state/city border will be removed and the time taken will be reduced significantly. This will exponentially enhance the effectiveness and the efficiency of the Indian goods transport system which, in its totality, is abysmal today.

Abolition of entry tax could also have a substantial impact on the free flow of agricultural products across the country. Currently, the state-level authorities have imposed stifling barriers on the free movement of farm products. This may help farmers to remove the intermediaries and get better prices as they have better flexibility to move their produce directly to the end users for a higher margin or to the markets which offer better price.

The rationalization of our tax structure also means a massive reduction in paperwork, and consequently, a reduction in the consumption of paper and the storage space, thereby leading to less deforestation and saving of natural resources.

According to the Indian Economic Survey of 2018, there has been a 50 per cent increase in the number of indirect taxpayers after the implementation of GST. Economists believe that GST could add two per cent to India's GDP – a substantial amount, which the government can use for investing in primary education, health and conservation.

The ulterior motive behind the above statements?

Humans need to understand that GST has to be perceived as a yardstick to replenish the loss and

damage caused to Mother Nature due to the ruthless use of natural resources.

'To err is human', human knows. But where is our humanity when we selfishly centralize our entire focus just on our needs, the needs of this generation, without blinking an eye towards what we will be leaving for our children and the future generations? Is this the legacy we want to leave?

No. And that cannot; that must not happen.

To go into the depths of it, let us start with the simplest explanation about the two different kinds of supply under the purview of GST, based on the type of recipient – Inward Supply and Outward Supply.

Inward Supply means receipt of goods or services or both, either by purchase, acquisition or any other means, with or without consideration.

Outward Supply means supply of goods or services or both, either by sale, transfer, barter, exchange, license, rental, lease or disposal or any other mode, made or agreed to be made by such person in the course or furtherance of business.

In simple terms, our transactions with Mother Nature have involved both Inward and Outward Supplies – the only problem being that it has never been a two-way street.

We have always done nothing but ask and ask and receive all that we could from nature and what it has to offer, but we have never done anything about giving back even one per cent of what we took.

This is where the concept of Green Tax is re-introduced as Green GST.

Green tax, or pollution tax or environmental tax, as it is also called, is an excise duty on goods that cause environmental pollution. According to Economic theory, charging taxes on emissions that cause pollution will lower environmental impairment in a cost-effective manner by encouraging behavioural changes in households and firms which need to decrease their pollution.

Pollution is considered as the cost of creating products that is not borne by the producer or polluter. The adverse effects of pollution, such as climate change,

impaired health and noxious odours are forms of an impaired environment, which affects everyone, whether or not they contribute towards pollution. Green tax is an environmental tax which aims at ensuring that polluters are duly punished for the activities that deter the environment by charging them a penalty for the harm caused to others. Charging direct taxes to perpetrators on emissions is an economical mean to provide them with an incentive to lower their pollution to the extent where further reduction could potentially turn out to be more expensive than paying the tax itself.

Indirect taxes, like taxes on alternative policies or related goods such as authorized technology standards, have the potential to reduce pollution, but the costs involved may be rather high. For instance, increasing gasoline tax in order to lower environmental damage caused by automobile emissions, provides no incentive to drivers to ensure that the pollution control equipment in their car is maintained, and making pollution control equipment compulsory for all drivers does not encourage them to drive less.

Taxes charged on direct emissions are cost-effective. They ensure that people reduce pollution, by using innovative means. Firms and households that find pollution reduction expensive will continue to cause pollution and will have to pay more tax, while firms and households that find it less expensive can cut their pollution and thus lower their taxes.

The Green GST that we propose does not change the basic character of the proposed GST. There will be a single and uniform rate for both the Central GST (CGST) and the State GST (SGST), which together will be represented by the Integrated GST (IGST).

The socially responsible behaviour of any company implies that it is undertaking various activities for preventing, removing and minimizing the harmful effects on the environment. Such a responsible strategic approach ultimately leads to saving in cost, improvement in profitability and reputation and finally, corporate sustainable development.

In order to achieve its goal, this research will be methodologically based on the analysis of corporate practice in designing environmental accounting

systems that allow better identification and control of costs and benefits related to environmental protection activities. Analysis of different accounting practices in producing financial and non-financial environmental information requires distinction between environmental, financial and management accounting, given the fact that they create different types of information intended for internal and external users.

The management needs such information for the purposes of identification and control of environmental protection costs, making decisions about the efficient use of resources, projecting costs and benefits of further activities and attempting to increase the company's value through a socially responsible behaviour.

In addition, preparation of an Environmental Value Added Statement (EVAS) would help organizations to determine what we would like to call the 'Environmental Profit' of the said organization. This Environmental Profit or EVA is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital and the cost to nature from its operating profit, adjusted for taxes on a cash basis.

The expected results of this research should confirm the premise that increased awareness about the need of environmental protection and achieving sustainable development motivates companies to frequently produce obligatory and voluntary external and internal reports about their environmental activities.

This will not only impact the investor's psyche about choosing environment-friendly companies over others, but it will also create a ripple effect in stock prices and the entire market as a whole, leading to the creation of what we call 'Social Wealth'.

At the same time, environmental accounting is supporting these initiatives, but we expect that in future, new tools will be developed; these tools will improve the quality and scope of environmental accounting's informational offer, which may be the area of potential for further research.

Environmental and Fiscal Reforms in India is an informed discussion on incorporating eco-taxes and eco subsidies in the GST system. D. K. Srivastava and

K.S. Kavi Kumar, the lead authors of this volume, discuss ways in which eco-taxes could be disincentives for polluting industries and processes, and how eco subsidies could provide incentives for green processes. The idea is to bring environmental cost, which is currently an externality, into the accounting and taxation system.

Eco-taxes are not meant to be revenue augmenting devices. Instead, the idea is to change the structure of taxation without putting an additional burden on the taxpayers. They reduce the use of resources and pollution by making them more expensive. At the same time, they facilitate the reduction of distortionary taxes on labour and capital, making them cheaper.

Srivastava and Kumar suggested two important considerations, which are to be taken into account when planning for India's growth.

First, there is a need to recognize the implication of the potentially growing rate of pollution load. Second, while the proposed transition to GST might facilitate growth, it might also encourage pollution.

So coming back to the implementation of this concept in our country, these are a few things which have been going wrong for us and have been causes for serious environmental issues:

1. The commodity value chain is inseparably linked to a more fundamental production process, i.e., the ecological production process.
2. Goods and services provided to human communities for free, by the ecosystem, also come under taxable products.
3. The GST imposed on commodities that are pivotal to livelihoods of forest tribes in India might not be too beneficial for the value-chain either.
4. GST will bring about more transportation of goods and demand for infrastructure.
5. If road infrastructure growth brings about reasonable land use conversions without factoring in ecological concerns, the net result may not be ecologically favourable.
6. Diesel is not a clean fuel and it does not come under GST taxation, but under the proposed

structure, there is a five per cent tax on solar and wind energy.

7. The carbon tax (or coal cess), which was thought to be a source of funding for clean energy projects through the National Clean Energy Fund, will now feed the GST Compensation Fund — a fund meant to compensate various state governments for any loss in revenue arising out of the GST.
8. With the costs of coal projected to fall by almost seven per cent, the GST regime clearly moves the 'terms-of-trade' in favour of coal from the cleaner sources of energy.
9. This act exempts incomes obtained from sale of non-timber forest products from taxation.

What we can do to rectify the situation at hand, is a very detailed and tedious process that might take another couple of years to take form and shape, but it will be one of the best decisions in the history of India –

1. Setting up an independent and separate Environmental GST (or E-GST) Council or Empowering Committee.
2. Understanding the working of Green and Environment-friendly countries throughout the world like Finland, Iceland, Sweden, Spain, Brazil, et cetera.
3. Monitoring the Commodity Exchange Platform by the E-GST Council as commodities, in essence, are borrowed from nature.
4. Introducing/redefining the concept of Social Accounting and Corporate Social Responsibility.
5. Introspecting, with emphasis on the changes required to encourage more efficiency in resource use, prevention of pollution and management of waste.

Hence, the GST, proposed by the NDA Government in 2017, aims to bring about a common taxation regime with a view to eliminate the cascading of taxes, removing tax barriers in inter-state movement of goods and services, and ushering them to a system under which taxation will be destination based. It visualises a system where goods and services will be taxed at the same rate. The rates will be common across states and

the inter-state sales tax will be eliminated. This, in effect, is expected to create an integrated common market across the country, and replace the current fragmented system of taxation by the centre and the states and the varying rates of taxation across States.

However, GST in this form may have perverse environmental consequences unless suitable provisions are effectuated. For instance, if a polluting good is taxed at a low rate under the GST regime, the resulting consumption of the good is expected to be high. Further, in a destination-based system, the tax revenue will accrue to the consuming state rather than the producing state. This will not only increase emissions in the producing state, but it will also leave the producing state with lesser revenue to cope with the negative externalities of production.

Srivastava and Kumar suggest complementary eco subsidies to strengthen the environmental efficiency of the GST. Subsidies can promote environment-promoting technologies and use of environment-friendly inputs. Subsidies can also be targeted to specific sectors more easily than taxes, where adopting a sector-specific approach is not preferred. In fact, tax revenue from environmental taxes can be used to promote environment-promoting subsidies. According to them, the four primary objectives which should guide the use of eco subsidies are:

1. Encouraging the use of environment-friendly inputs.
2. Encouraging outputs that intensively use eco-friendly inputs.
3. Encouraging technological innovation that will reduce the use of polluting inputs.
4. Facilitating the promotion of environment-friendly technologies.

The funds for eco subsidies can be obtained from the general tax revenue, a specifically created cess like the coal cess, private resources for environmental purposes leveraged by the government, and international sources such as the carbon fund and the Global Environment Facility. They have also suggested reduction and reallocation of environmentally perverse subsidies.

An effective inclusion of eco-taxes in GST will help the government in gaining greater access to financial resources to provide higher exemptions to individual middle-class taxpayers. The measures can also strengthen the element of environmental sustainability in the 'Make in India' agenda. However, for that, the government would have to be serious about conserving the environment even as it pushes the development agenda.

And that is how we will be able to continue our legacy.



Elimination of transnational dependence is an impossible dream, considering the specializations in fields and nations' best conducive to their geographical and infrastructural factors.



Trade, Tariffs and Turbulence

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ABSTRACT

June 17, 1930. US President Herbert Hoover signs the controversial protectionist Smoot-Hawley Tariffs Act, 1930. The Act would place steep tariff rates on American imports of thousands of products across numerous nations. It initially intended to protect the US farm sector but later expanded to cover a plethora of imports. Soon, its trading partners retaliated with Canada and European countries imposing towering tariffs and shifting their trade. Russia benefitted and gained new trading partners. This severely reduced US exports by 1933 and the repercussions catalyzed the repealing of the Act in 1934. Though unique at that time, this Act showed how nations would employ strong-arm tactics to discomfit others and paved the path for 'Trade Wars'.

KEYWORDS: Tariffs, trade wars, retaliation, exports, imports, economy, international trade, USA, China

INTRODUCTION

Retaliation, today, is a far cry from the tendencies of negotiations and dialogues or even the armed wars with active foreign support fuelling national dissent which followed most controversial decisions in the past. Nations are avenging themselves through retaliations in protectionism when foreign trade protections hurt their economies. The means to achieve this is described as a trade war. However, trade wars are a boomerang, which after striking your target, return and hit back. And the incidents of trade war balloon up due to the fact that the targeted countries cannot afford to accept high tariff measures without any equivalent come back, and hence throwing international trade processes into jeopardy and hampering global economic growth - with every participant taking a beating, and a superficial 'victory' for those who survived them with minimum repercussions.

But it is imperative to understand what essentially a trade war is, and how the concepts of tariffs and protectionism figure in it.

Tariffs are taxes on the export or import of a product levied according to the existent domestic policies. They determine the final cost of an import and the changes in this cause the import/export prices to fluctuate significantly.

The term 'protectionism' can be attributed to the trade policies of a country, which seek to give an impetus to its domestic industries by attempting to stem the flow of foreign goods and services, either by reducing such trade altogether or creating high entry barriers through high tariffs.

When a country raises its tariffs for foreign imports, the exporting nation bears the brunt due to fall in demand since their exports are now higher-priced than locally produced goods. The exporting nation may then either negotiate for lower tariffs or initiate retaliatory tariffs. These attacks and counter-attacks together comprise a trade war. Understandably, trade between nations are impacted and economic growth is slowed down. Trade serves as a lifeline for many nations like Egypt and Jordan, bringing in much needed revenue and foreign exchange. Getting caught up in a trade war would be catastrophic for them.

WHY TRADE WARS?

Historically, trade wars have been kick-started by economically developed countries leaving the affected no choice but to negotiate or take counter-action. But

in the past, high tariffs have also been placed to protest against unfair trade practices of others; somewhat like the current intentions of the USA against China. Tariffs might also be the outcome of a protectionist policy seeking to help domestic competitors. Another motive might be to take punitive action against the states 'playing truant' and not conforming to international expectations, for example, the US's sanctions against North Korea and Iran for not abiding by the international treaties and protocols and intimidations against Russia.

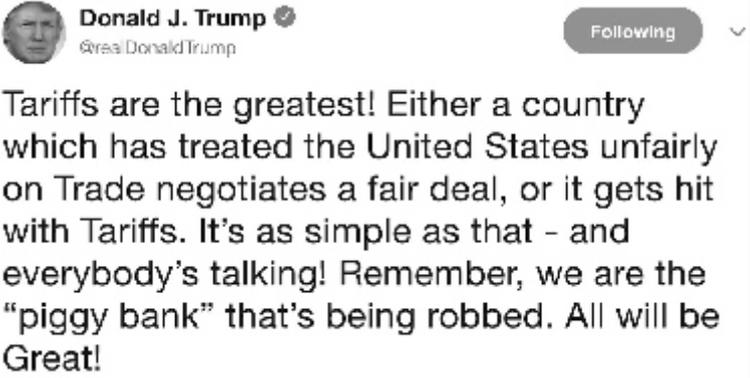
Lastly, trade wars may result from countries seeking to tackle their growing trade deficits. This has been predominantly used by the Trump administration. In 2017 when the US's Trade deficit with China was pegged at \$375.23 billion, they imposed high tariffs on important Chinese imports worth \$34 billion. Trade Deficit is the difference between the value of goods and services imported and the amount of goods and services sold to a particular country. They may often be bound by uncontrollable circumstances and are not as detrimental as President Trump believes. Hence, trade wars to reduce trade deficits remain quite controversial decisions.

Trade wars are a boomerang, which after striking your target, return and hit back.



THE HIGHS AND THE LOWS

Both parties of a trade war suffer casualties; with only those remaining outside the geographical fray of the conflict emerging unscathed. Trade wars are always uncalled for, with their benefits being short-lived and having lasting consequences. Understanding that each trade conflict happens due to different reasons, an attempt has been made to distinguish the gains from the losses.

1. In the short run, the domestic manufacturers tend to gain in the absence of foreign competition. They can increase their production and cater to the expanded demand until demand outstrips supply. India had put a brief ban on the import of Chinese toys into the country in 2009 in protest of their spurious quality. This helped the Indian toy makers flourish and nearly destabilize their Chinese counterparts, forcing China to accept quality norms and regulations.
 2. Countries unrelated to the parties in the trade dispute have a chance to gain trading partners. Like Brazil that has gained, perhaps temporarily, from the ongoing US-China trade crisis and the shifting priorities of both the super economies. Soybean exports to China, which constituted upto 10 per cent of US exports and a major source of livelihood of the American Midwest, have been stalled and Brazil is receiving plump orders.
 3. Workers of protectionist countries get more employment opportunities with increased production to meet increased demand. This leads to higher employment of skilled, semi-skilled and unskilled workers in the economy. However, such hiring slows down when normalcy in international trade resumes and in the long run, employees may lose their jobs if not absorbed by the market forces.
- 

Donald J. Trump 
@realDonaldTrump Following 

Tariffs are the greatest! Either a country which has treated the United States unfairly on Trade negotiates a fair deal, or it gets hit with Tariffs. It's as simple as that - and everybody's talking! Remember, we are the "piggy bank" that's being robbed. All will be Great!
4. Sanctions and tariffs on countries having strategic mineral reserves can upset the economies of other countries dependent on them. This is why India continues to negotiate with the USA over importing Iranian oil amid the sanctions imposed on Iran.
 5. Trade wars involving developing or underdeveloped countries may completely ruin their economies since they remain largely dependent on such trade for buoying their economy.

And following are the losses one could expect from trade wars.

1. Every nation cannot afford to be self-dependent and must look outward at times to support its citizens. High tariffs cause domestic prices of goods to rise owing to a low demand. Resultantly, people spend higher on their basic necessities, and that in turn leads to inflation.
2. Reduced international trade and slower economic growth of the nations is a common result. The Anglo-Irish trade war (1932-1938) badly affected the weaker Irish economy that took years to recover.
3. Inability to find a ready market for the surplus may severely hamper the livelihoods of the people

HISTORICAL PRECEDENTS

Trade wars have happened since the popularity of international trade has increased. A cursory glance at past trade wars will reveal that they have happened not for precious goods, but for items like chickens (Chickens war 1960s, French and German tariffs on cheap American chickens), pasta (US tariffs on European pasta, 1985) and bananas (European tariffs on import of Latin American bananas, 1993). A glaring takeaway from these instances is the vulnerability of being attacked from a wide variety of sectors. We are in grave danger because we simply cannot imagine what the bone of contention for the next big trade war would be.

CASE STUDY: TRADE WAR 2018

The ongoing US-China tariffs war was kick-started by the temperamental US President Donald Trump early in 2018, based on perceived threats to US international trade and security. The following are the bones of contention on which the tariff war has formulated-

1. Imports of Solar panels and Washing Machines:

Import of the concerned products were said to be hurting the American domestic industry. Following local pleas for tariffs, the USA imposed safeguard tariffs, compelling China to retaliate on US sorghum exports, and South Korea petitioning to the WTO against the USA.

2. Steel and aluminium imports perceived threats to national security:

The US Department of Commerce found that steel and aluminium imports posed a security threat to the nation. The mercurial US President again announced subsequent tariffs on such imports, which was mostly imported from US allies in the first place. Faced with mounting pressure, America announced mass tariff exemptions, only to partially roll them back later on. China, EU, and Canada retaliated back with corresponding tariffs.

3. Unfair trade practices on technology and intellectual rights:

Based on allegations of non-adherence of China to fair-trade practices, USA imposed tariffs on roughly \$46.2 billion of its imports. This included sectors with a crucial contribution to nation building. China hit back with tariffs on an equal value of goods. After a brief hiatus, a revised American tariff list included imports worth \$50 billion with plans to impose tariffs on another \$200 billion on Chinese exports. China has promised a subsequent retaliation to each provocation.

Summarily, the world economy is looking at an uncertain time ahead, with USA and China increasing their retaliatory manoeuvres, and at the same time seeking alternate trade partners elsewhere. Tariffs remain imposed on \$34 billion of

Chinese exports. Not only these two countries, but also numerous others around the world continue to suffer the economic repercussions.

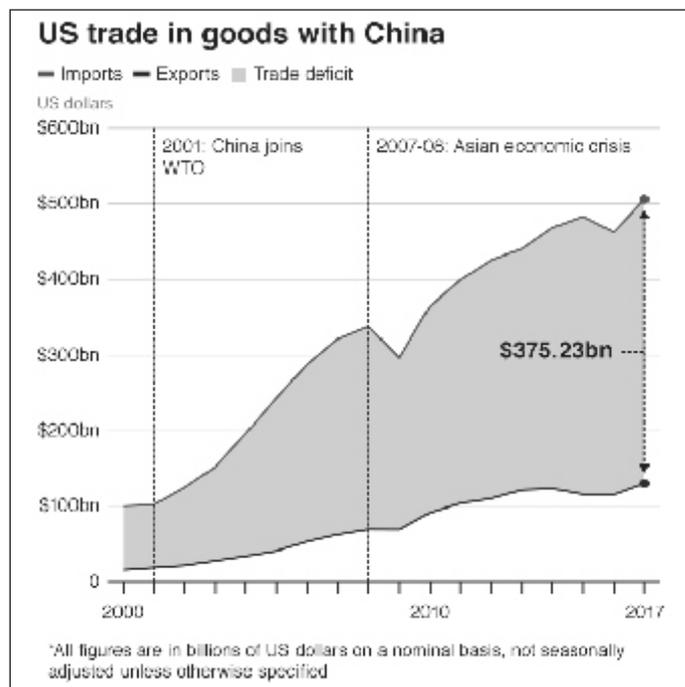
VERDICT

The US-China trade war shows that all of the many stakeholders in a trade war are affected. Global ones hurt consumers around the world, making it harder for businesses to operate and push higher prices on customers.

If trade stops, the world stops.

It is imperative that conflicting countries explore alternative cost reduction technologies beyond retaliatory measures which would benefit the customers. They might also dwell on the perils of transnational dependence for customers and producers and think of solutions thereof.

Elimination of transnational dependence is an impossible dream, considering the specializations in fields and nations' best conducive to their geographical and infrastructural factors. Despite exporting apples,



India still relies on American apples for local consumption. Germany specializes in the automobile sector and they will not be able to divert resources effectively to cater to all of the food grain needs locally. Transnational independence and self-sustenance are impossible but countries could diversify their target markets or suppliers such that sudden disruptions or

exports. Cost reduction in different sectors can open them up for exports, and the investments made for such technologies can be recovered from the gains of international trade. A retaliatory mind set will have countries warily looking out for their opponents' next move. Punishing others through tariffs will, in return, bring some punishment home too.



CONCLUSION

High interdependence among nations combined with the unpredictability of trade wars is frightening. Traditionally, wars actively involved soldiers and the ordinary citizens by and large remained safe. But trade wars go beyond enemy and home front lines and hit people hard, when they are least expecting it. Just as Jack Ma summarises, 'If trade stops, the world stops.'

instances like trade wars do not topple their economies; quite similar to having a diversified investment portfolio to mitigate risks. It will also test the diplomatic prowess of nations to maintain cordial relations with their trading partners ubiquitously.

It would be wisest for the conflicting countries to concentrate on cost reduction technologies, making resources available for other necessary investments and increase productivity. Ending tariff retaliation would prevent inflationary trends and important imports like engines, heavy industrial equipment can be brought in at cheaper costs for infrastructure development, adding to nation building. Quality products from different parts of the world would reach new markets without hindrances and sustain the livelihoods of the producers of the exporting countries. However, it should be ensured that dumping does not replace exports.

