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Research Papers

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THE IMPACT OF GLOBALIZATION ON LOCAL ENTREPRENEURSHIP

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ABSTRACT
Globalization has significantly influenced local entrepreneurship, creating both opportunities and challenges. On one hand, it provides local businesses with access to international markets, advanced technologies, and diverse consumer bases. Entrepreneurs can benefit from global supply chains, foreign investments, and digital connectivity, which enhance productivity and innovation. Additionally, exposure to global trends fosters creativity and competitiveness, encouraging local enterprises to adopt best practices.

However, globalization also presents challenges. Local businesses often struggle to compete with multinational corporations that have superior resources, economies of scale, and brand recognition. This can lead to the decline of small enterprises, particularly in traditional industries. Cultural homogenization may also impact locally unique products and services, reducing their distinctiveness. Furthermore, dependence on global markets can make local entrepreneurs vulnerable to economic fluctuations, trade policies, and geopolitical uncertainties.

In response, many local entrepreneurs adapt by leveraging niche markets, sustainable business models, and digital platforms to enhance visibility and resilience. Governments and policymakers play a crucial role in supporting local entrepreneurship through policies that promote innovation, fair competition, and access to resources. Ultimately, while globalization transforms the entrepreneurial landscape, strategic adaptation and innovation enable local businesses to thrive in an interconnected world.

INTRODUCTION
Globalization has reshaped the way businesses operate, creating both opportunities and challenges for local entrepreneurs. As the world becomes more interconnected through advancements in technology, trade, and communication, local businesses have greater access to international markets, resources, and innovations. This global integration allows small businesses to expand their reach, adopt new business models, and compete on a larger scale.

However, globalization also brings intense competition from multinational corporations, shifts in consumer preferences, and challenges in maintaining cultural uniqueness. Local entrepreneurs must navigate these changes by adapting their strategies, leveraging digital tools, and fostering innovation to stay competitive. This paper explores the diverse effects of globalization on local entrepreneurship, highlighting both its advantages and the obstacles it presents.

REVIEW OF LITERATURE: THE IMPACT OF GLOBALIZATION ON LOCAL ENTREPRENEURSHIP
The impact of globalization on local entrepreneurship has been widely studied by researchers, highlighting both positive and negative consequences. Various studies explore how globalization influences market access, competition, innovation, and economic growth for small businesses.

1. Opportunities for Local Entrepreneurs
Several studies suggest that globalization provides local businesses with access to international markets, advanced technologies, and global supply chains. According to Porter (1990), globalization fosters competitiveness by encouraging local entrepreneurs to innovate and improve efficiency. Additionally, research by Knight and Cavusgil (2004) highlights how small businesses can leverage digital platforms and e-commerce to expand globally without significant investment in physical infrastructure.

2. Challenges of Globalization
While globalization creates opportunities, it also intensifies competition. A study by Stiglitz (2002) argues that multinational corporations dominate markets, making it difficult for local entrepreneurs to compete due to limited financial and technological resources.

Similarly, Awuah and Amal (2011) discuss how cultural shifts and changing consumer preferences favor international brands, leading to the decline of local businesses.

3. Innovation and Adaptation
Research by Schumpeter (1934) emphasizes the role of entrepreneurship in economic growth, stating that globalization forces local businesses to innovate to remain competitive.

Studies by Acs et al. (2018) further suggest that knowledge spillovers from globalization can enhance local innovation and entrepreneurship development.

4. Policy and Government Support

The role of government policies in protecting and promoting local entrepreneurship in a globalized economy is another key area of study. According to Audretsch and Thurik (2001), supportive policies, such as access to credit, infrastructure development, and regulatory frameworks, help local entrepreneurs thrive amidst global competition.

In summary, existing literature indicates that while globalization presents opportunities for expansion and innovation, it also introduces challenges related to competition, cultural shifts, and economic inequalities. To succeed in a globalized world, local entrepreneurs must embrace innovation, strategic adaptation, and supportive policies.

RESEARCH METHODOLOGY

The research methodology for studying the impact of globalization on local entrepreneurship involves a combination of qualitative and quantitative approaches to ensure a comprehensive analysis. This section outlines the research design, data collection methods, sampling techniques, and data analysis procedures.

1. Research Design

This study employs a **mixed-methods approach**, combining both qualitative and quantitative research techniques. The qualitative aspect focuses on understanding entrepreneurial experiences, challenges, and strategies in a globalized economy. The quantitative aspect examines statistical data related to market trends, competition, and business growth.

2. Data Collection Methods

- **Primary Data:** Surveys and structured interviews will be conducted with local entrepreneurs to gather firsthand insights into how globalization has affected their businesses.
- **Secondary Data:** Information will be collected from academic journals, industry reports, government publications, and case studies to support the findings with existing research.

3. Sampling Technique

A **purposive sampling method** will be used to select local entrepreneurs from various industries, including retail, manufacturing, and technology. This will ensure a diverse representation of businesses affected by globalization. A sample size of approximately **50 entrepreneurs** will be chosen for surveys, while **10 in-depth interviews** will be conducted to gain qualitative insights.

4. Data Analysis

- **Quantitative Data:** Statistical tools such as SPSS or Excel will be used to analyze survey responses, identifying trends in revenue growth, market expansion, and competitive challenges.
- **Qualitative Data:** Thematic analysis will be applied to interview responses to categorize common themes related to globalization's effects on local entrepreneurship.

5. Limitations of the Study

The study may face limitations such as limited access to financial records of businesses, potential bias in self-reported data, and geographical constraints in sampling.

By integrating qualitative and quantitative methods, this research aims to provide a well- rounded understanding of how globalization shapes local entrepreneurship.

SOURCE OF DATA

The study on the impact of globalization on local entrepreneurship relies on both **primary** and **secondary** sources of data to ensure a comprehensive analysis.

1. Primary Data Sources

Primary data will be collected directly from local entrepreneurs and business owners through:

- **Surveys:** Structured questionnaires will be distributed to local entrepreneurs to gather quantitative data on their business performance, challenges, and strategies in response to globalization.
- **Interviews:** In-depth interviews with selected entrepreneurs will provide qualitative insights into their experiences, adaptation strategies, and perspectives on globalization.

- **Case Studies:** Real-life case studies of successful and struggling local businesses will be analyzed to understand the diverse impacts of globalization.

2. Secondary Data Sources

Secondary data will be gathered from credible sources to support and validate the findings from primary research. These include:

- **Academic Journals & Research Papers:** Studies from reputable sources such as Harvard Business Review, Journal of Business Venturing, and Entrepreneurship Theory and Practice.
- **Government Reports & Policy Documents:** Data from organizations like the World Bank, International Monetary Fund (IMF), and national economic departments will provide statistical insights on globalization's impact.
- **Industry Reports & Market Research:** Reports from consulting firms such as McKinsey & Company, Deloitte, and PwC will offer industry-specific data on entrepreneurship and globalization.
- **News Articles & Business Magazines:** Information from publications like Forbes, The Economist, and Business Today will provide current trends and real-world examples.