The enhanced productivity will cater to the existing demand and reduce the volume and importance of

It is imperative that nations ensure that the current provocations do not escalate into hostilities and trade wars. Although peace cannot be attained permanently, we must seek consensus to maintain harmony in the present world order.

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Dictator of Marketing 2018

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ABSTRACT

The article is primarily concerned with content marketing and its role in today's marketing world. It discusses every aspect of what content marketing covers in its domain, and how marketers have either already benefited from it or have a strong intention to do so.

It mainly focuses on video content marketing, explaining the role of educational content. The article justifies that educational videos are an output of extreme consumer behaviour research and that such type of marketing subtly promotes the brand, addressing the consumers' needs and finally asking them to take action.

It talks about the new trends in marketing and how influencer marketing makes it to the top of the list when it comes to marketing strategies these days. The article emphasizes on the point that video consumption has shown an exponential rise and that every marketing strategy shall now allocate a substantial portion of their budget to videos.

The article concludes by enlisting some challenges of content marketing and giving a few latest trend pointers to the readers. As a whole, a realistic approach of content marketing has been portrayed through this article and it establishes the fact that content marketing dictates the marketing world in 2018.

KEYWORDS: Influencer marketing, social media influencers, content marketing, online video consumption, content marketing strategies, content is king, marketing 2018, online content

INTRODUCTION

'Content Marketing is the only marketing left'

These words by Seth Godin are not the be all and end all for today's marketing scenario. But if we take a closer look into our personal lives, it is then that we realize we're being trapped and hypnotized very politely to feed-in the desired brands into our minds, the way we like it.

It's no longer enough for brands to be passive about their brand identity as consumers are expecting more from the brands they engage with.

A brand's ability to create and capture leads trickles down to the point of having trust and intimacy with those who need that brand the most. Then, it is all a matter of convincing and converting the lead into a customer. Omnipresence is definitely required to be prominent in the minds of the consumers, but it not the key to marketing today. The mantra is to become omnipresent only in front of those leads that are most relevant to one's brand. Today, marketing is about how you deliver it, or in short WIIFM - What's in it for me? It's no longer enough for brands to be passive about their brand identity as consumers are expecting more from the brands they engage with. It is here where the role of content marketing comes in.

WHAT IS CONTENT MARKETING?

The Content Marketing Institute or the CMI defines Content Marketing as, 'A strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience — and, ultimately, to drive profitable customer action.'

Every aspect of this definition has a significance in today's marketing world and to the path it's being led to.

Certain pointers that portray its significance are curated below:

1. **Relevance of Personalization:** With every step taken forward in the world of marketing, customers are, inevitably and unknowingly, demanding personalization with respect to the promotions that are displayed on their mobile and laptop screens, thus making the promotions valuable.
2. **Attention to needs:** Remarketing is one such avenue that feeds on cookies dropped by certain websites when one scrolls through them. Remarketing, in turn, searches for those cookies and pesters only that prospect to buy a particular product. Thus, nothing goes to waste.
3. **Different platforms, different needs, different audiences, different content:** Content Marketing allows the marketer to post and promote different content on different platforms, addressing the

specific needs of that platform's user! This helps maintain consistency and distribution of content in various formats.

4. **Invisible ROI:** Content Marketing is one such avenue that helps in spreading awareness from the very beginning. This awareness is completely opposite to the traditional way of expecting sales through advertisement. This is a form of an invisible return that the brand expects to reap over the long run.
5. **Educating Consumers:** As a part of the content marketing plan, today, educating customers does half the job of attracting them. These knowledge-full content posts boost the customer's confidence in the brand and hence drive customer action.
6. **Use of latest technology:** The use of artificial intelligence and chatbots are a part of content marketing that show customer-specific content and helps in addressing their queries and feedback.

To be put simply, it is a type of marketing that involves the creation and sharing of online content (such as videos, blogs, and social media posts) that does not explicitly promote a brand but is intended to stimulate interest in its products or services.

'The attention economy is not growing, which means we have to grab the attention that someone else has today.' - Brent Leary

Every single advertisement that pops up on the screen with a cross button on top, while you're playing your favourite game, or watching your favourite video or even using your favourite mobile app, is all going to vanish in the next 5-10 years. In fact, the CEO and the employees of the largest advertisement agency of India, Release My Ad firmly believe that all ads in the future shall be embedded in the content itself, where the user, being unaware of the fact, sees the content (reads it, or watches it) and is fed with the brand's message and awareness subtly onto their minds. They even believe that journalists would be the next media brand.

With the advent of Jio and its constructive internet plan rates, the consumption of video streaming has increased manifold. In fact, the estimated duration of

time spent on video streaming consumption per day has increased from 39 minutes to 115 minutes from 2011-2018. This has indeed given rise to the growth of various content formats since then, but mainly a boost to the video streaming economy, particularly the YouTube platform. According to marketers, videos remain the most preferred type of content. According to the Forbes report of 2018, 90 per cent of customers report that product videos help them make their purchasing decisions.

We are now in an era where promotions are mostly taking place through influencers, and influencer marketing is the new trend. It is a concept similar to brand endorsement but has been the calling for most brands these days.

Influencer marketing simply involves approaching and asking social media enthusiasts (frequent users who have established themselves online), who have a good amount of target audience as their followers, to promote the brand's product through their videos as if to influence the mass followers into brand awareness and its benefits. This type of marketing has given rise to the influencer domain of the society. It has given rise to stars, even superstars from the houses and homes that were never expected to show-off some talent on a global level. Of more than two hundred marketing professionals surveyed by Chute, 66 per cent used social influencers as part of their marketing strategies in 2016. This has grown even more exponentially in 2018. The one very common type of social influencer used for marketing these days, are vloggers (Video Bloggers).

The best way to understand influencer marketing is by taking real life examples. The epitome of such examples being AIB. This comedy sketch group makes paid promotional videos for sponsors in a way that the audience is made to believe that it's a normal comic video. Then they watch it for fun. The sponsors are happy with their marketing, AIB for the revenue, and viewers for the content. They have changed the way marketing is done in the new gargantuan world of videos.

When we consider individual social media influencers, there are numerous - from soap actors to advertisement models, and from motivational speakers to satirical

poets and many more. These influencers simply promote the brand through their social media posts subtly. Taking an example of the young 21-year-old model, Saachi Bhasin. The biggest of brands like L'Oreal, Uber, Puma, designer labels etc approach her to wear their products and use their cosmetics to feature on her stories on Instagram, 'influencing' the viewers to use the products as well.

'The attention economy is not growing, which means we have to grab the attention that someone else has today.'

While influencer marketing is on-the-go, what is more in demand today is educational content. The ongoing content marketing strategy strictly involves videos - the interactive approach as a part of their daily/weekly/monthly hygiene content for their customers. Especially live videos. Here, the brand posts educational content on its channel to address the daily needs of the consumer. The beauty of such educational content is that through the power of optimization, brands are given the opportunity to actively serve the customers what they are looking for. Brands now tap on to the customer's search trends and social data to capitalize on the consumer pain points. Content marketing will also adapt to natural language search.

These educational videos do not drive direct sales for the company but have long-term impact by spreading brand awareness and getting viewers to like the brand for the work that it does. Content marketing is an art of using the science behind consumer behaviour.

In the same way as videos, the brands use written blogs as well. These blogs form a part of their SEO needs as well as their content marketing strategy. Let us take the example of Zomato. Along with its own social media blogs, it approaches foodies all around the world to talk and indirectly promote Zomato subtly in their reviews and blogs, so that readers are influenced!

Thus, in this case of a content marketing strategy, the content automatically becomes relevant because it is

based on real-time insights from the consumer. Showing a series of helpful content compels the customer to come back again to the brand's channel and then, this kind of marketing gives the customer a sense of satisfaction and entertainment, making them feel that they are before the brand promotion. Right after feeling this, they will themselves give extra time to check out the brand and be self-aware. The brand builds a channel through which it influences its audience, motivating and entertaining them while subtly promoting the brand.

There have been some notable content marketing challenges that brands have faced - insufficient resources to produce good quality content and the struggle to keep it consistent. There has been a rise in competition on all platforms with all types of content. Also, while having constantly shifting trends it is difficult to stick to the publishing schedules. It is difficult to have long term sustainability and at the same time measure the ROI from content marketing.

What can one take back from content marketing strategies for their own business/start-up?

1. Tell powerful stories.
2. Be honest and transparent.
3. Personalize where possible.

4. Quality over quantity — but if you can have both, then do.
5. Employ visual content at all costs (Video will prevail).
6. Keep proper distribution of content.

Personally, I feel, marketing is more like fashion today. There are new trends coming in every now and then. They make their way to the platforms, become a sensation and then are gobbled up by a few more new trends within the end of a year or two. Marketing jobs are not monotonous now. They are a lot more exciting. It is the trend for the year that shall decide what you will be working on and how you will use the tools to you and your client's advantage.

Content is the present – and the future – of marketing. In complete agreement to Mr. Bill Gates and his words, I'd like to extend that Content isn't just the king, it's the whole kingdom now!

**Content
marketing is an
art of using the
science behind
consumer
behaviour.**



The Legal Battle of Euthanasia in India: An Overview

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A dying person also enjoys the right to die with dignity and the procedure of death should also be dignified.



ABSTRACT

The laws in India do not recognize euthanasia, because the 'Right to Life' is put on the highest pedestal of all the other rights in the light of Article 21 of the Indian Constitution. Many people who are terminally ill, desire to die because, in such a painful and agonizing situation, death seems like a favourable option to put an end to all their sufferings. The attempt to commit suicide due to a terrible psychological distress, and euthanasia in respect of a person with terminally prolonged illness leads to self-destruction; therefore, the laws oppose it strictly. In *Kharak Singh v State of Uttar Pradesh* (1963) and *Pt. Parmanand Katara v Union of India and others* (1989) the Hon'ble Supreme Court held that life does not mean mere animal existence and it is the duty of the doctors to protect it. In *Gian Kaur v State of Punjab* (1996), a five judge bench of the Supreme Court decided that 'right to life' does not include the right to die. Therefore, euthanasia was ruled out. But in the case of *Aruna Ramachandra Shanbaug*, the Court dealt with the right of passive euthanasia and issued guidelines for the procedure to be followed by the High Court when such application is filed on behalf of a patient for passive euthanasia. The court considered the various reports of the Law Commission of India and especially the report given by the Law Commission of India in 2006 on 'Medical Treatment to Terminally ill Patients'. This article reflects the necessity of a comprehensive legislation on this issue.

KEYWORDS: Legalization, right to live, passive euthanasia, informal decision

INTRODUCTION

Euthanasia or the 'right to die' is a highly sensitive issue in our country. This is owing to the fact that every human being is entitled to a dignified life under the laws. But euthanasia recognizes the reduction of the lifespan of an individual voluntarily. People suffering from terminal illness may desire to die

because life becomes very painful to them. Death seems an option to end the life's sufferings and pain. 'Right to life' is a fundamental right under the Constitution of India that is put to the highest plinth of all rights. It is an inalienable right which cannot be waived by any human being and cannot be denied to any person except by the expressed provision of law. In a welfare state, it becomes the duty of the government to ensure a life of dignified existence. The change in the outlook of the society is felt in the increasing number of suicides in our country. This is posing a real challenge to the state. In India, suicide is still considered an offense, although the State has decided to efface it from the criminal statute.

Death is the ultimate end of all mortals, but it has never been acknowledged in case of voluntary diminution of life. Inviting death has always been subjected to depreciation and denunciation and therefore an attempt to commit suicide as well as euthanasia has been put with restrictions; even if the attempt to commit suicide is made due to a terrible psychological distress, and euthanasia is in respect of a person with a terminal prolonged illness. But after the decision of the Supreme Court in Aruna Shanbaug case, (*Aruna Ramchandra Shanbaug v Union of India and ors*, 2011) a slight relaxation has been granted to the people who are in a persistent vegetative state. This article depicts the legal battle of euthanasia and the settlement thereto.

THE LEGAL BATTLE OF EUTHANASIA

The Constitution of India guarantees right to life to all persons under Article 21. It also casts a responsibility on the state to provide health care to all its citizens under Article 39. In *Kharak Singh v State of Uttar Pradesh* (1963) it was held that 'life is something more than mere animal existence'. The Supreme Court of India in its landmark judgment in *Pt. ParmanandKatara v Union of India and others* (1989) held that it is the duty of every doctor to extend service to the people in need, for protecting life; whether he belongs to the government or a private hospital. Hence, the medical professionals are also charged with the responsibility of ensuring the 'right to life'. Therefore, doctors giving a lethal dose to

those who do not want to live is illegal and unconstitutional (Mugunthan, 2006). No one can even be permitted to put an end to his life by committing suicide as section 309 of the Indian Penal Code, 1860 makes it an offense punishable under the law. This particular section involves consideration of an important and intimate question pertaining to human life and causes heated controversy. People are divided in their opinion and outlook. One section of the society protests against it on the perception that no one should compel a person to live beyond and against his or her own wish; whereas the other confronts it by the principle that the constitutional right to life does not include the right to die (Kanabar, 1993).

Euthanasia, which is also called physician assisted suicide, and suicide are not conceptually the same, although both of them deal with the premature termination of life. No legislation has defined euthanasia and therefore it is covered under section 309 as both of them concern with self-destruction. Indian Penal Code, 1860 has made the attempt and abetment to suicide an offense and endeavoured to reduce it. In 1971 the Law Commission of India in its 42nd Report recommended deleting section 309 of the Indian Penal Code, 1860. The bill to decriminalize suicide was passed in the Rajya Sabha in 1979 but due to the dissolution of the Lok Sabha, it did not see the light of the day. Mental Health Care Bill, 2016, has been passed by the Lok Sabha and the Rajya Sabha but it is yet to become an Act. This legislation will exempt the criminal liability of all those who attempt to commit suicide. Therefore, attempt to commit suicide remains in the statute book even today. The Indian society should have a humanitarian and civilized approach to their citizens; assisting them to come out of the distress and not to punish them for having taken the attempt to commit suicide, if unsuccessful.

Interpreting section 309 Indian Penal Code, 1860 and Article 21 of the Constitution, it can be inferred that if a patient stops taking treatment as prescribed by the doctors, he is acting towards the commission of suicide. The validity of section 309 came up before the Supreme Court in *P. Rathinam v Union of India* (1994), wherein the court decided that the right to life does not mean the right to a forced life. This decision was based

on some international instruments and the prevalent Indian laws. The court decided that section 309 is unconstitutional as it is in violation of Article 21 of the Constitution. The court opined that section 309 is a barbaric and inhuman provision that needs to be deleted from the Indian Penal Code, 1860. It implies punishment to a person who is already undergoing pain and misery that he considers unbearable. The Supreme Court took into consideration the Law Commission's 42nd report published in 1971 that also recommended the deletion of section 309. Therefore, it is found that the Court was moving towards recognizing the 'right to die' under Article 21 of the Constitution, although in a restricted sense.

However, the deviation of opinion is found in *Naresh Marotrao Sakhre v Union of India* (1995) wherein Lodha J. affirmed that 'euthanasia or mercy killing is nothing but homicide whatever the circumstances in which it is affected.' Finally, in *Gian Kaur v State of Punjab* (1996), a five judge bench of the Supreme Court decided that 'right to life' does not include the 'right to die' and therefore uphold the validity of section 309 and moved far away from granting the right to premature termination of life. It has cleared that both euthanasia and suicide are illegal acts in India and will meet punishment as per the criminal law. The Commission submitted its 156th Report in 1997 after the pronouncement of the judgment in *Gian Kaur*, recommending retention of section 309. Therefore, the law relating to the right to die is enmeshed in a legal battle.

Section 309 is meant for the protection and care of the people living in India. A guarantee has been ensured by the Constitution as well. But putting an end to a life cannot be included within the ambit of such a provision, however broad interpretation given to the Article 21 may be. The natural span of life is not allowed to be curtailed and the right to die with dignity is not available to those who want to end their lives unnaturally (Bansal, 2013).

THE SETTLEMENT OF THE LEGAL CONTROVERSY

The issue of euthanasia was considered at length by the Supreme Court in *Aruna Ramachandra Shanbaug's*

case when an application under Article 32 of the constitution was filed before the court by her friend for the grant of euthanasia. The various conflicting opinions were considered and the court also referred to the various foreign judgments to carve out a possible solution of this highly sensitive issue in our country. The Supreme Court has considered the present application as well as referred to the previous cases of *P. Rathinam's* case and *Gian Kaur's*. Justice Markandey Katju, in the present case, has expressed the view in the following words: '...that although in its 1996 decision, section 309 of IPC has been declared as constitutionally valid one but now-a-days there is no necessity to keep that on the statute book and it deserves deletion from that. The legislature should take the initiative in this direction as the provision has become anachronistic in these days.'

The court also recommended the legislature to examine the possibility and practicability of the deletion of the said section from the code. The counsel for the petitioner also derives the Court's attention towards the report of the Law Commission given in 2006 on 'Medical Treatment to Terminally ill Patients' which has been perused carefully by the court. The Learned Attorney General appearing for the Union of India addressed the issue of euthanasia with various practical problems as it is purely based on human emotions. He opined that it would be dangerous to empower the family members or relatives of the patient to take decisions on his behalf that will put an end to his life. The possibility of having a connivance with the doctor to kill the patient for monetary gains cannot be ruled out. He raised a hope by contending that what may appear incurable today may be cured tomorrow and therefore there can be treatment for patients with terminal illness and they may also recover from it. The apex court appointed Mr. T.R. Andhyarujina, learned Senior Counsel as 'amicus curiae' in this case. He expressed a different view altogether. The Senior Counsel was in favour of passive euthanasia but on a

The constitutional right to life does not include the right to die.

condition that the withdrawal of advanced medical measures from the terminally ill patient shall be at the consent of the patient and the decision to be made by the expert doctor. Such an act of the patient will not amount to attempt to suicide and the doctor will not be held guilty for aiding or abetment of suicide. If the patient has validly denied any further medical treatment which would have the effect of lengthening his life unnecessarily, the doctor will oblige with the desire of such a patient because he is competent to take such decisions. In such a state of affairs, due importance shall be given to the desires of the family members, although their wish will not be conclusive proof of the patient's suitability for passive euthanasia. Their opinion cannot be the only basis of taking a decision to put an end to the life of another and they are not authorized to command a competent medical team to determine what is in the best interest of the patient. But as a matter of experience, it can be said that most of the time, the views and the opinion of the family members and the medical team coincides. The Senior Counsel further submitted before the court that the team of medical experts takes the decision in the best interest of the patient regarding the withdrawal of the life support machines from him. The judiciary ought not to be burdened with the functions to evaluate the circumstances to articulate its own opinion. The Ld. Counsel for the Union of India advocated against passive euthanasia but the 'amicus curiae' gave suggestions for passive euthanasia to be legalized.

Guidelines to be followed by the Court when an application is filed on behalf of the Patient:

The Supreme Court has articulated in a meticulous way the procedure to be followed by the State's highest judicial organ if it comes across an application filed by the patient, or for the grant of permission for the withdrawal of life supports from a terminally ill and incompetent patient at any one's instance. The main guiding factors are- The Chief Justice of the High Court will immediately constitute a bench of two judges to decide upon the application whenever it is received. The committee will be assisted by three doctors who have special knowledge in their respective fields, which is neurology, psychiatry and surgery. The said doctors are appointed after consulting the highest medical authorities in India. The list of doctors may be

maintained by the State judiciary with the help of its government or union territory administration for the said purpose. The Committee of the doctors will forward their opinion to the Bench after scrutinizing the facts, like the opinion of his family, relatives and friends. The view of the hospital staff will also be taken into consideration while giving due regard to the medical record of the patient. The report will be submitted before the bench of the High Court. The High Court will issue notices to the State Government and the family members of the patient and in their absence, to their next friends, and supply a copy of the report of the medical team whenever it will be applicable. Finally, the bench will give a decision regarding the approval or disapproval of such applications.

The court will pass the decision in an expedient manner and due weightage shall be given to the feelings and opinions of the close relatives of such patients as well as the best interest principle that will have to be followed in good faith. The delay in hearing such kinds of application cause mental agony to the relatives of the patient, so with due regard to the sensitivity of the matter the Court ought to decide in an expedient manner. In summary, it can be inferred in the light of the Supreme Court's decisions that in India, passive euthanasia is recognized in some special circumstances only in case of brain stem dead patients or if the patients are in a persistent vegetative state. Hence the verdict in Aruna's case is a welcome step from the Indian judiciary to clarify the gloomy picture of the sufferance of the patients who are medically alive but physically dead. Now it is the duty of Indian legislature to make proper laws in order to remove the anomalies as well as to fill the vacuum as there is no law available on this sensitive issue except the guidelines pronounced by the honorable Supreme Court in Aruna's case.

Post Aruna Shanbaug Case- The Legal Developments:

After the landmark ruling of the Supreme Court in Aruna's case, the Law Commission in India published its 241st report titled 'Passive Euthanasia- A Relook', wherein it elaborately discussed the issue of passive euthanasia in the light of Law Commission's 196th Report published in 2006 and the decision of Aruna's case. Further, the Bill drafted by the Commission in its

196th report was redrafted by the Commission in its 241st report with significant changes. Hence, it is necessary to have a look at the latest report i.e. the 241st report of the Law Commission on passive euthanasia along with the observations and comments of the Supreme Court in Aruna's case to clear the ambiguities prevailing in the minds of the legal and medical fraternity.

The 17th Law Commission, in its 196th report, in the beginning, stated that it was not dealing with euthanasia and assisted suicide which are no doubt illegal but it was dealing with a different matter i.e. withholding life support measures from terminally ill patients. The practice is internationally accepted and hence lawful in all progressive nations. The Commission made a sharp distinction between euthanasia and withdrawal of treatment which has been sharply focused in Aruna's case as well. The Law Commission of India on this point made it explicit that where a competent patient has made an 'informed decision' to withdraw or withhold medical treatment from him and let the nature take its own course, he under common law, will not be held guilty of committing suicide and the doctor who obliges such patient's decision by omitting to give the required treatment will also be given immunity from criminal liability under Indian Penal Code.

The important term used in the draft bill of the 17th Law Commission was 'the best interest principle'. The comprehensive definition is not possible to frame and the Law Commission relied on the tests laid down in Bolam's case (1957), a test which was reiterated in Jacob Mathew's case (2005) by the Supreme Court of India. Through this, the Law Commission has set out a detailed procedure that has been specified- the Director General of Health Services in relation to the Union Territories and Director of Medical Services in a state will be the appropriate people to authorize to prepare the panel of doctors as experts. There is a necessity of preparing and maintaining a register by the doctors who are attending to the patient. The register shall contain all the relevant details regarding the patient, the treatment being given to the patient and should also contain the opinion of the doctor as to whether the patient is competent or incompetent, the views of the experts and what is in the best interests of

the incompetent patient. The Medical Council of India has been enjoined to issue the guidelines from time to time for the guidance of medical practitioners in the matter of withholding or withdrawing the medical treatment to competent or incompetent patients suffering from terminal illness.

The revised bill is a blend of the earlier bill of 2006 and the decision of Aruna's case guidelines issued by the highest court of our country. The legislation, if passed, is expected to clear out many ambiguities in the case of passive euthanasia as well as the right to die with dignity. The bill is the first step in respect of conferring rights on the citizens to put an end to their lives in case it has become worse than death. On 25th February 2014, the Supreme Court referred to the Constitution Bench, the question of legalization of euthanasia. It stated that the decision of Aruna's case has given 'inconsistent opinions' on the withdrawal of the life support to the terminally ill patients in a permanent vegetative state. The bench consisted of three judges with the Chief Justice as its head who was of the view that the case of Aruna had inconsistent opinions. In the light of the social, legal, medical and constitutional perspective, it is extremely important to have a clear enunciation of law. The question needs to be aptly decided to benefit the humanity as a whole.

On 16th July 2014, the Supreme Court called upon all the State Governments to submit their opinion on the validity of mercy killing or euthanasia. A five judge constitution bench was created to hear the petition filed by the NGO Common Cause for declaring the 'right to die with dignity' as a fundamental right. The advocate appearing on behalf of the NGO stressed the need for having euthanasia available to all citizens in case of terminal illness. The Attorney General of India expressed the view that the documents which decide the application for the grant of the right to die or euthanasia may face abuse at the hands of the

Active euthanasia is not legalized as it is grossly unethical, but passive euthanasia is recognized under restrictions.

professionals in different fields and this sensitive issue must be settled by the Legislature of the country. Even the judiciary was concerned with the legality of these advanced directives and with the enunciation of a full proof procedure to enforce these documents. Hence the Supreme Court's five judge bench thoroughly examined the issue of legalizing euthanasia or mercy killing in India in the public interest litigation. The bench, through this case, also reopened the 2013 verdict given in Aruna's case in which it had legalized passive euthanasia in India but rejected the plea for active euthanasia. In May 2018, the Supreme Court granted the right of passive euthanasia (yet to be reported).

CONCLUSION

The grant of euthanasia is for the people who are considered dead and beyond recovery and in whose case, the withdrawal of the life support system is not unethical. A person is considered to be dead when one's brain is dead as it is the most vital organ of the body. The persistent vegetative state also impairs the main functioning of the human body which is respiration, circulation and cerebration (Jhala and Raju, 1997). This is an established notion at the international level also. This marks the difference between active and passive euthanasia. Active euthanasia is not legalized as it is grossly unethical but passive euthanasia is recognized under restrictions.

The right to life includes the right to live with dignity up to death. Therefore, a dying person also enjoys the right to die with dignity and the procedure of death should also be dignified. In suicide, a person dies in an unnatural way, inviting death to extinguish his life. He is not undergoing the process of death and therefore the constitutionality of section 309 of the IPC does not have an imminent bearing on the recognition of euthanasia as a right. However, due to the absence of laws in regard

to the same, the courts related euthanasia to section 309. Euthanasia is recognized when the procedure of death has already started but kept at a distance due to the scientific and medical advancements. The persons, who may be the applicants for the same, suffer from terminal illness or they are in the vegetative state and therefore beyond recovery. In case of euthanasia, with the help of the experts, the process of death is accelerated to reduce the pains and sufferings. There is an urgent necessity to frame the laws in the light of the guidelines provided by the judiciary and the reports of the Law Commission of India.

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Blockchain: Remoulding the Future of Banking Sector

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Blockchain allows any two parties to transact directly with each other by eliminating the need for a central authority to verify, trust and transfer the transaction value.



ABSTRACT

Various innovations in technology have changed the dynamics of traditional banking drastically. One such innovation is Blockchain, which can securely process transactions to provide error free services to the customers. Transactions are immediately validated, cleared and settled. As a new disruptive force of digital technology and with its features of decentralized ownership, cryptographic security of data and immutability, Blockchain is catching the attention of the banking sector to effectively manage the huge volumes of digital records that are generated on a daily basis. In the future, traditional banking services could cease to exist thanks to Blockchain.

KEYWORDS: Real-time settlement, bankchain, intermediary links, decentralized ownership, digital assets

OVERVIEW

Traditional business models in the banking sector may face different types of challenges like handling multiple pressures without incurring huge loss or controlling growing risks. Therefore, commercial banks need to depend on new technological growth to provide innovative products and services and to meet demands of customers in the competitive environment. Various innovations in digital technology have changed banking sector over the period of time. Blockchain is one such innovation, which has the power to revolutionize traditional banking model. As banks process huge numbers of digital transactions each day, they demand a technology like blockchain to make the transactions faster and less expensive. Blockchain allows any two parties to transact directly with each other by eliminating the need for a central authority to verify trust and transfer of transaction value. To analyze whether blockchain will remold the banking sector in the next decade or if it is just an innovation that will come and go, first we need to consider the following issues.

1. What is blockchain and how does it work?
2. How is blockchain really going to affect existing banking model?

BASIC CONCEPT OF BLOCKCHAIN

Blockchain is basically a distributed ledger of transactions, where number of blocks is linked to each other in sequential order. Each block contains data related to the most recent transaction along with a hashed reference to the previous block. If any block in the blockchain incurs an error, the hash pointer of that block will not match anymore and can be easily detected. It does not require the involvement of all entities in the chain at the time of appending a block. To avoid inconsistency of records, appended block is broadcast in the network so that each and every entity can update their last copy of the blockchain.

As public blockchain is fully decentralized and transparent, anyone can read, write, or audit transactions at any point of time. Decision is taken by decentralized consensus, where people from different locations agree on which transactions or blocks need to be added to blockchain and which blocks need to be rejected. Centralized nature of private blockchain requires 'high trust' entity, which is required to assign read, write or audit permission to others or to take the decision of not assigning any permission to anyone. Here, only selected entities have the rights to join the network. As the basic concept of blockchain is violated here, it is still debatable whether private blockchain can be considered as blockchain or not. However, this type of blockchain is secured and cost-effective from the point of view of the organization.

Blockchains have the potential to ensure high availability, confidentiality and integrity of the transaction data. Security of blockchain can be considered from the following perspectives:

1. At Ledger level
2. At Network level
3. At Transaction level
4. At Smart Contract
5. At Context level

A holistic view of blockchain security includes authentication and authorization of entities accessing blockchain, security from malicious insiders, compromised nodes, security due to failure of server or communication infrastructure and business security.

The major limitation in the adoption of blockchain is lack of awareness. There must be a clear vision of the technology, its impact, and areas of usage.

IMPACT OF BLOCKCHAIN ON BANKING

As blockchain is expected to transform the existing operating models of the banking sector, an increasing number of banks have started to pay attention. Now, the following types of questions need to be considered to understand the impact of blockchain in banking sector.

1. Why is the traditional banking sector going to depend on blockchain strategies?
2. Which type of blockchain is suitable for different scenarios?
3. What are the possible challenges in the implementation of blockchain?

The distributed nature of blockchain provides transparency in processing and thereby reduces the need for manual verification and authorization. Blockchain works very well for the scenarios, where a lot of data is shared across multiple parties with no trust mechanism among the participants. It can securely process transactions to provide error free services to the customers. Eliminating redundant activities minimizes infrastructure costs of the banks. Blockchain can be considered for the banking sector, because of its features like decentralized ownership, cryptographic security of data, ability to effectively manage huge volumes of digital records generated every day.

Blockchain has the potential to solve various weaknesses in existing banking model. Intermediary links of third-party organizations are eliminated by the concept of point-to-point payment. It will improve efficiency of banking services and reduce transaction costs. Consequently, banks can also provide fast and convenient payment clearing services for cross-border commercial activities.

Blockchain technology has reconstructed the financial infrastructure in the banking sector to a large extent and has resolved several such existing problems. To give a clear idea about blockchain based banking, a comparison between traditional and blockchain based banking is summarized in Table 1.

4. It can help in improving the speed, while reducing cost of processing transactions and enhancing transparency of decisions among all participating nodes.

Therefore higher client satisfaction, minimization of fraud and maximization of efficiency, security and

Table 1

Traditional Banking	Blockchain based Banking
High cost	Low cost
Complex clearing process	Simple clearing process
Many intermediate links	Point-to-point transmission, disintermediation
Centralized storage of data- can be tampered	Distributed storage of data- cannot be tampered
Large amount of manual inspection	Fully automated
Easy to leak customers' personal information	Customers' personal information becomes more secure

FEATURES OF BLOCKCHAIN BASED BANKING

1. Previous blocks in the chain cannot be modified, as blockchain keeps track of every single transaction. It prevents the common hazards in banking sector like fraud, double spending and manipulation of transactions.
2. As blockchain is distributed and highly available, it does not preserve the identities of the entities or the transaction data.
3. In smart-contract, pre-defined business steps are processed by stored procedures to execute a transaction without involvement of an intermediary.

BENEFITS

1. Blockchain saves reconciliation cost between banks and prevents losses because of documentary frauds.
2. As blockchain used for cross-border payment processes transactions in near real time, the consumers and banks need not suffer through the fluctuation of currency volatility in the foreign exchange market.
3. Blockchain reduces high level of redundancy in the network. As a copy of the ledger is available with all the nodes, the remaining nodes can approve transactions.

transparency along with accelerated information and money flows and highly improved auditability are the benefits of blockchain that can remold the future of the banking sector.

FEW USE CASES IN INDIA

1. A private bank in India successfully executed transactions in international remittance using blockchain in collaboration with a leading banking group in Middle East.
2. To manage KYC documents using blockchain, some of the leading banks in India are collaborating with leading stock market exchange in India.
3. Few private banks in India are collaboratively analyzing blockchain transactions, which are mainly focused on trade settlement and cross-border remittance.

ADOPTION OF BLOCKCHAIN IN BANKING

Private blockchain is the most appropriate to train human resources in the banking sector with the technology, to manage digital assets efficiently and to generate opportunities for cross-selling.

Duplication of effort in carrying out KYC (Know Your Customer) checking is removed by blockchain-based registry. Encrypted updates of client details are also distributed to all banks in near real-time. As a historical

record of all shared documents is available in the KYC ledger, it can form the evidence to be provided to the regulators. It can also be used to identify entities attempting to create fraudulent histories.

Blockchain is very useful for transactions across borders with a positive impact on speed, cost and security of international payments. It enables real-time settlement while reducing liquidity and operational costs during cross border payments. Transparent and immutable data reduces fraudulent transactions. Smart contracts eliminate operational errors to ensure that appropriate funds are exchanged. In blockchain, direct interaction is possible between sender and beneficiary banks, and low value transactions are enabled. Payments can be sent anywhere around the world in 15 to 20 seconds using blockchain based payment gateway, whereas traditional banking channels can take upto three days for payment transfer. As no one 'owns' the blockchain, no single participant can corrupt it and digital payments become highly secure. Blockchain can provide a global cost reduction opportunity within the process execution and settlement sub-processes of syndicated loans. It eliminates trade errors, streamlines back office functions, and shortens settlement time.

To establish a cashless society, many central banks around the world have started exploring the use of blockchain. From a technological perspective, sufficient awareness is needed among the stakeholders to initiate efforts towards digitizing the Indian currency through blockchain.

BANKCHAIN: BLOCKCHAIN SOLUTION FOR BANKING SECTOR IN INDIA

BankChain is a community of banks with the mission of building blockchain solutions for a better world announced by the State Bank of India (SBI) on 8th February 2017. The primary purpose is to facilitate information sharing among the banking organizations within a network, which can prevent fraud and improve efficiency. At present, State Bank of India, Kotak Mahindra Bank, ICICI Bank, Federal Bank, Deutsche

Bank, DCB Bank, and UAE Exchange are the members of BankChain.

CONCLUSION

The current status of blockchain can be compared to that of the Internet in the early nineties. The banking sector is waking up to the potential of blockchain to radically change the way it operates, but widespread adoption will inevitably take time. However, the reality of blockchain is not always straightforward and contradictions reduce the pace of adoption. The requirements for processing time and transaction costs currently limit its scalability. However, the integration of blockchain into the banking sector will most likely occur in the near future.

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Quality and availability of network at any given time is also a huge prerequisite for the success of digitalisation.



Consumer Behaviour Towards A Cashless Economy in India

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ABSTRACT

An efficient payment system is a prerequisite for the development of a nation's economy. Just like telecommunication, electrical power, and transportation systems, it is a significant national infrastructure that is critical to the growth of the national economy. One of the biggest yet less talked about changes that the Information Technology revolution has brought about in India and the world is the move towards a cashless economy. Government policies like the Jan Dhan Yojana, Aadhaar and mobile penetration have played major roles towards making India digitally empowered. Demonetization spurred the overnight widespread adoption of cashless payments across India. Now, as the effects of demonetization wear off, the

RBI reports show that the number of digital transactions have had a downfall, which suggests that the make-believe euphoria created by the Government policies on the economic front have worn off. This study aims to analyze how the cashless transactions have caused changes in the behaviour of consumers, the level of awareness and faith in the electronic system and the problems faced by consumers while using such modes of payment.

KEYWORDS: Cashless, consumer behaviour, demonetisation, Aadhaar, RBI

INTRODUCTION

Consumer Behaviour attempts to understand the decision-making processes of the buyers, both individually and in groups, such as how emotions affect the buying behaviour by blending elements from psychology, sociology, economics, marketing and behavioural science. It has become a very important part of strategic marketing that plans to help the Government in formulating public policies.

A 'cashless economy' refers to an economy where transactions are carried out without the use of physical cash. In a cashless economy, consumers can make payments over the internet, at unmanned vending machines, manned point of sales (POS) using mobile phone devices, personal digital assistants (PDAs), smart cards and other electronic payment systems including debit and credit cards.

MODES OF CASHLESS TRANSACTIONS

A plethora of cashless payment methods have cropped up and newer technologies are coming up every day such as:

1. Payment cards (Credit card, Debit card, Prepaid card, Smart card)
2. Electronic payment networks (EFT/NEFT, RTGS, ECS)
3. Net banking
4. Mobile banking
5. Mobile payments (QR Codes, NFC, WAP)
6. Electronic money (e-cash, e-check)
7. Person to person payments
8. Virtual wallets
9. Cryptocurrencies
10. Biometric payments

Given that the cost of handling cash is high, it is in the

interest of the governments, banks and businesses to push for the change towards a cashless economy. Cash is expensive to print and move about from one location to another. In 2012-15, RBI incurred an annual cost of ₹ 28 billion to just print the currency notes, which was 0.4 per cent of the total currency in circulation. As per the MasterCard Advisors report (2016), India is at its inception stage in the move towards a cashless economy.

In the words of Humprey and Berger, 'At the end of the 1980s, the use of cash for purchasing consumption goods in the US have constantly declined. Hence developing countries like India are also on the transition from a pure cash economy to a cashless one for developmental purposes.'

The psychological impact of using cash still outweighs using cashless transactions.

NATURE OF THE PROBLEM

Some of the problems that come in the way of digitalization of the Indian economy are deep lying rained. The first and the most basic issue at hand is the lack of proper infrastructure. Cashless modes of transactions have to dramatically expand to touch at least 40 per cent of the whole economy before any meaningful effect can be achieved. Quality and availability of network at any given time is also a huge prerequisite for the success of digitalization. Communication exists as a major handicap when it comes to semi urban and rural areas. Another major concern is the risk involved in executing these cashless transactions due to the prevalence of e-fraud. With a low literacy rate, India lags behind as a developing nation. The businessmen here prefer to lock their cash in vaults even though banking facilities exist. India has forced the linking of PAN card and Aadhaar card to bank accounts which hinder the cashless transactions to an extent as people are unwilling to give away too much data to the banks fearing security of their personal data. In addition to that, high bank charges on some electronic channels discourage cashless transactions. The option of Cash on Delivery on retail transactions acts as another hindrance to acceptance by the middleclass Indian consumers who lack faith in the online system.

OBJECTIVES

1. To examine consumer awareness and usage of cashless transactions.
2. To assess the opinion of consumers regarding the benefits and challenges of using cashless transactions.
3. To make a comparative study about the comfort level of various groups of people in using cashless modes of payment as opposed to using cash.
4. To review the current usage of the various modes of cashless transactions and their suitability in the Indian context.

RESEARCH METHODOLOGY

This study adopted descriptive research design and both primary and secondary sources of data were used. An online survey was carried out using convenience sampling method with 181 respondents from Kolkata who came from all walks of life and answered a self constructed questionnaire on demographics, awareness, benefits and the comfort of using cashless transactions in India. Secondary sources of data

collected include those from the Reserve Bank of India on usage of various modes of cashless transactions, extracts from the Economic Survey of 2014-2015, RBI’s Vision 2018 document, various other journals and newspaper articles. The data collected was shown graphically using charts and statistical inferences using correlation, chi-squared test, et cetera.

ANALYSIS

Hypothesis

A total sample of 181 people was collected from Kolkata and their socio economic variables were compared with their opinions and comfort with respect to shifting towards a cashless economy at the five per cent significance level.

- H0: There is no significant difference in comfort of using new technologies for everyday payments and the socio-economic variables.
- H1: Comfort of using new technologies for everyday payments depends on the socio-economic variables.

Table 1: Relationship between the comfort of using new technologies for everyday payments and the socio-economic variables.

Variables	Comfort with using newer technologies for everyday payments by Income			Total	χ ² value	F-Critical Value	Remarks
	Yes	No	Can't Say				
Annual Income(Rs.)							
Less than 1,00,000	15	6	2	23	0.709	12.6	Reject H0
Between 1,00,000- 5,00,000	20	10	6	36			
Between 5,00,000- 10,00,000	19	5	6	30			
Above 10,00,000	57	16	19	92			
Educational Qualification							
No Formal Education	0	3	0	3	0.667	21	Reject H0
Primary Education	0	1	1	2			
Secondary Education	2	1	3	6			
Higher Secondary Education	36	13	6	55			
Bachelor's Degree	51	17	18	86			
Master's Degree	17	4	4	25			
Doctoral Degree	3	0	1	4			
Age							
Below 18 years	17	5	5	27	0.16	12.6	Reject H0
Between 18-25 years	67	21	17	105			
Between 25-40 years	16	5	6	27			
Above 40 years	11	6	5	22			

It is clear that the critical values of Chi-square at five per cent level of significance are less than the calculated values, so the null hypothesis is rejected. There exists a significant association between age, educational qualification and annual income of the respondents and their comfort in using cashless transaction for everyday payments. It can also be observed that people in the higher income groups, higher educational qualifications and the youth are more acceptable to changes.

H0: There is no significant difference of comfort in shifting of spending pattern from cash to cashless and the socio-economic variables.

H1: Comfort in shifting of spending pattern from cash to cashless depends on the socio-economic variables.

problem in adopting cashless modes of payments and completely giving up cash in a move towards a cashless economy. However, compared to the 21 per cent who were averse to using new technologies, 32 per cent were in favour of giving up cash. This suggests that some people were willing to move towards a cashless economy but by using common and known cashless modes of payments rather than embracing cutting edge technology presently.

FINDINGS

1. The overall awareness about the term cashless economy was high. The awareness of the government reforms (including the JAM Trinity) towards a cashless India was high among the higher educational groups while it was negligent among

Table 2: Relationship between the comfort in shifting of the spending pattern from cash to cashless and the socio-economic variables.

Variables	Comfort in shifting of spending pattern from cash to cashless			Total	χ^2 value	F-Critical Value	Remarks
	Yes	No	Can't Say				
Annual Income(Rs.)							
Less than 1,00,000	26	52	14	92	0.79	12.6	Reject H0
Between 1,00,000- 5,00,000	11	20	5	36			
Between 5,00,000- 10,00,000	9	13	8	30			
Above 10,00,000	11	10	2	23			
Age							
Below 18 years	8	16	3	27	5.89	12.6	Reject H0
Between 18-25 years	31	59	15	105			
Between 25-40 years	10	11	6	27			
Above 40 years	8	9	5	22			
Occupation							
Student	35	73	15	123	1.73	15.5	Reject H0
Service	9	10	16	35			
Business	4	7	5	16			
Homemaker	1	8	2	11			
Other	1	2	3	6			

It is clear that the critical value of Chi-square at five per cent level of significance is less than the calculated values so the null hypothesis is rejected. There exists a significant association between age, occupation and annual income of the respondents and their comfort in shifting of spending pattern from cash to cashless modes of transaction. However majority of the people had a

the lower class of the society as well as the old people. They had more misgivings about these policies since they were not aware of it. In the words of Khan & Craig-Lees, 2009, 'The tangibility of notes and coins creates awareness (conscious/unconscious) that something of value is being exchanged. Under a mobile payment

condition, consumers may not, at that specific point, be mentally tuned in to the actual amount of money being spent.' This suggests that the psychological impact of using cash still outweighs using cashless transactions.

2. Awareness of credit/debit cards was maximum among the respondents. Their usage was similarly maximum. Online payment services (e.g. PayPal, WePay, Dwolla, et cetera) and virtual wallets (e.g. Google Wallet, Blockchain, et cetera), mobile money transfers (e.g. M-Pesa, Airtel Money, et cetera) and mobile banking had substantial awareness, but a trend in the fall of actual use as compared to knowledge of such services was seen. Crypto currencies, QR Code Payments and NFC Payments are new technologies that were relatively unknown to most people. Correlation between the Awareness and Usage of these transactions shows an R^2 value of 0.764 which indicates a very high dependence among the two, signifying that as awareness increases the usage is also increasing.
3. The various initiatives taken by the government have forced people to use such transactions and some have realized its benefits. 'I used to be only dealing in cash till date, but after Modi's announcement two weeks back my customers did not have cash in hand to pay me for essential items. Instead of going for credit, I thought if I switch over to Paytm it will be a far better option for me as well as for my customers,' said a vegetable vendor in Kandivali, Mumbai. 'Now a lot of people are paying me through their mobile phones.'
4. Summarising the data from the Reserve Bank of India, it can be seen that the retail electronic payment space in India is dominated by inter-bank money transfer modes like National Electronic Fund Transfer (NEFT), Immediate Payment Service (IMPS), and credit and debit cards which registered a growth of 21.3 per cent in 2017 as compared to 2016. Card based transactions occupy more than half the share of cashless payments. Number of transactions using credit cards grew by 47 per cent year-on-year, while it rose by 100 per cent for debit cards for the 12 month period ending May 2017. In May, the total number of transactions through

credit cards was 115.3 million while the figure for debit cards was 267.5 million. Online shopping and related discounts have increased the use of card based payments significantly. RTGS and NEFT have played an important role in reducing paper-based transactions. Paper-based transactions have come down to 6.5 per cent in 2017 of all non-cash transactions from 13.3 per cent in the previous year. Mobile payment and banking systems have shown the highest growth. In the past five years, number of transactions using mobile banking has increased by four times to 106 million while the amount transacted has increased by more than 10 times to 1612 billion.