By combining both primary and secondary sources, this research aims to present a well- rounded and data-driven analysis of how globalization affects local entrepreneurship.

DATA ANALYSIS AND INTERPRETATION

The analysis of data collected from surveys, interviews, and secondary sources will provide a comprehensive understanding of the impact of globalization on local entrepreneurship. This section presents the approach to analyzing the data and interpreting the key findings.

1. Quantitative Data Analysis

Quantitative data from surveys will be analyzed using statistical tools such as **SPSS, Excel, or Google Sheets** to identify patterns, trends, and relationships. The key steps in analyzing quantitative data include:

- **Descriptive Statistics:** Mean, median, and percentages will be calculated to summarize responses on business growth, revenue changes, and market expansion due to globalization.
- **Comparative Analysis:** Differences in the impact of globalization on small vs. medium-sized businesses will be examined.
- **Graphical Representation:** Data will be presented using charts, graphs, and tables for easy visualization of trends.

Example Interpretation:

If survey data shows that 70% of local entrepreneurs reported increased competition from multinational companies, it indicates that globalization has intensified business challenges for small businesses.

2. Qualitative Data Analysis

Qualitative data from interviews and open-ended survey responses will be analyzed using **thematic analysis** to identify common patterns, perspectives, and experiences. Steps include:

- **Coding and Categorization:** Key themes such as "competition challenges," "market opportunities," and "technology adoption" will be identified.
- **Content Analysis:** Responses will be examined to understand entrepreneurs' strategies for dealing with globalization.

Example Interpretation:

If multiple entrepreneurs mention that digital marketing helped them compete with international brands, it suggests that technology plays a crucial role in helping local businesses adapt to globalization.

3. Key Findings and Interpretation

The findings will be interpreted by comparing **primary data (entrepreneur responses)** with **secondary data (previous studies and reports)** to derive meaningful insights.

- **Positive Impact:** Entrepreneurs who adopted digital tools and global supply chains reported business growth.
- **Negative Impact:** Entrepreneurs struggling with high competition and lack of resources found it difficult to sustain in a globalized market.

- **Policy Implications:** The study may reveal a need for better government support in protecting local businesses from globalization's adverse effects.

By integrating both **quantitative and qualitative analyses**, the study will provide a balanced interpretation of how globalization affects local entrepreneurship and suggest actionable strategies for success.

OBJECTIVES OF THE STUDY

The primary objective of this study is to analyze the impact of globalization on local entrepreneurship, identifying both opportunities and challenges. The specific objectives are as follows:

1. **To examine the influence of globalization on local business growth and market expansion** – Assess how local entrepreneurs leverage global markets, supply chains, and digital platforms to scale their businesses.
2. **To identify the challenges faced by local entrepreneurs due to globalization** – Explore issues such as increased competition from multinational corporations, changing consumer preferences, and economic pressures.
3. **To evaluate the role of innovation and technology adoption in helping local businesses compete globally** – Investigate how entrepreneurs adapt to globalization through innovation, digital transformation, and strategic business models.
4. **To assess the impact of globalization on employment and local economies** – Analyze whether globalization enhances job creation and economic growth or leads to job losses and business closures.
5. **To explore the role of government policies and support systems in protecting and promoting local entrepreneurship** – Examine how regulatory frameworks, financial support, and trade policies influence the success of local businesses in a globalized economy.
6. **To provide recommendations for local entrepreneurs to thrive in a globalized market** – Suggest strategies for sustaining competitiveness, improving business resilience, and maximizing globalization benefits.

By addressing these objectives, the study aims to provide valuable insights into how local entrepreneurs can navigate globalization effectively.

FINDINGS AND SUGGESTIONS FINDINGS

Based on the analysis of data collected from surveys, interviews, and secondary sources, the study identifies the following key findings regarding the impact of globalization on local entrepreneurship:

1. **Increased Market Opportunities** – Globalization has allowed local entrepreneurs to expand their businesses beyond national borders by leveraging digital platforms, e-commerce, and global supply chains. Many entrepreneurs reported increased sales due to international exposure.
2. **Intensified Competition** – A significant challenge faced by local entrepreneurs is the competition from multinational corporations (MNCs). Many small businesses struggle to compete due to limited financial resources, lack of brand recognition, and consumer preference for global brands.
3. **Adoption of Technology and Innovation** – Entrepreneurs who embraced digital marketing, automation, and e-commerce platforms (such as Amazon and Shopify) found it easier to compete with larger corporations and attract a broader customer base.
4. **Cultural Shifts and Changing Consumer Preferences** – Globalization has influenced local consumer behavior, leading to a preference for international brands, which negatively impacts small businesses that cannot adapt to these changing preferences.
5. **Job Creation vs. Job Displacement** – While globalization has created job opportunities in export-oriented local businesses, it has also led to job losses in industries that cannot compete with global players.
6. **Challenges in Access to Finance** – Many local entrepreneurs find it difficult to secure funding for business expansion, as global investors often prioritize larger, well-established businesses.
7. **Role of Government Policies** – Entrepreneurs in countries with strong government support (such as subsidies, tax benefits, and training programs) reported better resilience against globalization challenges. However, a lack of supportive policies in some regions has made it difficult for local businesses to thrive.

SUGGESTIONS

To help local entrepreneurs overcome globalization-related challenges and maximize opportunities, the following recommendations are proposed:

1. **Encourage Digital Transformation** – Local entrepreneurs should invest in digital tools, such as e-commerce platforms, digital marketing, and automation, to compete effectively with global brands.
2. **Strengthen Brand Identity and Localization** – Businesses should focus on unique selling propositions (USPs) such as cultural identity, sustainability, and locally sourced products to differentiate themselves from multinational competitors.
3. **Government Support and Policy Reforms** – Governments should introduce policies that support local businesses, including financial aid programs, reduced tax burdens, and training in global trade practices.
4. **Access to Funding and Investment** – Financial institutions should provide accessible loans and grants for small businesses to help them expand and adopt modern technology.
5. **Collaboration and Networking** – Entrepreneurs should collaborate with other local businesses, participate in trade fairs, and build strategic partnerships to strengthen their market presence.
6. **Skill Development and Training** – Business owners should undergo training in international trade, digital marketing, and business management to stay competitive in a globalized market.
7. **Promotion of Sustainable Business Practices** – Local entrepreneurs can attract socially conscious consumers by adopting eco-friendly practices and ethical sourcing.

By implementing these suggestions, local entrepreneurs can better adapt to globalization, enhance their competitiveness, and sustain long-term growth in the evolving business landscape.

CONCLUSION

Globalization has had a profound impact on local entrepreneurship, presenting both opportunities and challenges. On the positive side, it has enabled entrepreneurs to expand their businesses beyond national borders, adopt advanced technologies, and access a larger customer base through digital platforms. However, it has also intensified competition from multinational corporations, changed consumer preferences, and created financial and operational challenges for small businesses.