India is at its inception stage in the move towards a cashless economy.

RECOMMENDATIONS

1. Adequate and well-functioning infrastructural facilities must be in place. 24x7 electricity should be available even in the remotest areas of India to ensure constant connectivity. Major investment is required in this area. The Digital India initiative, which aims to bring broadband connectivity to all, should be interlinked with the cashless economy policy to ensure the latter's successful implementation.
2. The Jan Dhan Yojana has done a lot to bring majority of the Indian population within the organized banking sector. In order to increase financial inclusion, further efforts should be undertaken along with NBFCs, microfinance institutions and self-help groups in order to consolidate the gains made in this regard and help in increasing mass adoption of cashless transaction channels.
3. It is recommended that a greater push should be given to mobile payments (especially those leveraging RuPay Cards) in rural areas, RuPay combined with mobile can bring a revolution in

rural India as M-Pesa has done in poor African nations like Kenya. There is a lack of acceptance of relatively new technologies even among the youth. Newer technologies like NFC and QR codes as means of everyday payments should be introduced in a phased manner starting from technological hubs like Bangalore and Hyderabad (where acceptance for the same may be higher due to greater technical literacy and the IT sector employed class) followed by major cities.

4. The convenience of making cashless transactions has to be further improved, especially with respect to small payments. In Australia, for example, contactless cards using near-field technology to achieve a 'tap and go' payment environment have been used for this purpose to great effect as there is no need to enter a PIN or sign for a purchase under Australian \$100.
5. While government initiatives have done much to ensure that more and more Indians have access to e-payment instruments, there is no incentive for them to use them in lieu of cash. Hence, there is a need to dis-incentivize cash and accelerate acceptance of electronic payment channels. As has been done in South Korea, a preferential taxation treatment and other incentives for using cashless modes of transactions will encourage use of the same.
6. Regular awareness campaigns to educate the public on the cashless transaction channels and security measures that protect the users from electronic theft must be undertaken. Rapid awareness needs to be spread among the less educated section of the society: homemakers, house help, roadside vendors and the like.

The analysis showed that very few people believe that a cashless economy can presently be implemented. Most people didn't want to give up cash completely. Hence, the execution of cashless policy should be carried out in stages. India should slowly move towards a cashless economy instead of drastically implementing new policy changes.

CONCLUSION

The development of innovative modes of cashless transactions has the potential to transform economic

activity and achieve developmental goals. Cashless policy has the capacity to track down all major movement of money including terrorism financing, bribery and all attempts to compromise financial transparency. Corruption and black money generation will also be curbed substantially. The fear of being robbed of a large sum of money would not be there again since people wouldn't carry cash. Transactions would be consummated faster as the need to pass through the apex bank to effectuate payment abroad in any international business transaction would not be there. Over the next decade, there would be progress towards a cashless economy both in India and other countries. In the presence of these trends, the responsibility of the Government is to anticipate such changes and channel it in such a way so that the safety, efficiency and effectiveness of the cashless economy are ensured.

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Recently officials and academic economists have addressed the question of whether, in addition to price level stability, a central bank should also consider the stability of assets prices.



Effect of Monetary Policy Variables on The Indian Stock Markets

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ABSTRACT

Monetary policy and stock market performance have a relationship which has deep rooted implications. Monetary policy variables tend to influence the macroeconomic variables in the long run. Along with the stock market, the central bankers are also affected by this making it imperative for them to intervene in the financial markets. However, they should not interfere beyond a certain limit as it can worsen matters and make the monetary policies ineffective. Hence, the direct relationship between monetary policy variables and stock market should be assessed properly before planning.

KEYWORDS: Monetary policy, stock market performance, central bankers, macroeconomic variables

Monetary policy is the process by which monetary authority of a country, generally a Central Bank controls the supply of money in the economy by exercising its control over interest rates in order to maintain price stability and achieve high economic growth. The monetary policy goals of the Reserve Bank of India (the Central Bank of India), are often stated as 'price stability' and 'sustainable economic growth'. Recently officials and academic economists have addressed the question of whether, in addition to price level stability, a central bank should also consider the stability of assets prices.

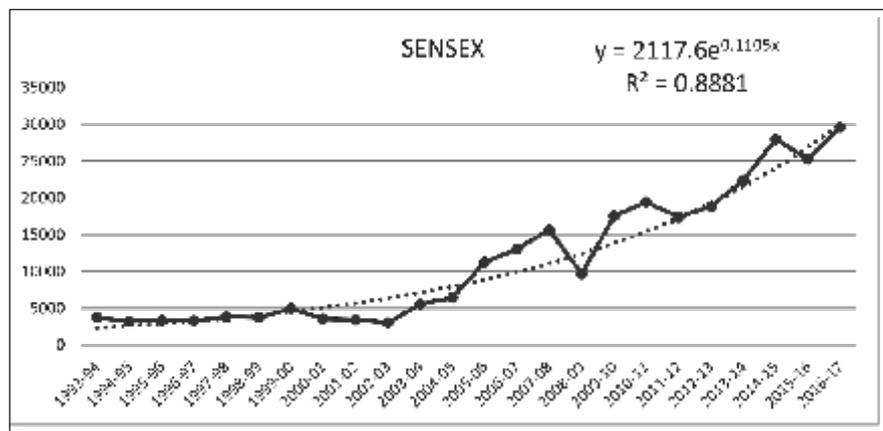
Monetary operations involve monetary techniques which operate on monetary magnitudes such as money supply, interest rates and availability of credit aimed to maintain Price Stability, Stable exchange rate, Healthy Balance of Payment, Financial stability and Economic growth. RBI, the apex Institute of India which monitors and regulates the monetary policy of the country stabilizes the price by controlling Inflation.

Monetary policy is referred to as either being an expansionary policy or a contractionary policy. An expansionary policy increases the total supply of money in the economy rapidly or decreases the interest rate. When the central bank wants to carry out an expansionary monetary policy, it goes to the security market to buy government bonds with money, thus increasing the money stock or the money in circulation in the economy. Expansionary policy is traditionally used to combat unemployment in recession. A contractionary policy on the other hand decreases the total money supply, increases it slowly or raises the interest rate. When the central bank wants to implement a contractionary monetary policy, it goes to the security market to sell government bonds for money thus decreasing the money stock or the money in circulation in the economy. Contractionary policy is used to combat inflation. Having understood the meaning and types of monetary policy, it becomes expedient to give an explanation of stock markets' behavior and their reaction to monetary policy.

The specific objectives of the study include:

1. Examine the trend of stock market performance and variations in growth of market capitalization in different periods.
2. Determine the influence of monetary policy variables and macroeconomic variables – Broad money, currency exchange rate and cost inflation on stock market performance in the long run.
3. Analyze the impact of FII investments on stock market performance in the long run.
4. To study the interrelationships between the variables.

The data used for this research is obtained from the World Bank, CDSL Website, RBI website, the International Financial Statistics, and NSE India. For this research work, secondary data was collected and used. The data collected covers the period between 1993-94



and 2016-17. For this analysis, the variables used to measure the effects of monetary policy on stock market performance are broad money (M3), Foreign Institutional Investments (FII), inflation rate at cost inflation index and market capitalization. These variables are included in the regression models prepared for the study. Single factor models and multi-factor models are prepared to assess the impact of these variables in isolation and in conjunction with one another.

In the above figure, an exponential trend line is fit to Sensex prices in the post reform period, i.e. since 1994. It is observable that the coefficient for time is positive, thus implying an upwards trend. Sensex levels tend to increase with time in the long run. The overall goodness of fit of this trend line is 88.81 per cent (R-squared value). This highlights the general tendency of equity

market capitalization to increase with time over the long run. This study intends to explain the factors responsible for such movements in the long run and to explain the deviation from the exponential trend line, resulting in volatility in the short run.

In this analysis, the Market Capitalization for the Stock Market is modelled with respect to 4 factors. The different variables used in the study are as follows:

Market Capitalization: Market capitalization (also known as market value) is the share price times the number of shares outstanding or issued. It is the market value of a company's issued shares. Market capitalization is the total value of all equity securities listed on a stock exchange. It is a function of the prevailing market price of quoted equities and the size of their issued and paid up capital. But here the BSE Sensex index has been taken as the measure of market capitalization.

Broad Money: The most commonly used measure of broad money is M3, which includes currency and coins, and deposits in checking accounts, savings accounts and small time deposits, overnight repos at commercial banks, and non-institutional money market accounts. This is the main measure of the money supply, and is the economic indicator usually used to assess the amount of liquidity in the economy, as it is relatively easy to track.

Expected Relationship: A strong positive relationship is expected between Broad Money and Sensex since an increase in Money Supply should result in an increase in demand for assets.

Foreign Institutional Investment (FII) in Equities: The term is used most commonly in India to refer to investment or outside companies investing in the financial markets of India.

The inflow of foreign money is largely responsible for determining the direction of not only individual stocks, but also the Indian equities as a whole. Hence, investors need to be aware of FII activities. FII ownership in many front line stocks like HDFC, HDFC Bank, ITC and TCS is close to hitting the ceiling.

Expected Relationship: A strong positive relationship is expected due to direct relation between FII inflows and demand for stocks.

Inflation Index: In this analysis, the Cost Inflation Index (CII), used for capital goods, which is calculated annually is used as the inflation index.

Expected Relationship: A negative relationship is expected in the short run since rise in inflation should lead to a decrease in the real money balance, which in turn gives rise to demand for money and supply for assets.

\$/₹ : This is the Currency Exchange Rate with respect to \$. An appreciation in Rupee would lead to a fall in \$/₹ and vice versa.

Expected relationship: A moderate, and possibly lagging positive relationship is expected between \$/₹ and Sensex. An appreciation in ₹ (implying \$/₹ decreasing) would lead to a rise in imports and fall in exports. This would widen the current account deficit and in turn lead to a drop in Market Capitalization.

SINGLE FACTOR MODELS

$$Y = \alpha + \beta X + \varepsilon$$

Where:

1. α , β are constants, and can be determined by ordinary least square regression analysis.
2. ε is the error term.

Four single factor models are prepared considering the aforementioned determinants of Market Capitalization. Results from the single factor model can be summarized as follows:

VARIABLE	EXPECTED RELATION	ACTUAL RELATION	P-VALUE AND SIGNIFICANCE	STRENGTH (R SQUARED VALUE)
FII INFLOWS	POSITIVE	POSITIVE	4.61E-06 SIGNIFICANT	86.14 per cent
MONEY SUPPLY	POSITIVE	POSITIVE	9.14E-21 SIGNIFICANT	88.34 per cent
CII	NEGATIVE	POSITIVE	7.7E-10 SIGNIFICANT	82.7 per cent
\$/₹	POSITIVE	POSITIVE	4.71E-05 SIGNIFICANT	53.6 per cent

MULTIFACTOR MODEL FOR INVESTMENT RETURNS:

These models are of the form:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \epsilon$$

Where

1. α, β_i are constants and can be determined by ordinary least squares regression analysis.
2. ϵ is the error term.

The goal of such a model is to find a set of factors which explain as much as possible, the observed historical valuation without introducing too much 'noise' into prediction of future returns.

A correlation matrix is prepared to check the linear correlation between Sensex and the various determinants considered in this study.

The chosen factors are highly correlated with each other. Some of the variables are nearly perfectly correlated with one another. This may give rise to spurious correlation. The set has been transformed into an orthogonal set where the factors are uncorrelated. Hence, we conduct principal components analysis.

CORRELATION MATRIX	ln (SENSEX)	ln (FII)	ln (M3)	₹/₹	Ln (CII)
ln(SENSEX)	1	0.928081287	0.942097	0.732365568	0.923479
ln(FII)	0.928081287	1	0.987754	0.831987796	0.971687
ln(M3)	0.942097	0.987754	1	0.862187542	0.988211
₹/₹	0.732365568	0.831987796	0.862187542	1	0.916762
Ln(CII)	0.923479	0.971687	0.988211	0.916762	1

The variables chosen are M3*, FII*, CII* and ₹/₹*.

These are essentially the variables after transforming them such that their correlation with the other variables is eliminated and only the inherent component which can't be explained by other variables is retained.

Here, $M3^* = \ln(M3)$

$CII^* = \ln(CII) - (4.86 + 0.4215M3^*)$

$FII^* = \ln(FII) - (7.129 - 1.3943M3^*)$

$₹/₹^* = ₹/₹ - (20.94 + 7.87M3^* + 0.037661CII^* - 2.8E-05FII^*)$

The model should consider dropping CII*, and subsequently FII* since these are not significant variables in this case. This result is not entirely unexpected considering the strong interrelationships between the factors.

	P-value
Intercept	1.85E-22
M3*	1.47E-14
CII*	0.205378
FII*	0.031954
₹/₹*	3.32E-05

CII* and FII* are dropped from the analysis and prepare a model with 2 factors i.e. M3*, and ₹/₹*

The results produced are as follows:

	Coefficients	P-value	tStat
Intercept	6.649913	2.95E-23	49.63666
M3*	0.728432	8.74E-05	-4.84066
₹/₹*	-0.06117	1.39E-14	18.72661

Regression Statistics	
R Square	0.946851
F-value	187.059

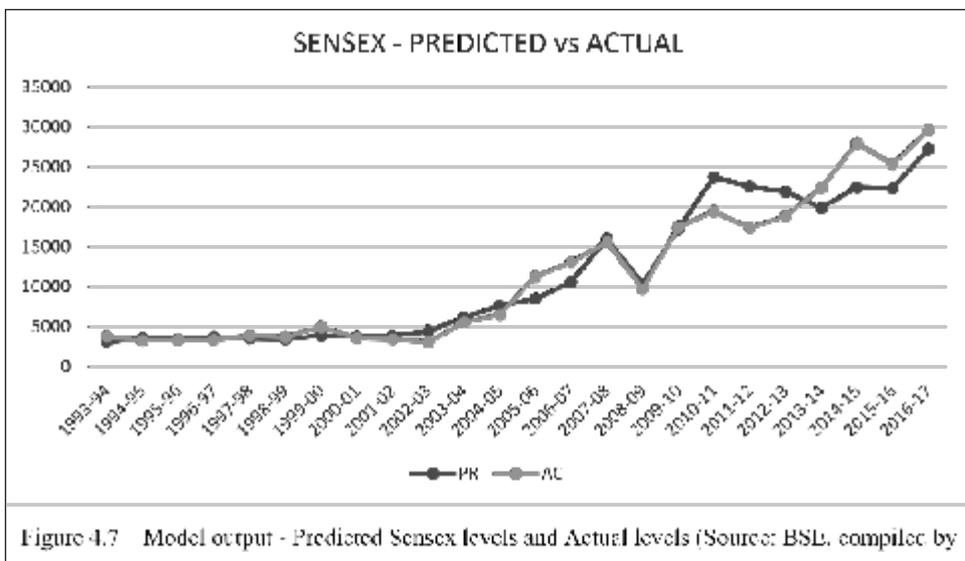
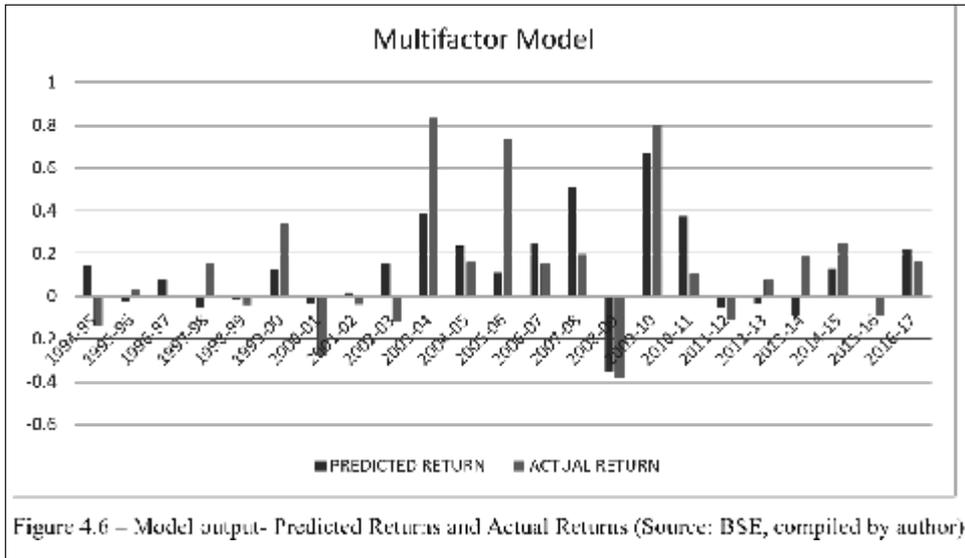
Both variables are significant in this model and around 95 per cent of the changes in equity prices over the long run can be explained by the two factors as per this model.

The model is an excellent fit to the data. After principal components analysis, we find that M3 and ₹/₹ are the significant variables in determination of Sensex performance in the long run.

	MODEL	ACTUAL
RETURN		
MEAN	0.11982	0.131533
VARIANCE	0.049068	0.097375
STD DEV	0.221514	0.312049

We can conclude that equity prices are affected by the given monetary variables.

The results of the model are summarized as follows:



interpreted that money growth in addition to currency exchange rate is the major determinant of stock market performance since it is the major variable that determines stock market performance in the long run. This is followed by FII growth and inflation rate which were secondary determinants affecting the stock market of India. \$/₹ did not influence much variation in stock market performance compared to the other factors. Inflation rate did not hold a negative relationship with stock markets in the long run, but stock markets still responded to changes in inflation rate. The long run equilibrium relationships between the four variables has been examined and these would be useful in giving appropriate policy recommendations to

The final multifactor model can explain most of the variations in price. The volatility explained by the model is higher than the single factor models. However, it is still lower than the actual volatility. As observed in 2003-04 and 2005-06 when the index produced extraordinary returns, the model did not replicate the same. The spurious effect of FII inflows in the early years is reduced considerably but not eliminated. The model fares well and adjusts itself in periods of high and low volatility. Nearly 95 per cent of the long-term variations in prices is explained by this model.

Based on the analysis performed above, it can be

central bankers for better formulation of monetary policy for stock market stability and growth. This research work postulates that stock market factors (such as investors' confidence) and money supply in the economy are the major determinants of stock market performance.

Central banks also need to recognize their limitations and not attempt to do too much so as not to overheat the economy and worsen it.

CONCLUSION

Central bank officials should make conscious effort to determine the principal determinants of stock market performance in their various countries and implement appropriate policies that would enhance the development of their stock markets. The existence of a relationship between monetary policy and stock market performance has important implications for both stock market participants and central bankers since, with respect to the former, this issue relates to the broader topic of stock price determination and portfolio formation; while the latter are interested in whether monetary policy actions are transmitted through financial markets. Central bankers and stock market participants should be aware of the relationship between monetary policy and stock market performance in order to better understand the effects of policy shifts. Monetary authorities face the dilemma of whether to react to stock price movements, above and beyond the standard response to inflation and output developments. There is an ongoing debate in the monetary policy rules literature between the proactive and reactive approach.

The stock market operates in a macroeconomic environment and thus its performance is very dependent on investors' confidence and the general perception of the health of the economy. Therefore, monetary policymakers need to make the environment enabling and free of fear to bring about development of the stock markets. They also need to consider

speculations going on in the economy and incorporate these speculations into their formulation framework. Central banks should intervene in financial markets to the extent that they affect aggregate demand. From the perspective of policymakers, liquidity assistance from a lender of last resort can be very important in preventing a larger meltdown in financial markets and reducing the probability of a future financial crisis that can have real economic effects. Central banks also need to recognize their limitations and not attempt to do too much so as not to overheat the economy and worsen it. There is a limit to which monetary policy can be effective in affecting stock market performance and beyond this limit, any attempt to further use monetary policy to influence stock markets would be ineffective at best or harmful in adverse circumstances.

The direct relationship between monetary policy variables and stock market performance have deep rooted implications which should be further assessed and considered while planning policies.

This research work postulates that stock market factors (such as investors' confidence) and money supply in the economy are the major determinants of stock market performance.



“

Customers no longer wait for a sales person to call them to get the information about a product that may help them do their work better.

”

Inbound Marketing- Market The New Attractive Way

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ABSTRACT

Instead of reaching out to people through interruptive tactics, inbound marketing understands consumer perspective and converts prospects fulfilling their objectives. It relies on creating valuable content and attracting consumers with it. Apart from providing remarkable content to the users, it encourages sellers to understand the influence and effects of various methods of marketing and devise new solutions to increase their effectiveness. Along with increasing visibility, it helps an organisation develop a long lasting relationship with its target audience which leads to the strengthening of their network.

KEYWORDS: Inbound marketing, consumers, valuable content, innovative tool, long lasting relationship

INTRODUCTION

The Internet and the social media are integral parts of business relationships today, and ease the communication with the existing customers. But they should also be able to attract new potential clients. Inbound marketing is a powerful strategy that has become the go-to tactic for many brands because of its low cost and high returns – especially when it's compared with outbound marketing efforts.

The term 'inbound marketing' has become a monster buzzword for internet marketers looking to generate solid leads and establish customer rapport.

In a nutshell, today's inbound marketing refers to the creation of easy-to-navigate web pages and blogs featuring high-quality content peppered with targeted keywords and niche key phrases to maximize SEO (Search Engine Optimization) and the attraction of visitors and leads via content and social media sharing. This, in turn permits customers to provide their contact information for promotions, follow-up, and ultimately, sales.

Brian Halligan and Dharmesh Shah, the founders of the marketing software company HubSpot, have contributed heavily to the coining of the term 'Inbound Marketing'. They classify traditional methods such as telemarketing, advertisement e-mails and trade shows as outbound, meaning that these means approach the potential buyers directly with the obvious intention of selling. This methodology, well established during the starting years of online marketing, led to recipients becoming quite adept in ignoring this flood of daily messages reaching them in such a manner. Creating leads in form of content that make potential customers find our business by themselves on the other hand, roughly describes the idea of inbound marketing.

WHY INBOUND?

The way people seek information has undergone a fundamental shift over the last decade. Customers no longer wait for a sales person to call them to get the information about a product that may help them do their work better. In fact, they may no longer even visit the company website as the first stop in their buyer search. They look to search engines, social media and content sharing for information to frame their decisions.

The traditional methods of reaching out to people through interruptive and annoying tactics are disappearing – and those that aren't, are becoming increasingly expensive and ineffective. Further, these high-pressure tactics are counterproductive for building long-term relationships with the customers.

Engaging a consumer means much more than simply finding the newest channel to push out a message to the masses. Instead, marketing today is about understanding how consumers research and make purchase decisions in this hyper-connected, digital world. It's about meeting them at every stage of such decisions by integrating relevant content with context to the consumers. It's about a unified process of attracting audience, converting prospects, closing leads and delighting customers in ways they actually desire.

Inbound marketing not only has the power to empower, but it's also growing. It has proven itself to be much more than the next shiny technology or the latest buzzword. The research shows that nearly 60 per cent of marketers have adopted inbound marketing strategies and more than 80 per cent of those who are executing inbound marketing have integrated it into broader company goals. People are also investing more in inbound, as budgets for this strategy have grown by nearly 50 per cent in each of the past three years.

In traditional marketing, companies focus on finding customers. Generally, they use techniques that are interruptive. These techniques could be anything from cold-calling and print advertising to TV commercials and junk mail.

But technology is making these techniques less effective and more expensive. Caller ID blocks cold calls, DVR makes TV advertising less effective, and spam filters block mass e-mails. It's still possible to get a message out using these channels, but it costs a lot more.

Traditional marketing is interruptive and marketer-centric. The traditional way of doing things is convenient for the marketer, because they can push content in people's faces whenever they want – even when those potential customers don't want it. But it's not such a great experience for the user – the potential customer.

Inbound Marketers flip this model on its head.

WHAT IS INBOUND ALL ABOUT?

Inbound is a fundamental shift in the way we do business. Instead of that old interruption based message where the marketer or the salesperson had the complete control, Inbound is about empowering potential customers.

Instead of interrupting people with television ads, they might create videos that potential customers would want to see. Instead of buying display ads in print publications, they could create a business blog that people would want to read. And instead of cold calling, they could create useful content, so that prospects can contact them if they

want more information.

Inbound Marketing is marketing focused on getting found by customers. It's customer-focused. It's helpful. Wouldn't a marketer prefer to deal with a business that is focused on the customer's needs instead of their own?

We have all come across some of our favourite brands actively practicing inbound marketing. It's that problem-solving blog post that shows up on the top of the search engine. It's the new solution that was discovered on LinkedIn or the product review that was found on Facebook.



Inbound is about being a part of the conversation.

Being a part of the conversation means sharing helpful and relevant content with the world. It's about drawing people in - that's why it's called Inbound, after all.

And most of all, it's about creating marketing systems that people would love.

It's time for us to support this buying process. It's time for us to join in and empower our potential customers to make the right decisions for themselves.

INBOUND VS OUTBOUND

In its most basic form, outbound marketing uses push tactics as compared to inbound marketing that uses pull tactics.

A big part of inbound marketing relies on creating valuable content and attracting visitors with it. It relies on the development of modern communications technology like the Internet, mobile phones and social media to attract consumers. Instead of pushing a message out onto a large population, inbound marketing attracts specific audiences that are out there looking for the information.

The goal is to pull interested people towards the marketing materials and attract them to the business with valuable information. This is done by setting up a wide variety of online marketing assets that are ready and waiting for the interested consumers to find.

These assets include blog posts, websites and paid advertising optimized for specific Internet searches, a dynamic social media presence, mobile applications and much more. When people are attracted to our marketing content, they readily give their permission to receive more information and promotional material from us.

INBOUND METHODOLOGY

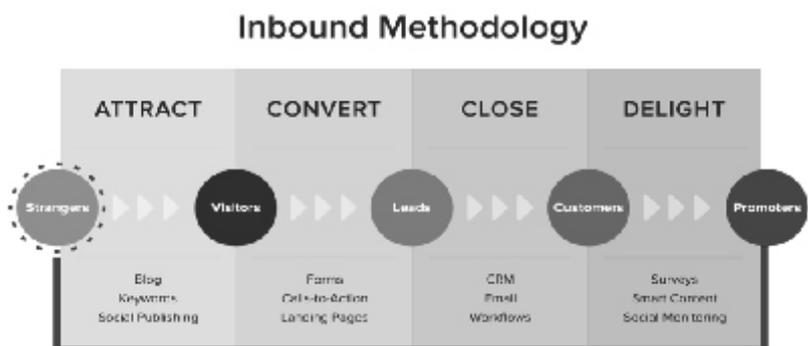
It illustrates the four stages that make up the inbound marketing and sales process. These stages are attract, convert, close, and delight.

Listed along the bottom of the methodology, are the tools that the companies typically use to accomplish these actions. The tools are listed under the stages where they first come into play, but those are not the only stages where they are applicable. Some tools, like e-mail, can be essential to multiple stages of the methodology.

At the beginning, we'll need to attract strangers to our site and turn them into visitors. Some of the most important tools to attract new users are blogging, optimizing our website and social media, et cetera.

But it doesn't end there. Once we've attracted new visitors, the next step is to convert some of them into leads by gathering their contact information. At the very least, we'll be needing their e-mail addresses. Contact information is the currency in the world of inbound. For our visitors to offer that currency willingly, we'll need to offer them something in return.

That 'payment' comes in the form of offers, like e-Books, whitepapers, or tip sheets - whatever information would be interesting and valuable to our prospects. We can



convert visitors into leads by using what's known as the conversion process. Website components like calls-to-action and landing pages can entice these visitors and help us get the information about them.

Moving along, now that we've attracted the right visitors and converted the right leads, it's time to transform those leads into customers. In the close stage, tools like e-mail and a CRM can be used to help sell to the right leads at the right time.

Inbound is all about providing remarkable content to our users, irrespective of whether they're visitors, leads, or existing customers. Just because someone is already a customer doesn't mean that we can forget about them. Inbound companies continue to delight and engage their customer base, turning them into happy promoters of the products and services they love.

Then, the whole methodology starts back from the beginning, as the promoters talk to their networks, attract more strangers and spread the word about the products and services.

To be a true inbound marketer (and a truly successful one) we need to know what's working, what isn't, and how to implement new solutions and improve our efforts as efficiently as possible. Again, the only way to do this is by taking the time to analyze our work.

And, that is why inbound is changing the way the world does marketing and sales.

Inbound marketing can be used in varying intensity in every phase of the customer cycle, but since the company in question is a start-up, the emphasis in this particular inbound marketing campaign is on creating awareness and positioning the company as an expert entity in the market in order to build a fundament for future business operations and relationships. Combined with effective marketing communication and adjusted to the theory of business decision making in general, inbound marketing can prove to be a promising tool for companies that are trying to stand out from the rest.

MAJOR THEMES:

1. **Content Creation:** Create targeted content that answers customer's basic questions and needs, and share that content far and wide.
2. **Lifecycle Marketing:** Recognize that the people go through certain stages as they interact with the company and that each stage requires a different kind of marketing action.
3. **Personalization:** As we learn more about our leads

over time, we can better personalize our messages to their specific needs.

4. **Multi-channel:**

Inbound marketing is multi-channel by nature because it approaches people wherever they are and through the channel that they want to interact.

5. **Integration:**

Publishing and analytics tools all work together like a well-oiled machine, allowing us to focus on publishing the right content in the right place at the right time.

Instead of that old interruption based message where the marketer or the salesperson had the complete control, Inbound is about empowering potential customers.

SEO

Search Engine Optimization, or SEO, is a huge issue for companies looking to get found online. SEO is a kind of measure of how attractive our website is to the different search engines, such as Google, Yahoo!, and Bing (but mostly Google).

The better our SEO is, the more likely it is that we rank high in Search Engine Results Pages (SERPs) when potential customers search for related terms. The visitors we get through SERPs are often called 'organic visits,' because we didn't have to specifically reach out to them.

Basic SEO tasks include things like:

1. Managing links on our site
2. Optimizing page load speeds
3. Designing pages to be responsive to different-sized screens (tablets, smart phones, desktops)
4. Checking keywords

SOCIAL MEDIA

Social networking is essential at every step of the funnel, especially in attraction and conversion. They help in exposing the blog content, landing pages, or other relevant media to the people. The publication should be periodic and the themes of the texts should be focused on what customers want to know, understand and/or buy. As a result, positive engagement results can become a reality as long as the relationship strategy is involved in the process.

Inbound Marketing is characterized by the use of strategies for organic and spontaneous attraction of new customers in the digital environment. Offering well-segmented content and information that meets the needs and interests of the public is the foundation of this new way of doing marketing.

Along with gaining visibility, Inbound Marketing prioritizes the construction of a relationship of trust between the company and the public by way of captivating the loyalty of the customers, who become the brand's spokespersons and contribute to their consolidation in the network. Inbound Marketing works to attract and win the trust of the target audience by arousing their interest, and at the right moment, after this audience has already shown the signs that it is ready for the purchase, part for a more effective selling approach.

BUYER PERSONA

A buyer persona is a semi-fictional representation of our ideal customer, based on market research and real data about our existing customers. Buyer personas (sometimes referred to as marketing personas) are fictional and generalized representations of our ideal customers. Personas help us all in marketing and sale of products and services. They internalize the ideal customer we're trying to attract, and relate to our customers as real human beings. Having a deep understanding of our buyer persona(s) is critical to drive content creation, product development, sales follow up, and really anything that relates to customer acquisition and retention.

BUYER'S JOURNEY

Buyers don't want to be prospected, demonstrated or closed. These steps add zero value to the buyer. Buyers are looking for additional information about our product that can't be found online. The buyer's journey is an important framework for marketing strategy — but what does it look like? How are buyers getting from step one ('Do I have a need?') to a justified decision? How can marketers harness this knowledge to create campaigns centred on the customer lifecycle?

'The buyer's journey is the active research process a buyer goes through leading up to a purchase.'

In a nutshell, it's everything that someone would need to do before deciding whether or not to purchase from us. The vast majority of our customers are finding the information they need to make their purchase decision on

their own. These customers will have made up their minds long before they ever reach out to us.

What do we do about this?

We meet them where they're finding their information, that is, we're the ones who are providing them with everything they need to make the right decision. By supplying them with valuable content that helps in their decision process, we'll be gently nudging them closer and closer to buy from us.

OBSERVATIONS

1. Inbound is real and it shows remarkable traction for such a new industry.
2. Inbound also delivers on its return on investment promises, providing cheaper leads that convert at higher rates.
3. Traditional marketing is fading.
4. We need to better define what inbound marketing is and how to measure certain activities.
5. As a holistic approach, inbound helps in targeting a fragmented digital audience and makes marketing more profitable.
6. Inbound has shifted the way marketers spend their time, and automation helps them to work smarter.
7. Inbound marketing is not a channel or a technology, it's a strategy.

The whole methodology starts back from the beginning, as the promoters talk to their networks, attract more strangers and spread the word about the products and services.



Investors see more value in gold when they lose confidence in Government bonds and the return of stock market is negative.



The Study of Evaluation of Gold as an Investment Asset

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ABSTRACT

This study examines potential benefits of investing in various gold investment vehicles in terms of risk and return. Furthermore, the study examines the relationship between gold price and a few macroeconomic variables. The purpose of the analysis is to be able to make a good investment in gold; for this, it is necessary to identify the relevant factors that affect the price of gold, and then construct an optimal portfolio. It is found that holding a diversified portfolio could help in providing reasonable return and protection from economic collapse. Gold has the potential to reduce systematic risk when added to a portfolio of stocks. A multiple regression model was estimated which relates gold price to macroeconomic variables. Based on the results, the return of gold is proven to have a positive correlation with the change of

inflation rates, the stock market index rate and the currency exchange rate.

KEYWORDS: Gold prices, inflation, macroeconomic variables, regression model

INTRODUCTION

Gold is traditionally considered by investors as a safe investment, especially during a time of recession with high risks of inflation, depreciating exchange rates and the collapsing of banks. The main reason is that, unlike any currency, gold has an intrinsic value. It is a precious metal widely used in modern technologies. Gold was used as currency in old times. Even now, it is considered as the backup currency for governments and central banks. Currently, the price of gold is indicated in terms of currency. Investors see more value in gold when they lose confidence in government bonds and the return of stock market is negative. When the bubble collapses, many individuals suffer losses as property constitutes a considerable amount of individuals' personal wealth. Bonds exhibit default risk as there is a likelihood that the issuing government might default on its debt (as was the case during the recent euro-zone sovereign debt crisis) or that the issuing company might get bankrupt and be forced to shut down its operations (as was the case with the collapse of Lehman Brothers). It is therefore imperative for investors to diversify portfolios in order to mitigate significant losses during periods of economic instability, when traditional asset classes experience substantial reduction or loss in value.

Gold was being used as a currency in the global economy previously. It always plays an important role in the world's major currency systems. Gold first became the single metallic standard for the U.S. Dollar in 1900, and was the back-up for U.S. Dollar until 1973. After 1973, both gold and the U.S. Dollar are floating on the market. Even though gold is no longer a monetary standard, governments and central banks still hold gold as a portfolio in their reserves to back the paper currencies.

From an investment perspective, besides the static price increasing, gold is very different from stocks and bonds. Stocks and bonds may face default risks if the issuer cannot afford to pay, but gold has its inherent value. To some extent, the inherent value insures investors' wealth compared to other assets. In addition, gold also has a more stable price trend in the long term.

The factors driving the interest in gold investing can be summed up as: portfolio diversification, inflation hedge, currency hedge, and risk management.

Most studies in this issue have only been carried out from an international perspective, while far too little attention has been paid from a domestic point of view. One is not aware of a study that comprehensively investigates the performance of gold overtime as well as the possible effect of gold in terms of portfolio risk and return and the comparison of gold performance to stocks. It was noted that most households in India do not invest directly when they have savings, instead most put their savings into banks or retirement funds and a few will buy stocks and bonds. The reports make shares/stock appear to be more important than other forms of investment. The problem is, although a number of financial instruments relating to gold have been developed in India, the emphasis on these instruments is relatively low and for some of them, the market tends to be small locally. Investors, especially individual investors, are not fully aware of the type of return they would get from investing in gold, but most importantly they are not aware of what the effect of gold will be on their portfolios. The need for individual investors to become conversant with different ways of investing such as investing in gold has become necessary. The knowledge about gold investing and different gold investment vehicles can in turn be used as a tool against the plight of poverty as investing provides a means for long term wealth creation.

The main objectives of the study are as follows:

1. To assess and compare the return on gold with the return on the stock market index.
2. To briefly analyze the performance of gold during financial turmoil.
3. To investigate the relationship between gold price and the following macroeconomic variables: SENSEX, USD/INR rate and CII.

The data used in the study comprises yearly price data of variables like SENSEX, \$/₹ index, gold futures and CII.

Time frame: 31st March'03 to 31st March'17

Software used: Microsoft Excel

The role of gold in an investment portfolio as a diversifier has been addressed thoroughly, but how has gold performed in comparison with other major assets?

A number of studies have been undertaken to check how returns on gold compare with returns on equities and bonds. Ratner and Klein (2008) evaluated the value of holding gold to U.S. investors. Returns of gold were compared with U.S. total stock market index returns. The study found that even though gold experienced notable appreciation in certain periods, the long-term return performance of the U.S total stock market index exceeded that of gold. As such, gold was found to be an inferior investment.

It appears that gold as a stand-alone investment is an inferior choice in comparison to stocks and bonds in the long term when markets are performing well. Gold seems to be a profitable asset to hold during times of market distress when stocks and bonds are underperforming.

Economies throughout the world go through cycles. Investors should be wary of times in which it is profitable to hold gold in order to avoid major losses and when to limit exposure to the metal in order to profit from rising equities. It is established that financial assets (such as shares and property) outperform commodities (such as gold and silver) in times of economic growth and that commodities outperform financial assets in times of economic contraction. It is discovered that returns on precious metals (such as platinum, silver and gold) were notably higher during periods of restrictive policy than in periods of expansionary policy. Unlike metals such as platinum, which are used mainly for industrial usage and consumption, gold is less susceptible to demand shocks which may arise from reduced industrial consumption and offers investors means of hedging during periods of poor economic performance. As a result, gold price is not expected to drop significantly when the economy is in distress. It is found that investors wishing to make use of gold returns to hedge a portfolio or to speculate in the price of gold can achieve the same objective by using gold mutual funds. He also found that returns on gold mutual funds are at least the same amount or greater than returns on the price of gold and established that gold mutual funds exhibited risk which cannot be attributed to either gold price or market price. A vast number of econometric models with varying levels of complexity have been developed to forecast the price of gold over the years. The model comprised the gold price as the dependent variable and explanatory variables included U.S. economic data such as inflation,

prime overdraft rate, money supply, dollar, oil price and dummy variables (to capture government's monetary and fiscal policies). Although the model yielded an R-squared of 0.9522, which is significant, it was found that the model over-reacted to historical trends.

RESEARCH METHODOLOGY

Determining Beta for Gold:

To calculate the beta of a security, the covariance between the return of the security and the return of the market must be known, as well as the variance of the market returns.

$$\text{Beta} = \frac{\text{Covariance } (r_i, r_m)}{\text{Variance } (r_m)}$$

r_i is the return on gold and r_m is the return on the market index

When comparing returns on stocks, only capital appreciation is considered and dividends paid by companies are ignored. It is also noted that ignoring dividends paid by equities tend to understate returns yielded by equity investments.

Regression Models:

It is the process of estimating the value of dependent variable by explanatory variable. The regression model will show how the dependent variable is affected by explanatory variables. In this case, it will be how the price of gold is affected by the previous price of gold, the inflation rate, the stock market, and the currency exchange rate. Regression model is established and based only on available observations. The regression model can have a single explanatory variable or multiple explanatory variables.

SINGLE FACTOR MODELS

$$Y = \alpha + \beta X + \varepsilon$$

Where:

1. α , β are constants, and can be determined by ordinary least square regression analysis.
2. ε is the error term.

MULTIFACTOR MODEL FOR INVESTMENT RETURNS

These models are of the form:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \varepsilon$$

Where

1. α , β_i are constants and can be determined by ordinary least squares regression analysis.
2. ε is the error term.

The goal of such a model is to find a set of factors which explain the observed historical valuation without introducing too much 'noise' into prediction of future returns.

DATA ANALYSIS AND FINDINGS

Calculation of Beta

Beta of an asset measures the amount of systematic risk relative to an average risky asset. Systematic risk of an asset is an important aspect in asset selection as it is the risk that cannot be eliminated by diversification. Ideally, an asset's beta should be as low as possible. Assets with negative beta are particularly valuable within a portfolio because they can reduce systematic risk.

A beta of one indicates that the security's price moves with the market. A beta of less than one means that the security is theoretically less volatile than the market. A beta of greater than one indicates that the security's price is theoretically more volatile than the market.

Overall Beta for gold (using historical data over a period of 15 years) = 0.040810945

Calculation of annual beta for over 9 years (Compiled by author using monthly data of SENSEX and Gold sourced from www.investing.com)

	BETA
1st April 2016-31st March 2017	0.016614157
1st April 2015-31st March 2016	-0.01454942
1st April 2014-31st March 2015	0.012356787
1st April 2013-31st March 2014	0.05643932
1st April 2012-31st March 2013	-0.015467842
1st April 2011-31st March 2012	0.0237896
1st April 2010-31st March 2011	0.0378915701
1st April 2009-31st March 2010	0.056578907
1st April 2008-31st March 2009	-0.01567895

Table 1 above shows results for gold beta calculated for each year. Gold exhibited negative beta in 2012-13 and 2008-09. It is worth noting that negative beta was observed during the 2008 economic recession. This result affirms that gold has a potential to be an effective risk management asset, especially when equities are underperforming. More specifically, it is found that beta for gold to be close to zero and noted that addition of gold is likely to reduce risk of a diversified portfolio.

Performance of Gold during financial turmoil

Table 2 presents a summary of aggregate returns for a specific period of financial crisis to assess the performance of gold as a safe haven asset. The specific crisis episodes are the September 11th, 2001 terrorist attacks and the global financial crisis in 2008. The gold return seemed to rise particularly strongly and did not lose its value in reaction to the September 11th attacks and the culmination of the global financial crisis in September 2008, consistent with the safe haven characteristics. The September 11th terrorist attacks and the Subprime Crisis in 2008 also exhibit some details that are very significant in the context of safe haven asset and investor behaviour. On the other hand, the turmoil in late 2008 representing the peak of the global financial crisis displays a positive evolution of the gold price from September 2008 consistent with a safe haven asset, but a negative return of gold one month after the crisis.

The pinnacle of the financial crisis in late 2008 reveals that a safe haven cannot be a safe haven in the long-run or at all times. If investors buy gold in response to a negative shock, this initial shock is followed by a sequence of similar or even larger negative shocks. Hence, some investors may be forced to sell gold, thus eventually decreasing the price of gold and bringing the safe haven status of gold for that particular event to an end.