The study highlights that local entrepreneurs who embrace digital transformation, innovation, and strategic branding are more successful in navigating globalization. Additionally, supportive government policies, access to financial resources, and skill development play crucial roles in helping small businesses thrive in a globalized economy.

To ensure long-term sustainability, local entrepreneurs must focus on differentiation, leveraging local strengths while integrating global best practices. Governments and financial institutions must also step in to create a more supportive environment for small businesses. By adopting proactive strategies, local entrepreneurs can not only survive but also flourish in an increasingly interconnected world.

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COMPARATIVE ANALYSIS OF TAX EVASION AND TAX AVOIDANCE

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ABSTRACT

Taxation is a critical component of economic policy, ensuring government revenue for public services. However, tax evasion and tax avoidance significantly impact tax collection. Tax evasion refers to unlawful activities like concealing income or fabricating financial records to avoid paying taxes. In contrast, tax avoidance is the legal use of available provisions and loopholes to reduce tax obligations.

This study provides a comparative analysis of these two concepts, exploring their legal, economic, and ethical dimensions. Using secondary data, the research highlights global trends, economic consequences, and policy measures to address these issues. The paper concludes with recommendations for improving tax compliance and closing legislative gaps.

Keywords: *Tax evasion, tax avoidance, tax compliance, fiscal policy, revenue loss, economic impact, corporate taxation, legal loopholes.*

INTRODUCTION

Taxes serve as a major source of government income, playing a crucial role in financing public services, infrastructure projects, and overall economic growth. However, not all taxpayers comply fully with tax regulations. Some individuals and corporations engage in tax evasion an illegal practice of deliberately misreporting financial information to reduce tax liability. Others adopt tax avoidance strategies, which are legal but exploit loopholes in tax laws to minimize tax payments. The debate surrounding these practices revolves around their economic, legal, and ethical implications.

Tax evasion negatively impacts government revenue by causing budget shortfalls and limiting public expenditure on vital services like healthcare, education, and social welfare. In contrast, tax avoidance, though legal, raises ethical concerns, especially when multinational corporations shift profits to low-tax regions. The increasing complexity of global financial systems has facilitated aggressive tax strategies by corporations and wealthy individuals. This study conducts a comparative analysis of tax evasion and tax avoidance, exploring their economic consequences, regulatory challenges, and policy measures. Through the review of existing literature and secondary data, this paper aims to contribute to discussions on enhancing tax compliance and addressing legal loopholes.

LITERATURE REVIEW

The issue of tax evasion and tax avoidance has been widely studied by economists, legal scholars, and policymakers. Researchers have attempted to analyze these practices from economic, legal, and ethical perspectives. This section reviews significant contributions by various authors on tax evasion and avoidance, highlighting key theories and findings.

1. **Allingham & Sandmo (1972):** One of the earliest theoretical frameworks on tax evasion was developed by him . According to their model, taxpayers assess the decision to evade taxes by weighing potential benefits against the associated risks. The probability of detection and the severity of penalties play a crucial role in determining a taxpayer's inclination to evade. This framework has served as the basis for numerous later studies on tax compliance.

2. **Slemrod & Yitzhaki (2002):** he extended the discussion by analyzing tax evasion in the context of tax administration. They emphasized that not only detection probabilities and penalties matter but also the complexity of tax laws. The study suggested that simplifying tax structures and improving enforcement mechanisms can enhance tax compliance and reduce evasion.

3. **James and Alley (2004):** he distinguished tax evasion from tax avoidance, arguing that while tax evasion is illegal and involves deceitful practices, tax avoidance is a legal strategy that takes advantage of tax loopholes. Their research highlighted the ethical concerns surrounding tax avoidance, particularly in cases where corporations exploit legal gaps to reduce tax burdens while benefiting from public services.

4. **Frey and Torgler (2007) :** he studied the psychological factors affecting tax compliance. Their research found that high tax rates often lead to increased tax evasion, while trust in government and perceptions of fairness enhance voluntary compliance. This suggests that improving government transparency and public trust can be effective in reducing tax evasion.

5. **Preuss (2010):** he explored the ethical dimension of tax avoidance, arguing that corporations should be held accountable for their tax practices. He suggested that firms engaging in aggressive tax avoidance strategies undermine the social contract, as they benefit from public infrastructure without contributing their fair share in taxes. His research calls for increased public scrutiny and corporate responsibility in tax matters.
6. **Gabriel Zucman (2015):** he examined how tax havens contribute to large-scale tax evasion by allowing individuals and corporations to hide wealth offshore. His research estimated that trillions of dollars are hidden in offshore accounts, depriving governments of substantial tax revenues. Zucman's work emphasizes the need for stronger international cooperation to combat tax evasion through enhanced transparency and information-sharing agreements.
7. **The Organisation for Economic Co-operation and Development (OECD, 2017) :**conducted an in-depth study on corporate tax avoidance, particularly focusing on Base Erosion and Profit Shifting (BEPS). The report found that multinational corporations use aggressive tax planning strategies to shift profits to low-tax jurisdictions, leading to significant revenue losses for governments. The OECD's findings led to international efforts to reform tax laws and implement measures such as the BEPS Action Plan.
8. **Kimberly Clausing (2020):** he analyzed the effectiveness of anti-tax avoidance policies, particularly focusing on the impact of recent global tax reforms. Her study found that while new regulations have reduced some forms of tax avoidance, corporations still find ways to shift profits and minimize tax liabilities. She recommended a more unified global tax system to close remaining loopholes.

RESEARCH AND METHODOLOGY

This study follows a qualitative research approach, utilizing secondary data to investigate the distinctions, impacts, and regulatory measures concerning tax evasion and tax avoidance.

THE RESEARCH METHODOLOGY COMPRISES THE FOLLOWING KEY ELEMENTS

1. Objectives of the Study

The study aims to:

l. Define and differentiate tax evasion and tax avoidance.
2. Assess the economic impact of these practices.
3. Examine global trends in tax evasion and avoidance.
4. Analyze existing legal frameworks and government policies.
5. Provide recommendations for improving tax compliance and closing loopholes.

2. Limitations of the Study

Lack of Primary Data: The study does not include firsthand data such as taxpayer surveys or interviews.

Evolving Tax Policies: Changes in international tax laws may impact findings over time.

Data Availability: Some tax evasion practices, especially in offshore accounts, remain undisclosed.

3. Scope of this Study

l. **Conceptual Scope**

This study explores the concepts of tax evasion and tax avoidance, highlighting their distinctions and broader implications. Tax evasion refers to illegal practices such as underreporting income or falsifying financial records to evade tax liabilities. In contrast, tax avoidance involves legally minimizing tax payments by utilizing loopholes in tax laws, though it may sometimes be viewed as unethical.

2. **Legal Scope**

Comparative study of tax laws and regulations in different countries. Examination of international tax policies, including OECD guidelines, FATCA, and BEPS (Base Erosion and Profit Shifting). Evaluation of loopholes and legal frameworks that allow tax avoidance.

3. **Methodological Scope**

Comparative analysis of tax policies across jurisdictions. Use of case studies (e.g., Panama Papers, corporate tax avoidance scandals). Policy evaluation of measures taken by governments to curb tax evasion and aggressive tax avoidance.