Performance of gold and stock market during financial turmoil

	GOLD RETURN STOCK	MARKET RETURN
2001 September 11 attacks: Sept. and Oct.	0.053011	-0.276573
2001 September 11 attacks: Sept. (only)	0.318551	-0.501783
2001 September 11 attacks: Oct. (only)	-0.163355	-0.093069
2008 Financial crisis: Sept. and Oct.	-0.190393	-0.591216
2008 Financial crisis: Sept. (only)	0.496765	-0.36789
2008 Financial crisis: Oct. (only)	-0.91191	-0.825708

Regression Analysis:

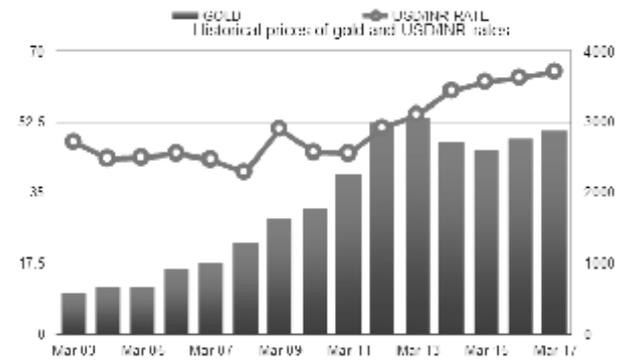
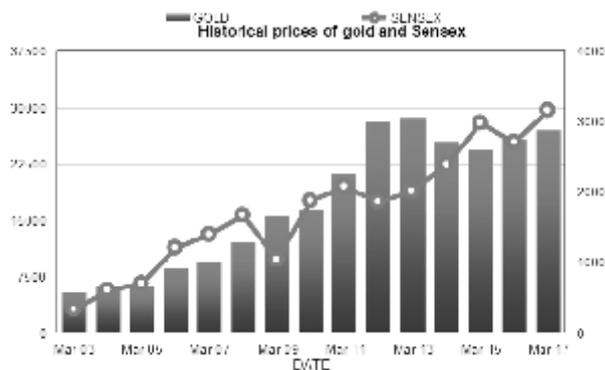
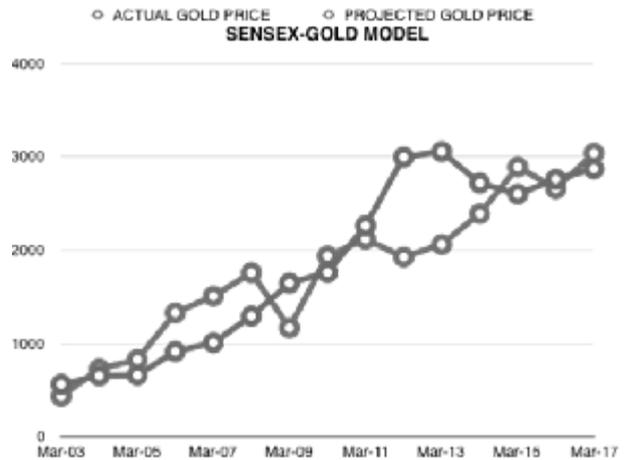
Model 1- Regression analysis of SENSEX and Gold Returns:

SENSEX can be considered as a proxy for market capitalization of stock market. Investors who were well-diversified right from the beginning are well aware that when equity fails to deliver, other asset classes can come to the rescue. Gold is the most prominent among these asset classes. It is expected that equity and gold do not go hand in hand. Hence, when equity tends to go up, gold comes down and vice-versa. This gives investors enough opportunity to gain from either asset class, especially when the other is making a loss.

H0: SENSEX is not a significant variable in the determination of gold price

Ha: SENSEX is a significant variable in the determination of gold price

Since P-value is less than 0.05, we have sufficient evidence to reject H0 with five per cent confidence. Therefore, SENSEX can be considered as a significant variable in the determination of gold price.



Regression Statistics of Model

	Co-efficient	P-value
Intercept	-0.804714871	0.483855198
ln(SENSEX)	0.856979124	5.71633E-06

REGRESSION STATISTICS	
RSQUARE	0.805343161

The result produced by the model is: $\ln(\text{Gold}) = -0.8 + 0.856 \cdot \ln(\text{SENSEX}) + e$

The overall goodness of fit for the test measured by the R-squared value of the test = 80.53 per cent

From the above graph it can be seen that the price of gold and SENSEX are positively related i.e. they move together in the same direction.

It can be seen that even though over long periods actual and predicted returns correspond, the variance of actual returns is much higher than predicted. Therefore, we need other factors to explain the volatility of price over long periods.

Model 2- Regression analysis of \$/₹ and Gold Returns:

Even though it is no longer used as a primary form of currency in developed nations, the yellow metal continues to have a strong impact on the value of those

currencies. Moreover, it is expected that there is a strong correlation between its value and the strength of currencies trading on foreign exchanges.

It can be seen that both the variables are exponential in nature and hence make an adjustment to produce linear results. We have prepared a single factor model with $Y = \ln(\text{Sensex})$ and $X = \ln(\text{Gold})$

H0: $\$/\text{₹}$ rate is not a significant variable in the determination of gold price

Ha: $\$/\text{₹}$ rate is a significant variable in the determination of gold price

Regression Statistics of Model 2

	Co-efficient	P-value
Intercept	4.773024919	2.33788E-05
ln (USD/INR)	0.051338019	0.00374523

REGRESSION STATISTICS	
R SQUARE	0.488420965

The result produced by the model is: $\ln(\text{Gold}) = 4.77 + 0.05 \cdot \ln(\text{\$/₹}) + e$

The overall goodness of fit for the test measured by the R-squared value of the test = 48.84 per cent

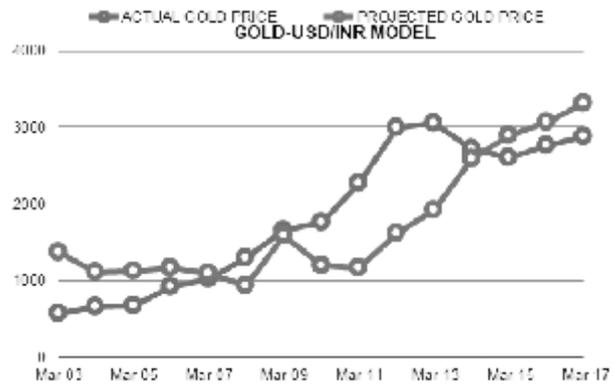
Since P-value is less than 0.05, we have sufficient evidence to reject H0 with five per cent confidence. Therefore, $\$/\text{₹}$ can be considered as a significant variable in the determination of gold price.

Around 44 per cent of the changes in $\ln(\text{Gold})$ can be explained by the changes in $\ln(\text{\$/₹})$. $\ln(\text{Gold})$ and the Intercept both have highly significant P-values. Due to the weak R square value we can't conclude a strong linear relationship between the two.

However, a major proportion of $\ln(\text{\$/₹})$ cannot be explained using historical data. Therefore, although the model is significant, it can be inferred that gold prices are not as affected by $\$/\text{₹}$ rates as the SENSEX.

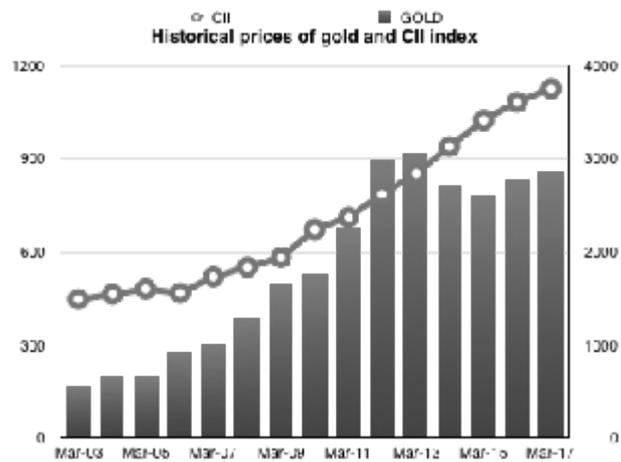
It can be seen that even though the two variables are positively related, the variance of actual returns is much higher than predicted. Therefore, we need other factors

to explain the volatility of price over long periods. Thus, we shouldn't put extreme weightage on this factor to analyze gold prices in the future.



Model 3- Regression analysis of CII and Gold Returns:

The hedge against inflation is the traditional motive behind the investment in gold, but its role as an inflation hedge is perhaps the most debated and ambiguous issue in the financial press and academic literature. It is expected that gold and inflation are positively related.



We can see that both the variables are exponential in nature and hence make an adjustment to produce linear results. We have prepared a single factor model with $Y = \ln(\text{CII})$ and $X = \ln(\text{Gold})$

H0: CII is not a significant variable in the determination of gold price

Ha: CII is a significant variable in the determination of gold price

Regression Statistics of Model 3

	Co-efficient	P-value
Intercept	-3.765761381	0.014834621
ln(USD/INR)	1.707955962	1.47615E-06

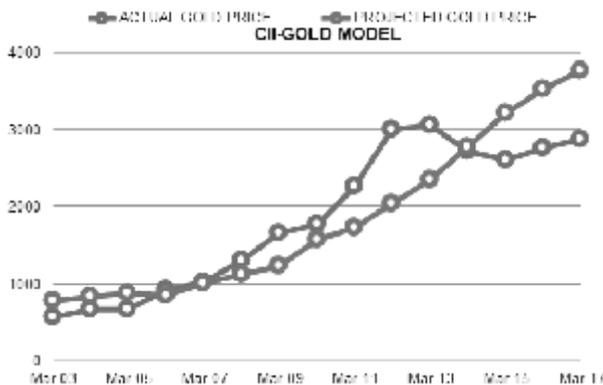
REGRESSION STATISTICS	
RSQUARE	0.841491375

The result produced by the model is: $\ln(\text{Gold}) = -3.76 + 1.70 \cdot \ln(\text{CII}) + e$

The overall goodness of fit for the test measured by the R-squared value of the test = 84.19 per cent

Since P-value is less than 0.05, we have sufficient evidence to reject H0 with 5 per cent confidence. Therefore, CII can be considered as a significant variable in the determination of gold price.

Around 84 per cent of the changes in $\ln(\text{Gold})$ can be explained by the changes in $\ln(\text{CII})$. $\ln(\text{Gold})$ and the Intercept both have highly significant P-values. Since the coefficient of $\ln(\text{CII})$ is positive, it is evident that there is a positive correlation between $\ln(\text{CII})$ and $\ln(\text{Gold})$. We conclude that CII has a significant impact on the gold price. However, other factors may be required to validate the volatility over longer periods.



From the above R-square value it can be noted that CII is the most significant variable out of the three. Thus, CII has the highest influence on gold prices. Therefore, gold can be considered to be a hedge against inflation in the long run. Gold is able to cover up the rate of inflation and can be used as an effective risk management strategy. A greater rise in inflation rate leads to a lower

value of the paper currency. In the case of high inflation or the devaluation of paper currencies, people are more willing to hold gold as it has a static purchasing power as far as goods are concerned, and therefore the price of gold increases.

If investors buy gold in response to a negative shock, this initial shock is followed by a sequence of similar or even larger negative shocks.

The above is the best fit model. It is very evident from the previous diagram that CII and gold prices move together in the same direction, that is, they are positively correlated. There is a significant relationship between the two. Thus CII can be considered to be the most significant factor to influence the price of gold.

From the above single-factor models, it can be noted that the price of gold can be explained by three main variables, that is, SENSEX, \$/₹ rate and CII. It is also important to note that the price of gold can be best explained by CII then SENSEX and lastly \$/₹ rate. Thus, gold EFTs move with the rate of inflation or it can be considered as a hedge against inflation.

Model 4- Multi-factor Regression model:

In the multi-factor regression model, all the three variables are considered: SENSEX, \$/₹ exchange rate and CII.

When the model was run, the statistical figures were as follows:

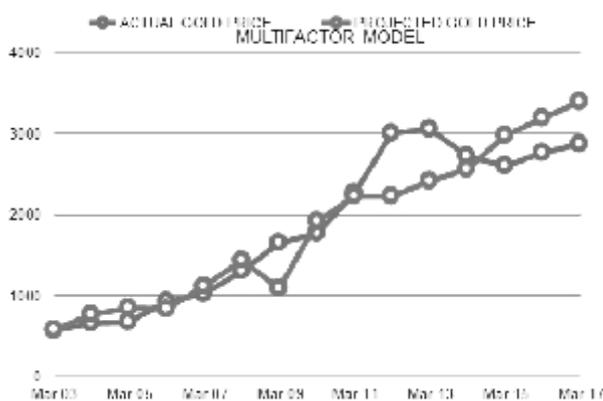
	Co-efficient	Standard Error	P-value
Intercept	-6.493715318	2.442309405	0.022232616
ln(SENSEX)	0.148944347	0.237979094	0.044166695
ln(USDINR)	0.030639197	0.020060085	0.054897485
ln(CII)	2.146073713	0.798924308	0.02117224
Regression Statistics			
R Square			0.905821196
Adjusted R Square			0.880136068
Standard Error			0.213871295
Observations			15

Multi-factor regression statistics

The equation so produced by this model is as follows:

$$\text{Ln}(\text{Gold}) = -6.49 + 0.1489 \text{Ln}(\text{SENSEX}) + 0.0306 \text{Ln}(\text{USD/INR}) + 2.146 \text{Ln}(\text{CII}) + \text{Error term}$$

The above graph shows that the multi-factor model is the best fit model. The variability in the data has been reduced, making this the ideal model. Thus, it can be concluded that when all the significant factors are included in the model, the model has much more value and depicts better results. With focus on different aspects of the study, we can conclude and affirm several observations.



CONCLUSION

Gold can be considered as a good investment with respect to beta. It should constitute a part of the portfolio as it is an effective risk management technique and helps in the diversification of portfolio. Although the beta is not negative in all years, low beta signifies reduction of systematic risk. Thus, if an investor is looking for low risk investment, he/she must consider gold.

In a situation where stock markets are underperforming, gold can be considered to be a good investment.

Although the return on the stock market index is significantly higher than that of gold, during a period of financial turmoil, the gold returns outperform the stock market index returns significantly. It is not justified to comment on the returns without evaluation of risk. It is seen that the volatility of the stock market is much higher than the gold market. Therefore, the choice of

investment depends on the investor's ability to take risks and his/her expectation of returns.

Gold can be considered to be a safe haven. Gold returns are negatively correlated with stock returns during crises - indicating the potential for gold to act as a safe haven in the face of stock market losses. Gold can be considered as a hedge against inflation in the long term: over a period of more than 10 years. Therefore, one must invest in gold in a moderately inflationary environment.

Adding gold to a portfolio can diversify the risks of stocks and bonds, and enhance the ability of bearing risks in the crisis.

It is well realized that in the real world, a lot more financial products in diversified geographic locations can be included in such a portfolio. It is not the scope of this article to build a model forecasting the movement of gold's price. The model testing, in its way, only assists a rational understanding of the phenomenon. However, if we have a large number of observations, it is possible to build an econometric model that predicts the price of gold in the future.

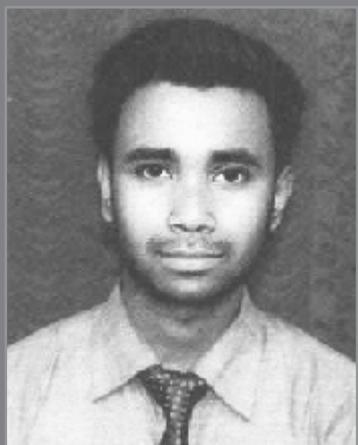
This study empirically investigates the role of gold in India, and specifically whether gold can be used to hedge risks on average, or work as a safe haven asset against losses in financial markets. Our primary result is that domestic gold plays an important role as a hedge against inflation and a safe haven during crisis. The chosen testing period from 2003 to 2017 with yearly observations, shows that the return from gold has a strong positive correlation with the change in the inflation rate. The return from gold has also proven to not be related to the return of stocks or currency exchange rate.

Gold historically combated losses that occurred during the period of inflation, social unrest and war. When stock prices fell, financial advisors were expected to advise investors to maintain a position in gold during the period. Conversely, during periods of an economic boom, gold investments often decreased in value as stock prices increased.

To have a comprehensive conclusion besides the recommended portfolio, it also needs to be addressed that gold is a very unique asset, which has a static purchasing power in the long term, as far as goods and services are concerned. Adding gold to a portfolio can diversify the risks of stocks and bonds, and enhance the ability of bearing risks in the crisis. The effect becomes significant when the risk of inflation and government default is prevalent.

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In the consumption sector economic model, children are treated as 'goods' who are capable of full economic independence. The more the parental control, less the purchasing power and vice-versa.



Role of Children in Household Decision Making in the City of Kolkata

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ABSTRACT

It is usually the norm of the family that the decision making is generally equated with husband-wife. The role of children in the decision-making process has either been excluded or ignored. This study attempts to analyze how children participate and influence the family decision making process in

10 different categories. This exploratory study was carried out with the help of focused group interviews and data collected from 101 children, in the city of Kolkata. Our study reveals that a male child is relatively more involved in a purchasing decision in comparison to a female child. Children who reside in a nuclear family have much more power in household decision making than children who reside in a joint or extended family. Children with household size more than four and whose household income is above ₹ 30,000 have a greater role in household purchasing decisions. Our study also shows that children are mostly influenced by their relatives or friends. Thus, marketing managers should explicitly acknowledge the importance of a child's role in family decision making.

KEYWORDS: Male child, female child, nuclear, purchasing decisions.

INTRODUCTION

Previously children were not considered to be an important consumer segment. With a change in the economic, social and demographic conditions, the situation has changed. Research on children as consumers had started way back in 1960s, but it was only in the 1970s that it gained visibility in the marketing world. Research has shown children's influence over family purchase decision making. The decisions taken regarding the purchase of a consumer durable are not only complex but also challenging. In the consumption sector economic model, children are treated as 'goods' who are capable of full economic independence. Well developed communication and formal reasoning skills are inherited by children which makes them capable of productive work and independent actions. The extent of purchasing power of a child depends on the extent of parental control over them. The more the parental control, less the purchasing power and vice-versa.

McNeal (1987) categorized children in three markets: the current market, the future market, and the market of influence. In other words, McNeal meant that children can spend on goods and services wherever they desire, both in present, and in the future. Moreover, they influence their parents' decisions. A

study by Nickelodeon (2013) also shows that the purchasing power of children has increased over the years and decision making has become more collaborative among parents. It is seen that children are not only passive users, but also influential buyers. The study gains its importance, as over the past decade, India has witnessed large cultural, social and economic changes. According to Census (2010), India is a nation where, 30 per cent of the population is below 15 years in age.

The participation of child in decision making may occur in the following ways:

Consultation: Here, the views and decisions of the child are taken into account by the parents while making a decision. However, they are not involved in implementation of the decision.

Supported: Here, the child takes autonomous decisions regarding purchase of consumer durables and carries out actions with the support of his or her parents.

Deciding together: Here, the child and the parents discuss and decide together regarding purchase decisions. The adult carries out the entire responsibility where, as the child steers the decision.

Acting Together: The child or the young adult along with the adults of the family, shares power and responsibility for decision making when both deciding and taking action to implement the decisions together.

OBJECTIVES OF THE STUDY

1. To explore the extent of the impact of socio-economic variables like age, occupation, gender, and income of the household of the children on the purchase decision of consumer durables of the household.
2. To discuss whether the employment status of the mother affects the purchase decision.
3. To discover the impact of various social agents like family, peers and media on children's decision making
4. To discover whether the household type and household size have an influence on children's decision making.

Limitations of the study:

1. The study is limited to a particular geographical area i.e. within Kolkata.
2. The age of a child is limited to 16 years.
3. Many of the respondents were introverted and collecting data was quite difficult.

LITERATURE REVIEW

A literature review is the effective evaluation of selected documents on a research topic. A review may form an essential and necessary part of the research process or may constitute a research project itself. In the context of a research paper or thesis, the literature review is a critical synthesis of the previous research. So here is a literature review on the selected topic, 'Role of children over household decision making'

Following is some of the research done by various researchers on the given topic:

McNeal (1979): It states that with the maturity of the children, the desire or want for independent purchasing power increases. This is backed by increasing parental permissiveness. Children are given the responsibility to purchase by parents whose dual aim is to make them responsible for their purchase and protect them from any harm (ITC Paper, 2002). It is linked to 'child targeted' advertisements where, parents try to make their children quite aware and responsible regarding purchase and simultaneously protect them from any potentially harmful influences such as television marketing.

McLeod & Chaffee (1973): These researchers draw a line between socio-oriented consumer environment and concept-oriented consumer environment. Children have a limit in socio-oriented environment where such families go along with family decisions. Whereas, in a concept-oriented environment, children are given the power to make decisions as their parents encourage their children to develop concept related thoughts, where children become more independent regarding purchase decisions.

Aitkin (1972): This study was carried to observe children's dominant role in the cereal selection for the families in the supermarkets. It has been observed that children go by the premium incentives rather than nutritional features of the product. Children's reference to premium incentives was highly accepted by the parents.

Fulgini & Eccles (1993): They state that some adolescents are equipped with purchasing skills where as some adolescents don't possess these skills. These skills are dependent upon age, gender, intelligence, educational qualities, family, gender, religiosity, temperament and social or cultural environment.

DATA AND METHODOLOGY

This study is based on the analysis of the role of young children in the buying process. The group 'tween' referred to is about 8 to 16 years old and are neither children nor teens. Children are growing up faster, are more connected, straight forward and well informed. Thus, by influencing product preferences effectively in childhood, these preferences may become strong preferences in their adulthood. Children are not only important as individual future consumers but also for influencing the market to pestering their adult parents to buy that product.

Sampling technique

Data was collected by interacting with the parents and children (around 101 of them) with the help of structured questionnaires using non-probability sampling technique. Only one parent was chosen from a family for the study and a well-structured questionnaire was used to elicit information from them. The ten products under consideration in this study were cars, television, laptop or computer, mobile phones, audio players, games, toys and dolls, chocolates, bicycle and dress. Data analysis has been done using Microsoft Excel and SPSS with the help of cross-tabulation, graphs and non-parametric tests.

SOCIO-ECONOMIC PROFILE OF THE RESPONDENTS**Table 1:** Socio-Demographic profile of the Respondent

Variables	Per cent
Age group	
1-8	6.93
9-12	40.59
13-16	52.48
Sex of the respondent	
Male	62.38
Female	37.62
Household Type	
Nuclear	52.48
Joint or Extended	47.52
Household size	
2	3.96
3	50.5
4	45.54
Income of the Household	
<10000	1.98
10001-30000	21.78
30001-50000	15.84
>50000	60.4
Influencing factors	
Parents	26.73
Friends & peers	34.65
Social networking	24.75
Advertisement	13.86
Whether mother is working or not?	
Mother working	53.47
Mother not working	46.53
Whom does a child follow at home?	
Father	55.45
Mother	27.72
Other	16.83

Most of the respondents are from the age group 9 - 16 years. Only a miniscule portion of them are 8 years and

below while the majority is within the age-group of 13-16 years. The study consists of 62 per cent male and 38 per cent female. This variation in the gender would help us to understand whether there exists an impact of gender on household purchasing decisions or not. The children in this study hail from households with varied income stream.

We can see that majority of the children are from the income group of ₹ 50,000 and above, and a very less percentage of children from the income group of less than ₹ 10,000. 22 per cent of the children come from households whose income is between ₹ 10,000-30,000 and 16 per cent of the children hail from families with household income ranging from ₹ 30,001 and ₹ 50,000. We are also interested to find out how the purchasing behavior of children changes when his or her mother is a working parent and it has been found out that most of their mothers are not working. Most of the children belong to a family of four and above. Children are mostly influenced by their friends and peers (33 per cent), along with relatives (31 per cent). Most of the children tend to follow their father (55 per cent) and 28 per cent follow their mother.