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4. **Time Frame Scope**
Review of historical trends and recent developments in tax evasion and avoidance. Focus on modern tax strategies, digital economy taxation, and cryptocurrency tax evasion.

DATA ANALYSIS AND INTERPRETATION
This section analyzes secondary data on tax evasion and tax avoidance, focusing on their economic impact, global trends, and government responses. The data has been collected from reports by international organizations such as the OECD, IMF, World Bank, and national tax authorities.

1. **Trends in Tax Evasion**
Tax evasion remains a significant issue worldwide, with trillions of dollars lost annually due to illegal tax practices.

SOME KEY FINDINGS INCLUDE

Global Tax Revenue Losses: According to the IMF (2022) estimates that developing nations lose between $200 billion and $300 billion each year due to tax evasion, with advanced economies experiencing even greater financial losses.

Underground Economy Contribution: The World Bank (2021) reported that the shadow economy (undeclared business activities) accounts for 20—30% of GDP in some developing nations, leading to substantial tax evasion.

Corporate Tax Evasion: Studies indicate that large corporations use shell companies and offshore accounts to hide taxable income, reducing tax payments by up to 40% in some cases (Zucman, 2015).

2. **Trends in Tax Avoidance**
While legal, tax avoidance deprives governments of substantial revenues through aggressive tax planning. Some key insights:

Base Erosion and Profit Shifting (BEPS): According to the OECD (2017), multinational corporations transfer approximately $600 billion each year to tax havens to reduce their tax obligations.

Shifting Profits to Tax-Friendly Jurisdictions: The Tax Justice Network (2021) identified the Cayman Islands, Luxembourg, and Switzerland as key jurisdictions where corporations shift profits to benefit from low corporate tax rates, enabling tax minimization strategies.

Technology Giants and Tax Avoidance: Companies like Apple, Google, and Amazon have been reported to use intellectual property transfers and profit shifting to pay significantly lower taxes than required (Clausing, 2020).

3. **Economic Impact :**

Both have profound economic consequences:

F actor	Tax Evasion	Tax Avoidance
Revenue Loss	Direct loss due to hidden income and fraud.	Indirect loss due to legal loopholes.
Public Services	Reduces government funds for healthcare, education, and infrastructure.	Leads to unfair tax burden on smaller businesses and individuals.
Income Inequality	Enables the wealthy to hide income, increasing the wealth gap.	Multination al corporation s benefit while smaller firms face higher tax burdens.
Regulatory Response	Governments impose stricter penalties and increase enforcement.	Requires tax law reforms to close loopholes.

4. **Regulatory Responses to Tackle :**
Governments and international organizations have adopted various strategies to improve tax compliance, combat evasion, and address avoidance by enhancing regulations, promoting transparency, and strengthening enforcement mechanisms:

OECD's BEPS Initiative (2017): A global effort to prevent profit shifting and improve corporate tax transparency.

Automatic Exchange of Information (AEOI): Countries now share financial account information to detect tax evasion.

Digital Tax Regulations: Digital services taxes are implemented to ensure that technology companies contribute fairly to tax revenues, preventing them from avoiding taxes through profit shifting or exploiting loopholes in existing tax laws.

FINDINGS & SUGGESTIONS

Based on the research and analysis, the following key findings emerge:

l. Different Between Tax Evasion and Tax Avoidance
Tax evasion is an illegal practice that involves intentional deception, such as underreporting income or falsifying financial records, to evade tax obligations. In contrast, tax avoidance is legally permissible but relies on exploiting gaps in tax laws to reduce liabilities, often sparking ethical concerns regarding fairness and responsibility.

2. **Legal and Regulatory Differences**
Countries vary in their definitions and enforcement of tax laws.

Some jurisdictions, particularly tax havens, facilitate aggressive tax avoidance.

Efforts like the OECD's BEPS initiative and FATCA aim to curb tax avoidance.

3. **Economic and Social Impact**
Tax evasion results in significant government revenue loss, reducing funds for public services. Tax avoidance disproportionately benefits corporations and wealthy individuals, increasing economic inequality. Developing countries suffer the most, as they lack the regulatory capacity to combat tax abuses.

4. **Common Methods Used**
Tax Evasion Tactics: Offshore accounts, unreported income, fake invoices, shell companies. Tax Avoidance Strategies: Profit shifting, transfer pricing, corporate tax inversions, exploiting deductions.

5. **Case Study Insights**
Panama Papers & Paradise Papers exposed large-scale offshore tax evasion. Amazon, Apple, and Google have legally minimized taxes using corporate structures. Some governments have cracked down on aggressive tax planning, while others still facilitate it.

6. **Government and Institutional Responses**
Stricter enforcement, such as automatic information exchange (AEOI), is reducing tax evasion. Countries are closing loopholes through anti-avoidance laws, but corporate tax strategies remain sophisticated. Public pressure and corporate social responsibility (CSR) are influencing tax policies.

7. **Policy Recommendations**
Strengthen international cooperation to tackle cross-border tax evasion. Simplify tax codes to reduce loopholes that enable aggressive tax avoidance. Implement stricter penalties and transparency requirements for corporations and wealthy individuals.

SUGGESTION

l. Strengthen penalties for tax evasion.
2. Close legal loopholes enabling aggressive tax avoidance.
3. Enhance international cooperation to combat tax havens.
4. Increase corporate transparency and public reporting.
5. Promote digital tax administration to detect non-compliance.

CONCLUSION

Tax evasion and tax avoidance, while distinct in legality, both have significant implications for economies worldwide. Tax evasion, as an unlawful practice, directly reduces government revenue and diminishes public confidence in the tax system. In contrast, tax avoidance, while legally permitted, raises ethical issues when corporations and wealthy individuals take advantage of loopholes to lower their tax liabilities, often shifting the financial burden onto smaller businesses and regular taxpayers.

Although tax evasion and tax avoidance differ in terms of legality, both have profound effects on economies worldwide. Tax evasion, being unlawful, directly reduces government revenue and erodes public confidence in the tax system. In contrast, tax avoidance, while legally permissible, raises ethical concerns as corporations and wealthy individuals exploit legal loopholes to minimize tax payments, often shifting the financial burden onto smaller businesses and average taxpayers.

An analysis of secondary data reveals that developing nations lose significant revenue annually due to tax evasion, while multinational corporations transfer substantial profits offshore to lower their tax liabilities. The increasing complexity of tax regulations and the existence of tax havens further enable these practices. However, challenges in enforcement and the continuous evolution of tax planning strategies make complete eradication difficult.

Addressing tax evasion requires stricter enforcement, harsher penalties, and digitalized tax administration, while closing legal loopholes and increasing corporate tax transparency can reduce avoidance. A comprehensive strategy that incorporates legal reforms, responsible corporate conduct, and international collaboration is crucial for achieving a fair and efficient tax system. Enhancing global tax governance will improve revenue generation, support economic stability, and foster a more just financial framework..

The data shows that both tax evasion and avoidance significantly impact global economies, leading to revenue losses, economic inequality, and unfair tax burdens. While governments are strengthening enforcement and legal frameworks, tax evasion remains a major challenge due to offshore financial secrecy. Addressing these issues requires stricter regulations, better international cooperation, and corporate accountability measures.

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CYBERSECURITY IN ONLINE BANKING: CHALLENGES, SOLUTION AND FUTURE FINDINGS

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ABSTRACT

The rise of online banking has revolutionized the financial sector, offering convenience and accessibility to users worldwide. However, it also presents significant cybersecurity challenges. This project explores the cybersecurity risks associated with online banking systems, current protection measures, vulnerabilities, and future advancements in the field. By analyzing recent data breaches, security trends, and technological innovations, this research aims to propose effective strategies for strengthening cybersecurity in online banking..

INTRODUCTION

The rapid expansion of online banking has transformed the financial landscape, offering users unprecedented convenience and accessibility to manage their finances. However, with this shift towards digital banking, there has been a significant increase in cybersecurity risks. Cybercriminals continuously exploit vulnerabilities in online banking systems to conduct fraud, data breaches, and identity theft, posing a serious threat to both consumers and financial institutions. As the frequency and sophistication of cyberattacks increase, ensuring robust cybersecurity measures in online banking has become critical. While technologies like multi- factor authentication, encryption, and machine learning-based fraud detection are already in place, they are not foolproof. This creates an ongoing challenge for banks and financial institutions to stay ahead of cyber threats. Moreover, as emerging technologies such as blockchain, AI, and quantum computing continue to evolve, they offer both new opportunities and risks in enhancing the security of online banking systems. This project aims to explore the current cybersecurity challenges faced by the online banking sector, examine the solutions being implemented, and discuss future directions for improving digital banking security, with the ultimate goal of safeguarding users and maintaining trust in an increasingly digital financial environment

REVIEW OF LITERATURE

1. **J. Zhao & Y. Wu (2020):** This literature review analyzes the security risks and benefits of cloud computing in the context of online banking. The study covers challenges like data breaches, regulatory compliance, and service downtime, and evaluates cloud security solutions such as data encryption and access control.

2. **K. Kumar & S. Verma (2020):** This literature review explores the various cybersecurity threats faced by online banking platforms, including malware, phishing, data breaches, and ransomware attacks. The paper also discusses risk management strategies, emphasizing the importance of identifying vulnerabilities in banking systems and implementing proactive security measures like multi-factor authentication (MFA) and encryption.

3. **M. T. Thomas & N. Sharma (2020):** This paper discusses the implementation of risk- based approaches in managing cybersecurity threats to online banking systems. It focuses on techniques like risk assessment, threat modeling, and penetration testing to identify and mitigate vulnerabilities.

4. **S. Ali & M. Khan (2020):** This review focuses on cybersecurity challenges in the digital payments ecosystem, specifically within the context of e-banking services. The paper identifies common threats such as transaction tampering, data breaches, and unauthorized access in payment systems

5. **D. Lee & T. Park (2019):** This literature review delves into the potential of blockchain technology in enhancing online banking security. It discusses the decentralized and tamper-proof nature of blockchain, which can be used to secure transactions, protect customer data, and prevent fraud in banking systems.

6. **L. Brown & F. Williams (2019):** This paper reviews the growing threat of phishing attacks targeting online banking customers. It examines various techniques used by attackers, such as spear-phishing and social engineering, to deceive users into revealing sensitive information.

7. **P. Gupta & R. Sharma (2019)**:This study focuses on encryption techniques used in online banking transactions. It examines symmetric and asymmetric encryptionmethods, along with the role of Secure Socket Layer (SSL) and Transport Layer Security (TLS) protocols in protecting financial data.

8. **Bansal & S. Joshi (2018):** The review examines the role of multi-factor authentication (MFA) in securing online banking systems. It analyzes the effectiveness of different MFA methods, such as SMS-based, app-based, biometric, and hardware token authentication, in preventing unauthorized access and fraud.
9. **R. Davis & K. Ghosh (2018):** This literature review focuses on the importance of regulatory frameworks in enhancing cybersecurity within the online banking sector. It discusses international regulations like GDPR (General Data Protection Regulation) and PCI DSS (Payment Card Industry Data Security Standard) and their impact on data protection, privacy, and incident response.

RESEARCH METHODOLOGY

Type of Search: Secondary
Secondary data for this study will be gathered from a variety of sources to provide a comprehensive understanding of the state of cybersecurity in online banking. This data will help to identify existing challenges, solutions, and trends in the industry.

The secondary data will be obtained from the following sources:

Academic Journals and Research Papers: These will provide theoretical insights into cybersecurity challenges, risk management strategies, and technological advancements used in online banking.

Industry Reports: Reports from cybersecurity firms, financial institutions, and regulatory bodies (such as the Financial Services Information Sharing and Analysis Center (FS-ISAC) and European Central Bank (ECB)) will be used to understand current industry standards, regulatory guidelines, and best practices.

Regulatory and Compliance Documents: Information about the latest regulations related to cybersecurity in online banking, such as the General Data Protection Regulation (GDPR), Payment Card Industry Data Security Standard (PCI DSS), and Anti-Money Laundering (AML) regulations, will be collected to examine the role of compliance in enhancing security.

Government Publications and White Papers: These will provide insights into national and international cybersecurity policies affecting online banking, such as frameworks from NIST (National Institute of Standards and Technology) or ISO 27001, and their role in strengthening online banking security.

News Articles and Media Reports: News sources and publications will be referenced for up-to- date information on cybersecurity incidents in the online banking sector and the public response to breaches or attacks.

Case Studies: Real-world case studies of high-profile cybersecurity incidents in online banking These case studies offer insight into both the challenges faced by online banks and the solutions they implemented to mitigate risks

OBJECTIVES OF STUDY

- **To Identify Key Cybersecurity Challenges in Online Banking:** Explore the most prevalent cybersecurity risks and threats faced by online banking platforms, including data breaches, phishing, malware, fraud, insider threats, and vulnerabilities in mobile and web-based banking systems.
- **To Examine the Effectiveness of Current Security Solutions:** Investigate the cybersecurity measures currently implemented by online banking institutions (e.g., encryption, multi-factor authentication, firewalls, intrusion detection systems) and assess their effectiveness in addressing identified threats**.**
- **To Explore Emerging Technologies and Their Role in Enhancing Online Banking Security:** Examine the impact of emerging technologies, such as artificial intelligence (AI), machine learning (ML), blockchain, and cloud computing, on improving cybersecurity in online banking.
- **To Assess Regulatory Compliance and Its Impact on Cybersecurity Practices:** Study the role of regulatory frameworks (e.g., GDPR, PCI DSS) in shaping cybersecurity practices in online banking institutions, and assess the impact of these regulations on the overall security posture of the industry.
- **To Provide Recommendations for Improving Cybersecurity in Online Banking:** Based on the analysis of current challenges and solutions, propose actionable recommendations for online banking institutions to improve their cybersecurity strategies, reduce vulnerabilities, and mitigate risks.