COMPUTATION OF THE PURCHASE INDEX AND FINDINGS

A child may participate in decision making process 'alone' or 'jointly' with someone else. We have developed a 'Purchasing Index' which defines the number of decisions a child participates in. It is calculated by giving a score of '1' to each purchasing decision of consumer durables with which the participation of children is involved and '0' otherwise. We then take the sum of all such indices and further compute the value of composite index named as the 'Purchase Index'. The index value will thus range from '0' (child participates in one of the purchase of

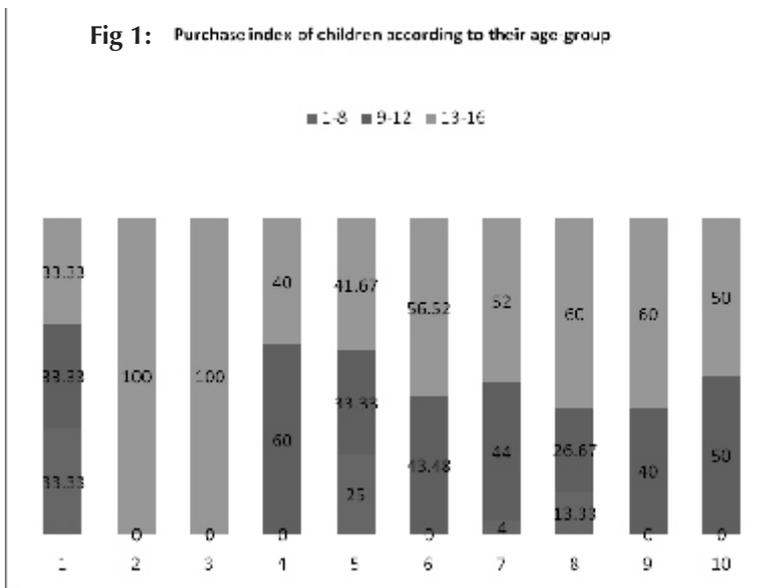
Marketing managers should explicitly acknowledge the importance of children's role in family decision making.

consumer durables) to '10' (the child participates in purchase of all the consumer durables).

The mean rank of the Purchase Score for each socio-demographic variable can be used to identify the difference in purchasing decisions of children across different variables. Whether these socio-demographic factors have different purchase scores can be assessed using the Test Statistics table which presents the result of the Kruskal-Wallis test. We would also be using the Mann-Whitney U test to compare differences between two independent groups when the dependent variable is either ordinal or continuous, but not normally distributed.

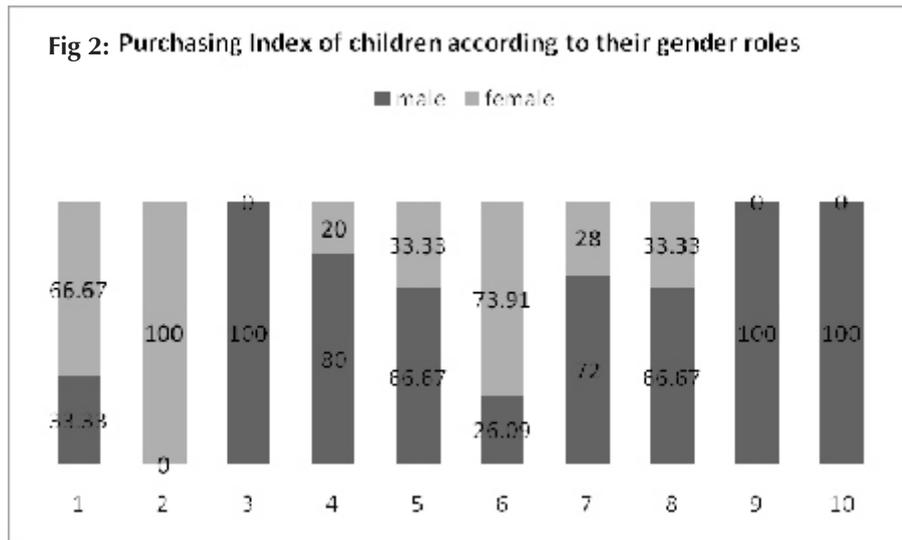
Purchase Index of children according to their age-group

Fig 1 shows the graphical analysis of purchase index of children according to their age group



It's very apparent from the stacked column chart that children below the age of 13 are not taking active part in the purchasing decision of two consumer durables

whereas, we can see as the Purchase Index rises children from all the age groups take part in the purchasing decisions of 5 to 8 consumer durables. It can be observed that children with age group of above eight are playing an active role in the purchase of 9 to 10 consumer durables. Hence, we can see that as a child grows, his involvement in household purchasing decision increases.



HYPOTHESIS FORMULATION

- H0(age): There is no significant difference in purchasing decision of children across age group.
- HA(age): There is difference in purchasing decision of children across age group has been observed.

A Kruskal-Wallis test showed that there does not exist any statistically significant difference in purchase score among the different age groups.

Since $P(0.620) \geq 0.05$, so it is highly insignificant.

Hence, H0 (age) is accepted.

Purchase Index of Children according to their Gender Roles

Fig 2 shows the graphical analysis of purchase index of children according to their gender roles.

It's very apparent from the stacked column chart that in the purchase of one consumer durable both male and female children are taking active part. However, as the purchase index rises the percentage of involvement of male children in purchasing the consumer durables increases compared to that of female children.

Hypothesis Formulation:

H0(gender): There is no significant difference in purchasing decision of children across gender group.

HA(gender): There is difference in purchasing decision of children across gender group.

A Mann-Whitney test showed that There was a statistically significant difference in purchase score between the different gender groups.

Since $P(0.03) \leq 0.05$, so it is highly significant. There is an evidence that in 95 per cent of the cases null hypothesis is rejected i.e. difference exist across the gender (group) in terms of sample attribute like mean, variance etc.

Hence, H0 (age group) is rejected and HA (age group) is accepted.

Purchase Index of children according to the income of the household

Fig 3 shows graphical analysis of purchase index of children according to the income of the household.

It's very apparent from the stacked column chart that households with income less than ₹ 10,000 can only afford to buy one or two commodities. However, as the Purchase Index rises, we find that the percentage of children coming from higher income households also increases. So, children buying four or more commodities are mostly from the income groups of ₹ 30,000 and above.

Hypothesis Formulation:

H0 (household income): There is no significant difference in purchasing decision of children across household income group.

HA (household income): There is difference in purchasing decision of children across household income group.

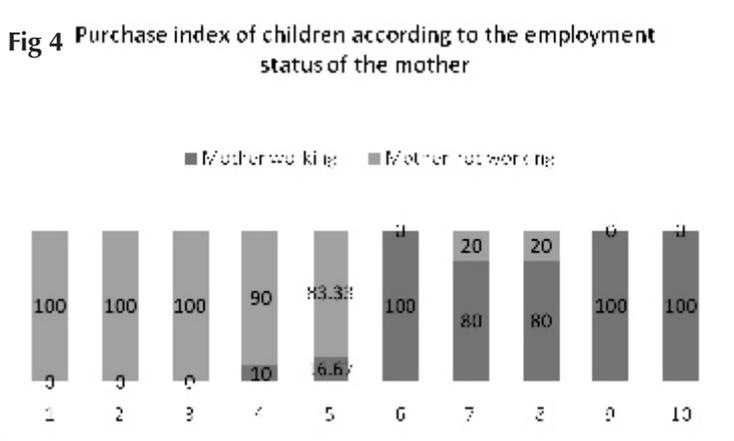
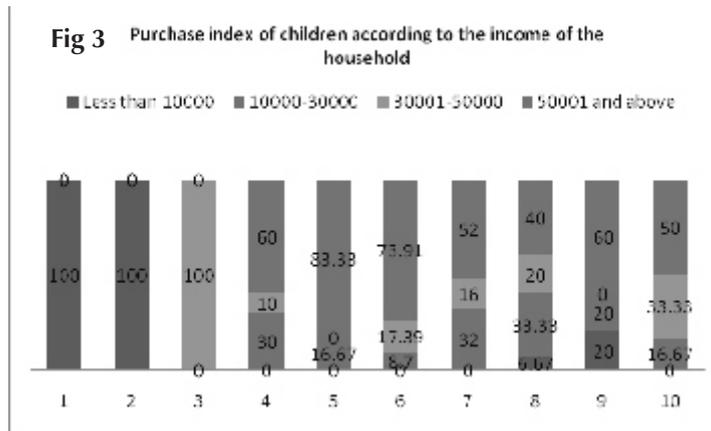
A Kruskal-Wallis test showed that There exists statistically significant difference in purchase score between the different household income groups. Since $P \geq 0.05$ & $P \leq 0.1$, so it is significant. There is an evidence that in 90 per cent of the cases the null hypothesis is rejected i.e. difference exists across the household income (group) in terms of sample attribute like mean, variance et cetera. Hence, H0 (household

income group) is rejected and HA (household income group) is accepted.

Purchase Index of Children according to their employment status of their mother

Fig 4 shows graphical analysis of purchase

index of children according to their employment status of their mother.



It is very apparent from the stacked column chart that children whose mother is not working can only afford to buy their children one or three commodities. However, as the Purchase Index increases, the percentage of children whose mothers are working also increases. So children buying four commodities or above have mother whose employment status is working.

Hypothesis Formulation:

H0 (mother working): There is no significant difference in purchasing decision of children whose mother is working.

HA (mother working): There is difference in purchasing decision of children whose mother is working has been observed.

A Mann-Whitney test showed that there does not exist any statistically significant difference in purchase score among the mothers' employment status groups.

Since $P > 0.05$, so it is highly insignificant

Hence, H0 (mother working) is accepted.

Purchase Index of Children according to their Household size

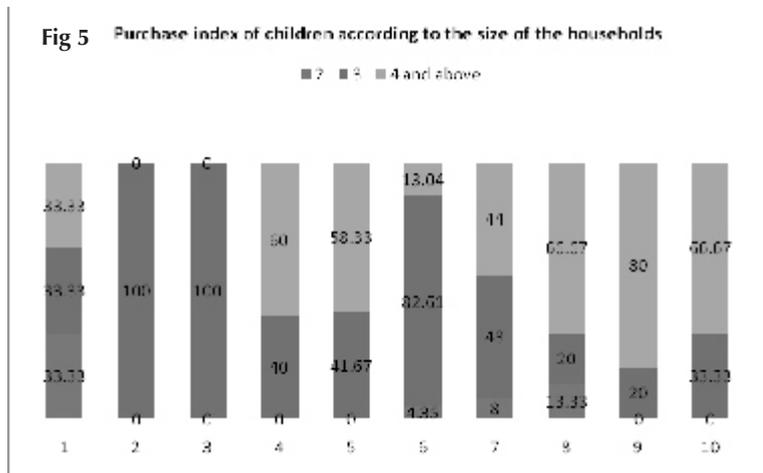
Fig 5 shows the graphical analysis of the purchase index of children according to their household.

It's very apparent from the stacked column chart that household size of two are getting involved in the purchasing decision of one consumer durable whereas, household size of three are able to afford two or 3 items. However, as the Purchase Index increases we see that percentage of children with household size four and above also increase. Therefore, children buying four or above commodities are from the household size of four or above.

Hypothesis Formulation:

H0 (Household size): There is no significant difference in purchasing decision of children whose household size is observed

HA (Household size): There is difference in purchasing decision of children whose



household size has been observed

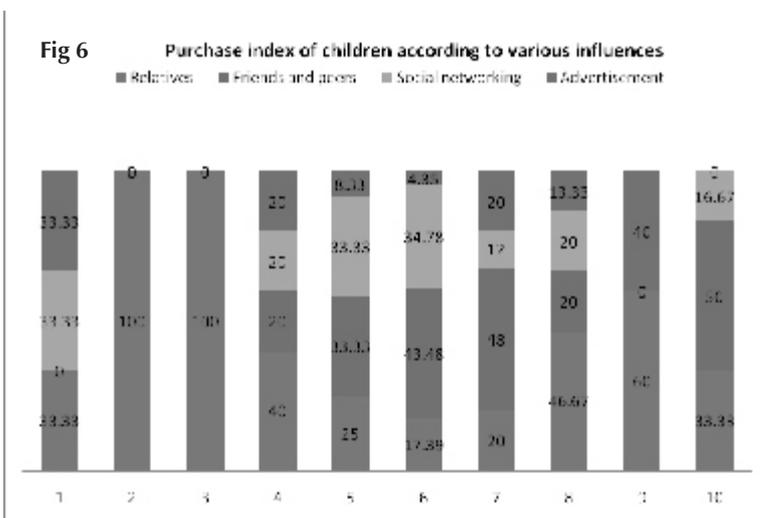
A Kruskal-Wallis test showed that, there does exist statistically significant difference in purchase score between the different household size groups.

Since $P > 0.05$ & $P < 0.1$, so it is significant. There is an evidence that in 90 per cent of the cases the null hypothesis is rejected i.e. difference exist across the household size (group) in terms of sample attribute like mean, variance et cetera.

Hence, H0 (household size group) is rejected and HA (household size group) is accepted.

Purchase Index of Children according to various influences

Fig 6 shows the graphical analysis of purchase index of children according to various influences.



It's apparent from the stacked column chart that children get most influenced from their relatives when they are purchasing two or three items. However, with the increase in the Purchase Index the percentage of children getting influenced by their relatives, friends and peers, social networking and advertisements also increases. Therefore, it seems that children buying four or more commodities are more influenced by their relatives and friends.

Findings and Policy Implications

The purchase decisions for a family are more complex than for an individual being, as the members in the family play an important role in influencing the decision. Generally, husbands and wives are recognized as the major influencers in household decision making. However, children also play an important role in this respect. Our study reveals that a male child is relatively more involved in purchasing decision in comparison to a female child. Children who reside in a nuclear family have much more power in household decision making rather than children who

resides in a joint or extended family. Children with household size more than four and whose household income is above ₹ 30,000 have a greater role in household purchasing decision. Our study also shows that children are mostly influenced by their relatives or friends. Thus, marketing managers should explicitly acknowledge the importance of children's role in family decision making.

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When competition is intense, firms should consider alleviating the profit and loss from competition over cannibalization by introducing a low-end product before a high-end product.



Product Cannibalization in Marketing

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ABSTRACT

Cannibalization is a very unique concept and has been very successful today. Brand proliferation is the opposite of brand extension. Unlike brand extension where new items are added to an existing brand name and several products are offered under the same brand name, in brand proliferation, more items are brought in with new brand names in the same product/product category. Brand proliferation can help in expanding the market as well as the company's market share in the category. It can also increase the company's clout at the retail level by offering a variety. More brands from a company's stable enhance competition in the market. It also paves way for the company's brands to compete among themselves, a phenomenon known as brand cannibalization.

This paper aims to study consumer awareness about product cannibalization and how the companies can strategically use brand proliferation and minimize cannibalization given the consumers' choices, preferences and buying behaviour.

KEYWORDS: Product cannibalization, FMCG, brand extension, brand proliferation, brand identity, hypothesis testing

INTRODUCTION

The power of brand identity has become more and more important within the last decade(s). Now a day, it is not easy to distinguish between different brands due to a rising number of products in the market. Thus, brands need an identity that gives a meaning to the abundant communicational messages sent out by companies. Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers. Brand extension is a marketing strategy in which new products are introduced in relation to a successful brand. In brand proliferation, more items in the existing product categories are brought in with new brand names.

In marketing, Cannibalization refers to a reduction in sales volume, sales revenue, or market share of an existing product as a result of the introduction of a new product by the same manufacturer. Self-cannibalization occurs when a company chooses to proactively replace one product or process with another that is potentially worthless. Embracing this approach isn't easy as it doesn't always seem natural to talk about how to replace profitable businesses. So resolute was Apple's determination in trading a highly profitable business for an unknown future that Jobs reportedly said, 'If you don't cannibalize yourself, someone else will.'

The key trick that Apple adopts is to maintain its lead in consumer technology trends while being able to outclass its previously successful designs. This is the key to successful cannibalization. Apple's sole focus is simply to create great products, one after another, even if they make former products semi-obsolete. Cannibalization of its own products is merely a byproduct process, provided that Apple can continue

to bring out innovative products, that the consumers like, in abundance.

Market cannibalization can have a negative effect on a company's bottom line, forcing an existing product's life to end prematurely because sales shifted to the new product, rather than tapping into a new market as intended. At times, market cannibalism is used as a strategy if the company wants to increase its market share, and hopes that the introduction of the new product will harm its competitors more than it will harm itself.

The fact is, companies must come to terms with their cannibalization concerns because getting overly defensive can restrain powerful growth strategies. If an opportunity is large enough, somebody is going to find a way to grab it; it is therefore a smart move to seize the opportunity before the competitor does. In the long run, survival matters.

However, like every theory, Cannibalization also has its limitations. It doesn't work in the cases where the new product launch will affect the overall profits and sales of the product line. As always advisable, the organization should always go for market-testing to get a feel of the market before launching the product in a full-fledged way. Going the other way round may lead to catastrophic results, especially when the existing product has large customer loyalty.

NATURE OF THE PROBLEM

Cannibalization is a real threat for the vast majority. The prevalence of line extensions pose a real challenge for the manufacturers as they struggle to maximize the leverage of their brand equity.

Normally, product cannibalization may be considered negative, even in the context of a carefully planned strategy. However, it can be efficient if they are eventually raising the total sales volume of a company's product or creating superior consumer demands.

Launching a new product with a new brand name and that too only to replace completely/partially an existing product will prove to be a very costly affair and hence, not always a feasible option. Hence, Brand Equity is

very important to implement the Cannibalization theory and make the best out of it.

LITERATURE REVIEW

An analysis of market cannibalization (Nirbhay Krishna Varshney):

In this paper, the author has explored the theoretical concepts of cannibalization, its types and the essential difference between product and service cannibalization.

The impact of product cannibalization on consumer purchasing decision- an attitudinal conflict paradigm (Kallepalli Madhavi):

This paper tries to determine the magnitude of product cannibalization on generic purchasing decisions and the consequent efforts towards attitudinal conflict regarding the purchasing decision of consumers. This paper contributes a generic framework for analyzing product cannibalization.

Various strategies to handle cannibalization in a competitive duopolistic market (Ernan E. Haruvy, Di MiaoKathryn and E. Stecke):

In this paper, the authors examine three sequential introduction strategies. They find that a firm's optimal introduction sequence is governed by pressures from the competition and cannibalization in the market. In general, competition has a greater impact on firms' profits than cannibalization. Introducing a high-end product before a low-end product can alleviate cannibalization for a weak entrant. When competition is intense, firms should consider alleviating the profit and loss from competition over cannibalization by introducing a low-end product before a high-end product. In that case, the incumbent's high-end product's quality must be no lower than the entrant's quality but the profit is derived mostly from the mark up on the low-end product.

OBJECTIVES OF THE SURVEY

1. To conduct an analysis on how well the consumers

are aware of the cannibalization strategies adopted by companies.

2. To understand the impact of cannibalization on a consumer's perception of a company's image.
3. To analyze the shifts in a consumer's preferences when cannibalization is used by companies.
4. To determine whether brand name plays an important role for consumers while making purchase decisions.
5. To understand why companies adopt cannibalization strategies and whether cannibalization leads to an increase in market share or fall in brand equity?

PRIMARY SURVEY

A primary research was carried out to test the awareness and knowledge about Product Cannibalization in Marketing. A questionnaire was framed, and the main targets were to understand a consumer's level of awareness of brand identity, brand equity and their purchase decision behaviour in cases of cannibalization strategy being adopted by companies for both brand extension and brand proliferation strategies.

A primary survey was conducted among the citizens of Kolkata. A Google Form was created and circulated via social media like Facebook, WhatsApp and electronic mail. The target was mainly college students between 16-25 years of age and women between 30-50 years of age. The sample size was 120. The sampling area was Kolkata. The response was obtained online. For analyzing the survey, MS Excel was used for creating the pie charts and other graphs and hypothesis testing was also carried out.

SECONDARY DATA

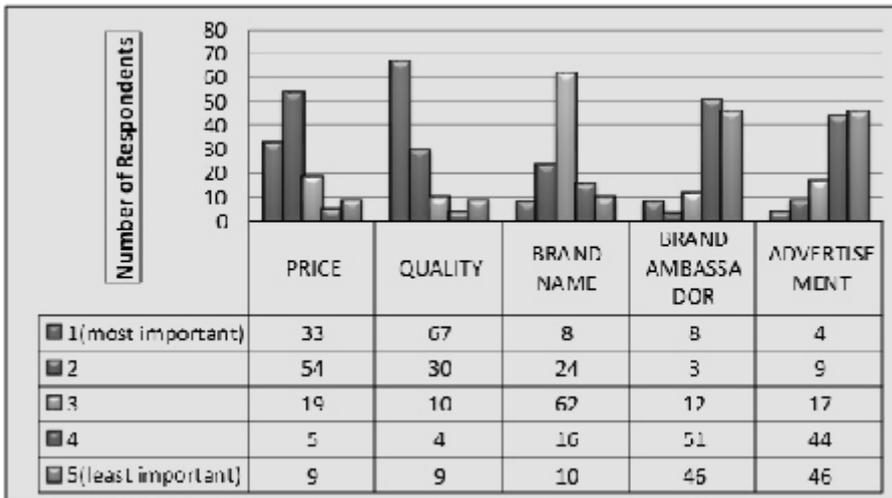
For collecting the secondary data, various online resources were used extensively. The author referred to various websites like Forbes, Harvard Business Review, among many others. Many e-journals were also referred to.

PRELIMINARY INSIGHTS

1. The respondents were asked if they knew to which company the different brands like Dove, Lux, Surf, Wheel, Pepsodent, Close-Up, Axe and Rexona belong to. This question tests whether the consumers are aware of which parent company these brands belonged to. This is the first step in knowing and understanding if the consumers are aware of the cannibalization strategy. Unless people are aware of the company name, people will not be aware of the cannibalization strategy. The preliminary observations were: - Nearly half the respondents surveyed knew the correct company name for the given brands. But while analyzing the individual responses, it was found that most of the respondents did not know that two different brands in the same product category actually belonged to the same company.

same price and quality is introduced, consumers may or may not switch to the new product. However, when a new brand of lower price and quality is introduced, consumers are highly unlikely to shift to the new brand. This is because the target audience is urban consumers for whom quality and not the price is the utmost important factor. Thus, the cannibalization rate in such a case would be low. In order to increase the customer base, the company could attract its competitor’s consumers by making an unique offering and hence increase the market share of the company as a whole.

Embracing this approach isn’t easy – it doesn’t always seem natural to talk about how to replace profitable businesses.



2. Since quality and price were most important for the target respondents, it can be said that the marketers should start their introduction of brands by moving from a lower to a higher level of quality and price of products. This strategy will help marketers minimize cannibalization. If the price of the new product is relatively higher, the rate of cannibalization will be lower.