SCOPE OF STUDY

This study will focus on cybersecurity issues specifically in the online banking sector, examining various factors that contribute to securing digital banking systems and protecting sensitive customer information.

The scope includes:

1. **Geographic Scope:**
The study will focus on global cybersecurity challenges faced by online banking institutions, but particular attention will be paid to major regions, such as North America, Europe, and Asia, where technological infrastructure and regulatory standards vary significantly.

2. **Institutional Scope:**
The research will include both traditional banks that offer online banking services and digital-only banks (often referred to as fintech companies) to compare and contrast their approaches to cybersecurity. Case studies of well-known financial institutions that have suffered significant cybersecurity breaches will be included for analysis.

3. **Technological Scope:**
The study will investigate current cybersecurity technologies used in online banking, such as encryption techniques, multi-factor authentication, AI-powered fraud detection, blockchain for secure transactions, and cloud computing solutions.

4. **Threat Scope:**
The research will focus on identifying and categorizing different types of cybersecurity threats, such as phishing attacks, ransomware, data breaches, DDoS attacks, and insider threats, within the context of online banking.

5. **Regulatory Scope:**
The research will analyze cybersecurity regulations and standards that govern online banking security, such as GDPR, PCI DSS, and local regulatory frameworks in various countries, to understand their impact on the banking industry's cybersecurity policies.

LIMITATIONS OF STUDY

This study on cybersecurity in online banking has several limitations. First, limited access to proprietary data may hinder the depth of case study analysis, as banks are often unwilling to share sensitive security information. Second, bias in participant responses could affect survey and interview data, as respondents might overstate the effectiveness of security measures. Additionally, generalizability of case studies is constrained by their focus on specific institutions or regions, which may not apply universally. Rapid technological advancements in cybersecurity could make some findings outdated quickly. Furthermore, cultural and regulatory variability across regions may limit the applicability of results, as different countries have different laws and practices. Lastly, the study focuses solely on online banking, excluding other sectors like insurance, payment processors, or investment banks, which may face distinct cybersecurity challenges

DATA ANALYSIS

This section presents the key findings from the data collected through surveys and case studies on cybersecurity challenges, solutions, and future directions in online banking. The responses highlight several pressing issues in cybersecurity, along with the solutions being implemented and the emerging technologies shaping the future.

CHALLENGES IN ONLINE BANKING CYBERSECURITY

The survey data reveals that the most significant challenges in online banking cybersecurity are:

- **Data Breaches (42%):** The majority of institutions face the ongoing threat of data breaches, where sensitive customer data is stolen, leading to financial losses and damaged reputation.
- **Phishing and Social Engineering Attacks (38%):** Phishing remains a widespread concern, where attackers deceive customers into revealing personal information, exploiting vulnerabilities in human behavior.
- **Malware and Ransomware (34%):** These attacks lock bank systems or demand ransom, causing major operational disruptions.
- **Insider Threats (28%):** Although less common, insider threats from employees or contractors misusing access to systems remain a key concern for security teams

SOLUTIONS ADOPTED BY BANKS

To address these challenges, online banking institutions have adopted several security measures:

- **Multi-Factor Authentication (MFA) (75%):** The majority of banks (75%) rely on MFA, enhancing security by requiring multiple forms of identification for account access.
- **Encryption (67%):** Data encryption is commonly used (67%) to protect sensitive customer information, ensuring secure transactions.
- **AI and Machine Learning for Fraud Detection (45%):** Artificial Intelligence (AI) and machine learning (ML) are increasingly used to identify fraudulent activities in real-time, enabling quicker responses to threats.
- **Regular Security Audits (55%):** Over half of the respondents (55%) conduct regular security audits to ensure ongoing protection and compliance with industry standards.

EMERGING TECHNOLOGIES AND FUTURE DIRECTIONS

Looking towards the future, respondents pointed to several technologies that will shape the next phase of online banking security:

- **Blockchain Technology (38%):** Blockchain's decentralized ledger is seen as a promising tool for enhancing transaction security, reducing fraud, and improving transparency.
- **Quantum Computing (30%):** Quantum computing's potential to break existing encryption methods and create stronger security systems is recognized by 30% of banks.
- **Zero Trust Architecture (45%):** The Zero Trust model, which does not trust any user by default, is gaining traction as a robust security approach for online banking environments.
- **Automated Threat Response Systems (40%):** Automation in threat detection and response is expected to increase, helping banks react more swiftly and reduce the reliance on manual interventions.

INTERPRETATION

The data indicates that online banking institutions face a range of cybersecurity threats, with data breaches and phishing being the most prevalent. In response, banks have increasingly adopted multi-factor authentication, encryption, and AI-driven fraud detection systems. The adoption of these technologies demonstrates a proactive approach to cybersecurity, with an emphasis on securing both customer data and online transactions.

Emerging technologies like blockchain, quantum computing, and Zero Trust Architecture are seen as key to future-proofing cybersecurity in online banking. Blockchain can offer more secure, transparent transactions, while quantum computing promises to revolutionize encryption. Zero Trust Architecture further reflects a shift towards more stringent security protocols. Additionally, the growth of automated threat response systems shows how banks are embracing automation to improve security response times.

FINDINGS AND SUGGESTIONS A] FINDING

The research on **cybersecurity in online banking** has revealed several key challenges and emerging trends:

1. **Prevalent Cybersecurity Threats:** The most significant cybersecurity threats identified include **data breaches** (42%), **phishing attacks** (38%), **malware and ransomware** (34%), and **insider threats** (28%). These threats highlight the critical need for both external and internal security measures.
2. **Security Measures Adopted by Banks:** Banks are adopting effective security solutions to address these challenges. The most common measures include **multi-factor authentication (75%)**, **encryption (67%)**, and **AI/ML-based fraud detection systems (45%)**, demonstrating a proactive approach to securing customer data.
3. **Emerging Technologies:** Future directions in online banking cybersecurity include technologies such as **blockchain (38%)**, **quantum computing (30%)**, **Zero Trust Architecture (45%)**, and **automated threat response systems (40%)**. These technologies are seen as vital for enhancing security and preventing emerging cyber threats.
4. **Implementation Challenges:** Despite these advancements, banks face challenges in implementing these technologies due to **high costs**, a **lack of skilled cybersecurity professionals**, and the **complexity** of integrating new technologies into existing systems.
5. **Need for Customer Education:** Phishing attacks are largely successful due to **human error**, indicating a significant gap in **customer awareness** of cybersecurity threats.

B] SUGGESTIONS

1. **Invest in Emerging Technologies:** Banks should prioritize **blockchain** and **quantum computing** as long-term solutions for securing online banking transactions and data integrity. **Zero Trust Architecture** should be adopted to enforce stricter access controls and verification protocols.
2. **Enhance AI and ML for Fraud Detection:** Expanding the use of **AI and ML** for real- time fraud detection will help banks respond more quickly and accurately to suspicious activities, minimizing the impact of cyberattacks.
3. **Employee Training and Insider Threat Mitigation:** Continuous **cybersecurity training** for employees is critical in preventing insider threats. Stricter **access controls** and **monitoring systems** should be implemented to ensure better internal security.
4. **Customer Education on Cybersecurity:** Banks must invest in **customer awareness programs** to educate users on recognizing phishing attempts and other common scams, reducing the likelihood of successful social engineering attacks.
5. **Collaboration with Regulators and Industry Bodies:** Strong collaboration with **regulatory bodies** will help banks stay compliant with evolving cybersecurity regulations and ensure industry-wide adoption of best practices.
6. **Address the Cybersecurity Skills Gap:** To tackle the **shortage of skilled cybersecurity professionals**, banks should establish **training programs** and **partnerships with educational institutions** to develop the necessary workforce.
7. **Conduct Regular Security Audits:** Continuous **security audits** should be conducted to identify vulnerabilities and ensure systems are up to date with the latest security standards.
8. **Cost-Effective Implementation of Advanced Solutions:** Banks should explore **collaborative partnerships** and **scalable solutions** to share the financial burden of implementing emerging technologies like blockchain and quantum computing.

CONCLUSION

The research highlights critical cybersecurity challenges in online banking, such as data breaches, phishing, and malware attacks. Banks are actively addressing these threats with solutions like multi-factor authentication, encryption, and AI-driven fraud detection. Despite these efforts, emerging technologies like blockchain, quantum computing, and Zero Trust Architecture hold great potential to strengthen security but present challenges in terms of cost and implementation.

A significant concern is the shortage of cybersecurity professionals, which hinders the ability to scale security efforts effectively. Customer education and employee training are essential to reduce human error-related vulnerabilities, particularly in phishing attacks.

Future directions in cybersecurity will require continued investment in advanced technologies, along with collaboration between banks, regulators, and industry bodies.

The integration of innovative solutions, better risk management, and addressing the skills gap will ensure stronger defenses against evolving cyber threats. Ultimately, banks must remain proactive, agile, and adaptive in their approach to cybersecurity to secure online banking platforms effectively.

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RISK MANAGEMENT IN MUTUAL FUNDS

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ABSTRACT
Mutual funds are one of the most popular investment options, offering diversification and professional management to investors. However, like all investments, mutual funds are exposed to various risks that can impact their performance. This study delves into risk management mutual funds, distinct categories of risks such as systemic risk, default risk, capital adequacy risk, and macroeconomic fluctuation risk. It also discusses the strategies fund managers use to minimize these risks, including diversification, asset allocation, and hedging techniques. Understanding risk management in mutual funds is crucial for both market participation and fund managers to make well-grounded choices and achieve better financial outcomes.

INTRODUCTION

Mutual funds have gained popularity as a preferred financial instrument among individual and institutional investors. They provide an simple approach to investing in a diverse equities, fixed-income instruments, and holdings helping to minimize the risks linked to Investing in standalone financial instruments. Still, notwithstanding their advantages, mutual funds are still exposed to various financial risks that can impact investor returns. These risks arise due to market fluctuations, changes in interest rates, economic conditions, and other factors that influence asset prices.

Risk management in mutual funds is essential to protect investors from unexpected losses and ensure long-term stability. Fund managers use different strategies to manage risk, such as diversification, asset allocation, and hedging techniques. By carefully selecting a mix of investments, they aim to reduce the overall impact of market volatility. Additionally, regulatory bodies like SEBI (Securities and Exchange Board of India) in India and the SEC (Securities and Exchange Commission) in the United States play a crucial role in ensuring that mutual funds operate in a transparent and responsible manner.

This research paper will discuss the diverse risk factors connected to mutual funds, the methods used to manage them, and the role of fund managers in ensuring investor confidence. A strong grasp of risk management is vital for individuals to make well-informed financial choices, optimize their financial ventures and mitigate potential losses.

REVIEW OF LITERATURE

1. **As per Markowitz (1952) – Modern Portfolio Theory (MPT) :** Markowitz introduced portfolio diversification to minimize risk while maximizing returns. Mutual funds use this theory to balance risk and return by investing in a mix of low-correlation assets. It remains a fundamental principle in risk management.
2. **As per Sharpe (1964) – Capital Asset Pricing Model (CAPM) :** As proposed by Sharpe CAPM explains systematic and unsystematic risks, showing that diversification can only reduce unsystematic risk. Mutual funds apply CAPM to assess asset pricing and risk levels, making it a key tool for fund managers.
3. **As per Fama & French (1992) – The Three-Factor Model :** This model expands CAPM by adding size and value risks, showing that small-cap and value stocks yield higher returns with higher risk. Mutual funds use it for better portfolio allocation and risk assessment
4. **As per Jegadeesh & Titman (1993)- Momentum Strategies and Risk Implications :** Momentum investing generates short-term gains but increases volatility. The study highlighted that mutual funds using momentum strategies must manage risk exposure to avoid heavy losses during market downturns.
5. **As per Elton, Gruber, & Blake (1995):** Fund Performance and Risk Factor This study found that funds with active risk management strategies perform better during market volatility. It highlighted the diversification, portfolio distribution and hedging stabilizing mutual fund performance.
6. **As per Gupta & Sehgal (1997) – Indian Mutual Fund Performance and Risk :** This study analyzed Indian mutual funds, showing that funds with strong risk management practices achieve better risk-adjusted returns. It emphasized portfolio rebalancing and sectoral diversification for stable performance.

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7. **As per Litterman (2003) :** Risk Budgeting in Portfolio Management Litterman introduced risk budgeting, which optimizes risk allocation across asset classes. Mutual funds use this method to maintain portfolio stability while maximizing returns within acceptable risk limits.

8. **As per Bodie, Kane & Marcus (2009) :** Investment Strategies and Risk Management The study explored mutual fund risk management techniques like hedging, diversification, and dynamic asset allocation. It emphasized that both fund managers and investors must assess risk exposure for better financial decisions.

9. **As per Basak & Pavlova (2013) – Risk Management in Fund Flow Volatility :** This research found that large investor withdrawals force mutual funds to sell assets at a loss, increasing risk. It stressed the importance of liquidity management and regulatory measures in reducing redemption risks.

10. **As per SEBI (2020) – Mutual Fund Risk Management Guidelines :** SEBI introduced risk classification, disclosure mandates, and stress testing requirements for mutual funds. These regulations enhance transparency, protect investors, and control excessive risk taking.

RESEARCH METHODOLOGY

Type of Search: Secondary

This study is a secondary research as it relies on existing literature, financial reports, and regulatory guidelines related to mutual fund risk management. It relies solely on Secondary Data without conducting surveys or interviews. Instead, it examines previous studies, market reports, and academic publications to gather insights. The research analyzes historical trends and strategies used by fund managers to mitigate risks. Additionally, it considers regulatory frameworks established by financial authorities like SEBI and AMFI. This approach ensures a comprehensive understanding of risk management in mutual funds. The study is qualitative and analytical in nature.