3. It was also be seen that when a new brand of the

4. For a majority (72 per cent) of the respondents, there was no change in perception of the company’s image when cannibalization strategy is adopted by companies. This is because the respondents are not totally aware of the company to which a particular brand belongs. Therefore, for the companies that are

practicing cannibalization strategy, there is no need to worry much about their brand equity being reduced as a result of offering multiple brands in the same product category.

5. A hypothetical situation was given to the respondents to gauge their behaviour. They were asked that if a soft drink company launches a new sugar free drink, how they would react to the same. It was observed that 34 per cent of the respondents

would continue consuming the old and original soft drink while 27 per cent of the respondents would shift to the newly launched sugar free soft drink. Interestingly 32 per cent of the respondents would consume both the products offered by the company. This is what cannibalization aims at- to increase its customer base by increasing consumption. While some may shift to the new product and cannibalize the old product, many may start consuming both. So, the usage rates as well as the company’s market share increases that compensates for the cannibalization effect.

HYPOTHESIS TESTING - CHI-SQUARE TEST OF INDEPENDENCE

1. To find whether consumer consumption pattern for brand proliferation strategy (when new brand is of the same quality and price as the old one) is dependent on age:

H0: In the sample, the two categorical variables are independent.

H1: In the sample, two categorical variables are dependent.

OBSERVED DATA

	1 (highly unlikely to switch to new brand)	2	3	4	5 (highly likely to switch to new brand)
Respondents below 25 years	13	15	25	12	9
Respondents above 25 years	10	9	17	5	5

$\chi^2=0.91567$ with degrees of freedom=4

Since this value of chi-square is greater than χ^2 with degree of freedom 4 at 99 per cent confidence level (0.297), we have sufficient reason to reject null hypothesis and conclude that there is an association between the two variables.

Therefore, we can say that consumer consumption pattern for brand proliferation strategy (when new brand is of the same quality and price as the old one) is dependent on age.

2. To find whether consumer consumption pattern for brand proliferation strategy (when new brand is of lower quality and price as the old one) is dependent on age:

H0: In the sample, the two categorical variables are independent.

H1: In the sample, two categorical variables are dependent.

$\chi^2=0.138114$ with degrees of freedom=4

Since this value of chi-square is less than χ^2 with degree of freedom 4 at 99per cent confidence interval (0.297), we have insufficient reason to reject null hypothesis and conclude that there is no association between the two variables.

Therefore, we can say that consumer consumption pattern for brand proliferation strategy (when new brand is of lower quality and price as the old one) is independent of age.

3. To find whether consumer consumption pattern for brand extension strategy is dependent on age

H0: In the sample, the two categorical variables are independent.

H1: In the sample, two categorical variables are dependent.

OBSERVED DATA

	Continue consuming the old and original soft drink	Switch to the newly launched sugar free soft drink	Consume both the soft drinks	Stop consuming even the old soft drink
Respondents below 25 years	29	16	23	6
Respondents above 25 years	12	15	14	5

$\chi^2 = 0.336319$ with degrees of freedom = $(4-1)(2-1) = 3$

Since this value of chi-square is greater than χ^2 with degree of freedom 3 at 99 per cent confidence interval (0.115), we have sufficient reason to reject null hypothesis and conclude that there is association between the two variables.

Therefore, we can say that consumer consumption pattern for brand extension strategy is dependent on age.

KEY FINDINGS

1. It is a perception among the consumers that the two brands in the same product category are competitors of each other and hence must be belonging to different companies.

This shows that consumers are actually not aware of the cannibalization strategy practiced by the companies.

2. For a majority of the consumers, quality is the most important factor they look for in a product.

Thus, if a company introduces a new brand in the same product category which is of a similar quality and price, then the consumers may or may not shift to the new brand.

But if a company introduces a new brand in the same product category which is of lower quality and price, it is observed that consumers are highly unlikely to shift to the new product.

But if a company launches a new product which is of the same or higher quality, consumers are more likely to shift to the new product.

This is illustrative of the typical urban consumer consumption pattern who are not price-sensitive and very reluctant to compromise on quality.

3. From this survey, it is also observed that females are more responsive to try new products than males. A much greater percentage of women are likely to switch to the newly launched sugar free drink being health conscious. While a majority of males prefer to consume the old and original soft drink.
4. From the survey it is also observed that when cannibalization is adopted in brand extension category, consumers are more responsive to the new product than when cannibalization is adopted in brand proliferation strategy.

To illustrate this, it can be seen that half of the consumers would either shift to the new sugar free soft drink or consume both the products offered by the same company, but when the same company launches another brand in the same product line, half the consumers are not likely to shift unless it is of better quality.

This is what cannibalization aims at- to increase its customer base by increasing consumption.

Therefore, it can be concluded that cannibalization generally does not lead to a fall in brand equity and in fact leads to an overall increase in the market share for the company, as when more options and variety are offered to the consumers, their consumption increases.

CONCLUSION AND RECOMMENDATIONS

Having brands with distinctive positioning is strategically the best way of minimizing cannibalization. If different brands are designed to deliver different benefits to different segments of the markets, it can restrict competition among brands. To avoid cannibalization completely is often impossible. It is not essential either, but one has to be sure that there is a net incremental benefit that justifies the additional cost and complexity accrued by adding one more brand.

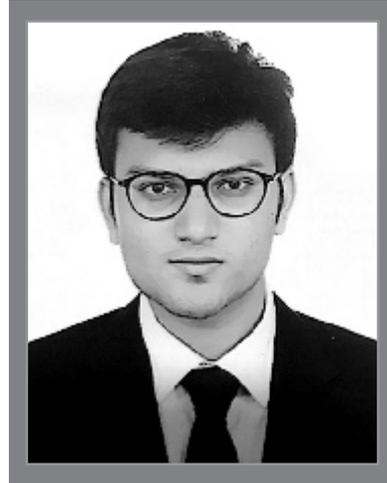
Cannibalization can be strategically employed to a company's advantage. It can be a tool for terminating an unwanted or obsolete product. A good marketing strategy strikes a fine balance so that too many brands do not result in brand cannibalization and erosion of profits. To avoid cannibalization completely is often impossible. A holistic overview and a proper balance are must in executing the strategies to ensure stability as well as gradual growth in profits. Still, manufacturers need to be careful that the change doesn't chase consumers away from the brand entirely.

While launching a new product, cannibalization can be minimized by:

1. Targeting different segments of customers
2. Having products with very different positioning and value proposition
3. Using a different brand
4. Using different routes to market

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Doubts kill more dreams than failures ever could. To succeed you must believe in yourself, because there is no heavier burden than an unfulfilled potential.



A Palette of Dreams

Akankchhit Singh & Rohan Kamdar
Joint Secretaries
Xavier's Commerce Society

A House is made up of bricks and beams; a Home is made up of love and dreams.

A House is where one resides; a Home is where his dreams take flight.

A House is what gives one shelter; a Home is what becomes his real protector.

Every time one reaches a threshold, he is hesitant in taking the next step because he knows that what lies ahead is not something he's prepared for. One such threshold is our transition from school to college. Early on in our respective lives, we often tend to set a bar for ourselves. However, it is only after graduating from school that we realize how difficult it is to convert expectations into reality. However, this rather long jump teaches us about 'perseverance' and we learn that to succeed once, you might have to fail multiple times.

With the hope to meet this bar we joined one of the most reputed institutions in the country, St. Xavier's College (Autonomous), Kolkata. Ambitious but scared, excited but nervous, we stepped into the gates of this institution with truckloads of expectations. However, the first day of college seemed to hit us like a rock. Lost among the thousands of familiar and unfamiliar faces, we were left to wonder if this place would ever welcome us. We'd always heard that new beginnings are always difficult, only that the truth of this statement

had just begun to hit us. 'Give it time', they said and so we did. After all, time is indeed the best healer. As the days passed and things gradually started falling into perspective, we unknowingly got down to assimilating bricks one after the other to build a House, for one thing was certain, no one was going to do it for us this time. And once again, before we could realize, St. Xavier's College was beginning to cement its position as the new House in our lives: but, what next? How were we to upgrade this shelter to a protector? How were we to upgrade this House into a Home?

At St. Xavier's College, Kolkata, members of the Xavier's Commerce Society hold themselves with great pride and honour. The first few days in college itself make you realize that it is not just the colour of their T-shirts which sets them apart, they seem to disseminate a sense of confidence, a sense of responsibility and a sense of purpose which sets them apart. Most of us were light-footed and unsure in terms of our knowledge, communication skills and experience but at the same time, were ready to face ourselves with the challenge of being an XCSer. With sheer hard work and dedication coupled with our ambition, we were able to ultimately stand out from the rest. The profound learning that we got in the process was that while talent is certainly important, it definitely can't take you everywhere. 'Passion' most certainly can.

'It is rare to find a college which allows you to pursue your dreams.

It is rarer to find a group of people who propel development within you.

But the rarest of the rare is to find a platform which allows you to combine both and work towards common goals.'

In the quest to stand apart, every student strives hard to find this platform, a platform which gives him/her the opportunity to prove their mettle. The Xavier's Commerce Society has for the last twelve years been serving as this platform for hundreds of students. With a small family of forty motivated individuals, the Xavier's Commerce Society aims to provide equal opportunities to every individual to undergo a holistic development process. Moreover, the feeling of home induced by the society is what provides us the impetus to transcend all boundaries and resile all hindrances as we move

steadily on our path towards building a legacy- a legacy that shall never fade.

The fundamental ideology behind the Xavier's Commerce Society is a simple one: It is to bring together a group of individuals from diverse backgrounds and different perspectives but bound together by one common goal. With its Inception in 2006, the society was started with the objective of providing a common platform to the students of St. Xavier's College, Kolkata, allowing them to experience the corporate culture before actually stepping foot in the corporate world, and emphasizing on the philosophy that while learning knows no age, the sooner one learns, the better. Today, even after twelve years, we can proudly state that the Xavier's Commerce Society has remained true to the objective with which it was started, whilst simultaneously growing manifold in every aspect.

The society has witnessed unparalleled levels of change and growth. In the past decade, the Xavier's Commerce Society has transcended from being an organisation to an experience, and Dreams, Development, Destiny is no longer an ideology, but an emotion. What started as a small group of individuals working towards the launch of the annual business journal of the Department of Commerce - 'Youthink', has now transformed into a force of forty individuals, who, through their tenacity and grit, pull off eight enervating and engaging events throughout the year. From the pedagogic seminars of Innovision, the edge of the seat interviews of Inception; the rigorous and excruciating rounds of X-Calibre; the insight worthy experiences of X-Pedition; the stimulating discussions at Intelligentsia; to the grandeur of Insignia; every XCS event is conducted with an impetus.

Setting a precedent for others to follow, and for itself to surpass, the society seeks to work relentlessly towards its aim of mastering the art of imparting knowledge kinesthetically.

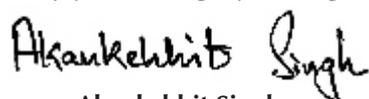
As we ascended up the ladder of responsibility, we knew that now we had to lead a batch of four thousand strong. Leadership is not about the position you hold, its about the actions you take. We knew that every step we take will sculpt a beacon in this warped expedition called life. While your classroom curriculum will teach you that management is about doing things right, at XCS we aim towards doing the right things. At every turn, we

try to churn out excellence from the wheels of monotony. Like everyone else in the world, an XCser also has to prove his/her mettle till the very end. After all, as leaders, we don't aim to train a group of people who are good at following instructions; but we dream of nurturing individuals who know the way, go the way and show the way.

As much as we value the efforts of every individual who toils day in and day out to pull off a successful event, none of our activities would be successful without the constant support and guidance of our mentors. We shall remain forever indebted to the President of the Xavier's Commerce Society, Rev. Dr. Dominic Savio, S.J., for allowing our dreams to take flight and for always encouraging us in all our endeavours. We extend our deepest gratitude to Rev. Dr. Xavier Savarimuthu, S.J., and Rev. Peter Arockiam, S.J., who made us believe that the responsibility of developing our dreams into destiny lies in our own hands. Our activities would be incomplete without the support of Prof. Swapan Banerjee and Prof. Amitava Roy, who have always motivated us to exceed our own capabilities and guided us on the path to success. We are grateful to our professor-in-charge, Prof. Shaunak Roy and our mentor, Dr. Sumona Ghosh, for creating an environment conducive to growth and positivity, leading us in taking the society to greater heights and scales. Last but definitely not the least, a word of mention for the entire student body of St. Xavier's College, Kolkata, for accepting the society as its very own and for acting as the driving force behind a XCser's motivation to deliver the best at all times. The Xavier's Commerce Society shall forever strive to surpass all expectations rested on it and to keep the Xaverian flag flying high.

They say all good things must come to an end. Fortunately, unfortunately, we choose to differ. A few years down the line, we may not wear the XCS T-Shirt again but will surely have it safely placed in a special corner of our wardrobes.

A few years down the line, events may no longer be about the hours spent in college or the deadlines we couldn't meet, but simply about eagerly waiting for a


Akankchhit Singh

post on social media.

A few years down the line, we may no longer see the same thirty faces, huddling at the Green Benches the night before an event, but the assurance that the bonds created in the process are to last us an eternity shall see us through.

A few years down the line, we may not be faced with the task of summarising three irreplaceable years in three pages, but glancing through these three pages will surely bring back memories from the 'best days of our lives'.

Irrespective of what happens a few years down the line, one thing which every single XCser can vouch for is that the journey of an XCser can never be defined by the number of years spent in college. While this concept may be incomprehensible for one on the outside, XCS is indeed a journey of a lifetime and these three years only lay the foundation for the bigger journey that is yet to come. As the sun sets on these foundation years of our journey, we have only to thank our seniors, the ones who mentored us through all our ventures and made us believe that if we travel confidently in the direction of our dreams, no obstacle can be big enough to stop us. As we prepare to step into the outer world, we place great trust and expectations on the junior batch, soon to be leaders, in upholding the legacy of the Xavier's Commerce Society.

It is always better to be assured of failure than be consoled by doubt. Vincent Van Gogh once said, 'If you hear a voice within you say that you cannot paint, then by all means paint and that voice will be silenced.' Doubt kills more dream than failure ever will. To succeed you must believe in yourself because there is no heavier burden than an unfulfilled potential. The speedometer in a car keeps reminding it that no matter how fast it is right now, there is still potential for more. Year after year, as we shift gears, the Xavier's Commerce Society is a constant reminder of how no boundaries are unattainable.

Keats says, 'A thing of beauty lasts forever', and so shall the Xavier's Commerce Society!


Rohan Kamdar

INDIVIDUAL ACHIEVEMENTS

NAME	ACHIEVEMENT	NAME	ACHIEVEMENT
Salil Chadha	AIR 46 in CA-IPCC November 2017	Ridhi Agarwal	AIR 32 in CA-Foundation May 2018
Aashutosh Jaiswal	AIR 47 in CA-IPCC November 2017	Keshav Agarwal	AIR 32 in CA-Foundation May 2018
Prakash Agarwala	AIR 43 in CA Final May 2018	Muskaan Bhalotia	AIR 35 in CA-Foundation May 2018
Rahul Goenka	AIR 9 in CA Intermediate May 2018		

PARTICIPATION IN OTHER FESTS

NAME OF THE FEST	NAME OF PARTICIPANTS	POSITION	EVENT NAME	OVERALL RESULT
CNLU National Parliamentary Debate, 2017	Ved Mehta	Best Speaker	Debate	
Commercio Conclave (JD Birla Institute, B.Com)	Husein Rangoonwala Ishmeet Singh Batra	2nd	Advertising	
	Yogesh Choudhury	1st	Speak & Contradict	
Comquest (Lady Shri Ram College)	Rohan Chatterjee, Shaunak Sengupta	1st	Best Manager	
	Japriish Singh Kohli, Yash Murarka	2nd	Get Shrewd or Get Sued (Strategic management)	
Dr. Rajendra Prasad Memorial Debate, 2018	Ved Mehta	2nd Best Speaker	Debate	
Elenchus, 2018	Prithviraj Tankha	1st	Debate	
	Ved Mehta	1st and Best Speaker		
International Inter University Debate Challenge (Calcutta Debating Circle and SXCAA)	Apoorva Shekhar, Darshann Kayan Oishik Banerjee, Ved Mehta	1st	Debate	
Invictus (JD Birla Institute, BBA)	Rohan Chatterjee, Shaunak Sengupta	1st	Human Resource	Best Contingent
	Akankchhit Singh, Mehul Agarwal, Rohan Kamdar	1st	Entrepreneurship	
Malhar (St. Xavier's College, Mumbai)	Yogesh Choudhury	1st	Running the Prompt-Let	
NISM Folk Media Debate, 2018	Oishik Banerjee, Ved Mehta	1st	Debate	
TATA Crucible Quiz	Soumya Ghosh, Utkarsh Agarwal	2nd	Quiz	
X-Genesis (Xavier's Management Society, SXC, Kolkata)	Jatin Agarwal, Nehal Goenka	2nd	X-Genesis	
Xavier's Management Convention (Xavier's Management Society, SXC, Kolkata)	Faraz Rizvi	2nd	Marketing	

A TRIBUTE TO THE

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- England is the only team not representing a sovereign state to win the World Cup, back in 1966.
- Lucien Laurent of France scored the first goal in World Cup history.

- Brazil is the only national team to have played in all FIFA World Cup editions without any absence or need for playoffs.



- Argentina has faced the most number of penalty shootouts in the history of the World Cup.



FIFA WORLD CUP



- With his 5 goals in 1994, Kennet Andersson of Sweden won the shared Bronze Boot at that tournament.



- Croatia are the lowest ranked team in history to reach a World Cup Final.
- Belgium goal keeper Thibaut Courtois won the Golden Gloves at the FIFA WC 2018.



- Colombia was the first team to win FIFA Best Mover in 1993 where the achievement was first introduced.



THE CORPORATE CONJUNCTION

RULES AND OBJECTIVES

- Given here is a grid with cells numbered from 1 to 20, and a box containing the list of brands with which the cells in the grid have to be filled.
- Each cell must be filled in such a way that the following two conditions are fulfilled:
 - The brand must be owned by the company whose image is adjacent to the respective cell, i.e. cells- 1, 3, 5, 6 and 7 must be Apple products.
 - Additionally, the brand must belong to the sector that is written in the background of the respective cell, e.g. cell 1 should be filled with a brand that is a mobile operating system owned by Apple.
- Filling all the cells correctly from the list of options shall give you the solved puzzle where each cell (either horizontally, vertically or both) belongs to the same sector as its neighbour, and is also owned by the company it's adjacent to.

LIST OF BRANDS

WORD BUILDER

RULES AND OBJECTIVES

Answer each clue in such a manner that each answer contains the same letters as the previous word, plus or minus another letter.

For example, if there are three boxes and the clue is "A rodent" and the answer is RAT, and the next clue has four boxes, then the respective answer must contain the letters: R, A & T, and along with them an additional letter. However, had there been two boxes, the answer should have contained any two of the three letters: R, A & T.

- 1 Predator's lair
- 2 Consuming a meal
- 3 Rudely sarcastic or derogatory
- 4 A plan or preliminary drawing
- 5 Light burn
- 6 Needed to fulfill a contract
- 7 Immortal act of transgression

Answers: 1. Den 2. Dine 3. Snide 4. Design 5. Singe 6. Sign 7. Sin
 Answers: 1. Facetime 2. Duo 3. iTunes 4. Google Play Music 5. Mac OS 6. iPod 7. Siri 8. Google Assistant 9. Tez 10. YouTube 11. Windows 12. Zune 13. Cortana 14. Alexa 15. Amazon Pay 16. Prime Video 17. LinkedIn 18. Goodreads 19. Azure 20. AWS



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CA May. 18

Rahul Goenka AIR 9	Devina Bokaria AIR 41
Srikant Rathi AIR 33	Bhavya Sogani AIR 43
Puru Agarwal AIR 23	Rishika Agarwal AIR 44
Anjana Kumari AIR 31	Pragya Sharaf AIR 45
Muskan Bhalotia AIR 35	Pranjal Tiwari AIR 45

CS June. 18

Aastha Gupta AIR 50	Disha Agarwal AIR 22
Pallab Sarmah AIR 7	Damini Tiwari AIR 24
Dipu Pandey AIR 20	Tanisha Jaiswal AIR 25
Ekta Singh AIR 21	Chahat Pirtani AIR 25

Priyanka Jaiswal AIR 25
Meenakshi Gupta AIR 6

CMA Final June. 18

Kunal Lunia AIR 39

CA Inter Nov 17 (result in Jan 18)

Piyush Agarwal AIR 9	Ankur Agarwal AIR 32
Anmol Chaudhary AIR 19	Aditya Agarwal AIR 42
Jaykishan Agarwal AIR 23	Mihir Modi AIR 43
Saurav Agarwal AIR 25	Aashutosh Jaiswal AIR 47

CS Dec 17 (result in Feb 18)

Harshita Jhawar AIR 9	Dimple Sonthalia AIR 19
Soumya Tapariya AIR 16	Harshita Dhelia AIR 24
Aarti Lalwani AIR 17	Mahima Gopalka AIR 25
Kamodinee Bhartia AIR 7	

CMA Inter Dec. 17 (result in Feb 18)

Sravani Baratam AIR 45
Jaskaran Singh AIR 18

CMA Final Dec. 17 (result in Feb 18)

Bilfu Chandra AIR 42

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प्रधान मंत्री
Prime Minister

MESSAGE

I am happy to learn Xavier's Commerce Society is publishing the 11th edition of the annual journal, 'Youthink' of the Commerce Department of St. Xavier's College, Kolkata.

On this occasion, I extend my best wishes for the success of the publication.

A stylized black ink signature of Narendra Modi, consisting of a large, sweeping loop and a few smaller strokes.

(Narendra Modi)

18 August, 2016
New Delhi

THE EDITORIAL BOARD



ROW 1: Left to Right – Dr. Partha Pratim Ghosh, Prof. Swapan Banerjee, Rev. Peter Arockiam, S.J., Rev. Dr. Dominic Savio, S.J., Rev. Dr. Xavier Savarimuthu, S.J., Dr. Samrat Roy, Prof. Madhu Agnihotri, Dr. Sumona Ghosh, Dr. Amitava Roy.

ROW 2: Left to Right – Rohan Kamdar, Anushka Gupta, Aastha Talwar, Swastik Jain, Muskaan Bhalotia, Akankchhit Singh.

ROW 3: Left to Right – Faraz Rizvi, Suswet Sukumar Patra, Dev Daga, Rohan Ghosh, Ishmeet Singh Batra.

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