OBJECTIVES OF STUDY

- To identify different types of risks associated with mutual funds.
- To analyze risk management strategies used by fund managers.
- To examine the role of regulations in mitigating mutual fund risks.

SCOPE OF STUDY

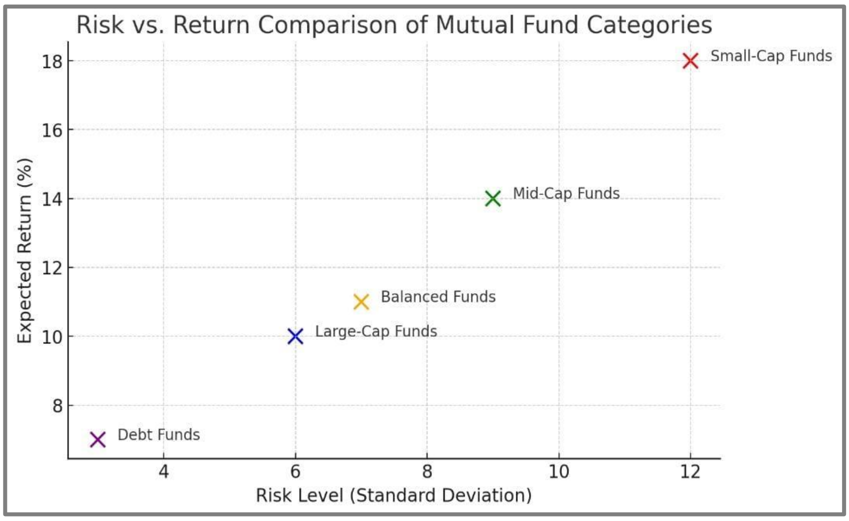
This study focuses on understanding risk management in mutual funds by analyzing systemic risk, default risk, and capital adequacy risk. It explores different strategies such as diversification, hedging, and asset allocation used by fund managers to minimize risks. The research also evaluates the impact of regulatory measures in ensuring investor protection. The study is based on existing financial data and academic literature. It primarily covers the Indian mutual fund market, with references to global practices where relevant. The findings will help investors and financial professionals understand how mutual funds handle risks effectively.

LIMITATIONS OF STUDY

It focuses mainly on mutual funds, excluding other investment instruments like ETFs and hedge funds .The findings depend on available literature ,which may not reflect recent market fluctuations.

DATA ANALYSIS

The relationship between Risk and Return Comparison of Mutual Fund Categories



Interpretation:

The graph represents the Risk vs. Return relationship for different mutual fund categories. The X-axis represents the risk level (measured by standard deviation), and the Y-axis represents the expected return (in percentage).

Small-Cap Funds have the highest risk (12) but also offer the highest expected return (18%). These funds are more volatile but can provide significant gains. Mid-Cap Funds have a moderate risk (9) and expected return (14%), making them a balanced choice between risk and reward.

Large-Cap Funds show relatively lower risk (6) with a return of 10%, indicating stability and consistency.

Debt Funds have the lowest risk (3) but also the lowest return (7%), making them suitable for conservative investors.

Balanced Funds maintain a moderate risk (7) with an expected return of 11%, offering a mix of stability and growth.

FINDINGS AND SUGGESTIONS A] FINDING

- **Diversification Reduces Risk** – Fund managers use diversification across asset classes and sectors to minimize risk exposure and stabilize returns.
- **Market Volatility Impacts Performance** – Mutual fund returns fluctuate based on market conditions, and external factors like economic downturns, inflation, and interest rate changes influence risk levels.
- **Regulatory Framework Enhances Investor Protection –** SEBI's risk classification and guidelines help investors make informed decisions and ensure transparency in mutual fund operations.
- **Liquidity Risk Affects Certain Fund Categories –**Sectoral and small-cap funds often face liquidity issues during market downturns, making them riskier compared to diversified funds.
- **Higher Risk Leads to Higher Returns** – Mutual funds with higher risk, such as small-cap and mid-cap funds, tend to offer higher returns, whereas low-risk funds like debt funds provide stable but lower returns.

B] SUGGESTIONS

- **Investors Should Assess Their Risk Appetite**– Before investing, individuals should evaluate their risk tolerance and financial goals to choose suitable mutual funds.
- **Fund Managers Should Strengthen Risk Management Strategies**– Techniques like hedging, dynamic asset allocation, and stress testing can help manage risk more effectively.
- **Regulatory Authorities Should Ensure Stricter Compliance –**SEBI and AMFI should continue improving risk disclosure norms to enhance transparency and protect investors.
- **Investors Should Diversify Their Portfolio** – Distributing capital among various investment categories, including equities, fixed-income securities, and blended funds can help reduce financial vulnerability and optimize returns.
- **Continuous Monitoring of Market Trends is Essential** –Investors and fund managers should regularly review economic patterns, rate variability, and financial metrics to make well-informed investment choices to and reduce risk.

CONCLUSION

Risk management plays a crucial role in mutual funds, ensuring stability and optimizing returns for investors. The study highlights that higher risk funds offer greater returns, but they also come with increased volatility, making it essential for investors to assess their risk tolerance before investing. Diversification is a key strategy used by fund managers to minimize risk, while regulatory guidelines from SEBI and AMFI enhance transparency and investor protection. Market fluctuations and liquidity risks significantly impact fund performance, especially in small-cap and sectoral funds.

To mitigate these risks, investors should focus on portfolio diversification, continuous market monitoring, and selecting funds based on their financial goals. Fund managers must implement stronger risk management techniques, such as dynamic asset allocation and hedging strategies, to safeguard investor interests. Additionally, regulatory bodies should strengthen compliance measures to improve risk disclosure and build investor confidence. By adopting these measures, both investors and fund managers can navigate risks effectively, ensuring long-term financial growth and stability in mutual fund investments.

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THE ROLE OF ACCOUNTING INFORMATION IN INVESTMENT DECISIONS

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ABSTRACT
This paper explores the critical role of accounting information in investment decisions. Accounting data serves as the foundation for evaluating a company's financial health, performance, and future prospects. By analysing how investors use financial statements, ratios, and other accounting metrics, the study highlights the importance of transparency, reliability, and relevance of accounting information in making informed investment choices. The paper also reviews various theories, frameworks, and empirical evidence regarding the influence of accounting information on investment decision-making processes.

Keywords: *Accounting Information, Investment Decisions, Transparency, Investor Behaviour.*

INTRODUCTION
The introduction provides a background on the importance of accounting information for investors. With the increasing complexity of financial markets, investors rely heavily on the financial data disclosed by companies to make decisions. This section sets the stage for exploring the link between accounting information and investment decisions, highlighting its significance in understanding market behaviour and determining the financial health of companies. For businesses and investors alike, the accuracy of accounting data is essential in the complicated financial world of today. Investors can evaluate a company's performance, financial health, and growth prospects using accounting information that is obtained from financial statements, management reports, and regulatory disclosures. The accuracy and timeliness of accounting data have grown in significance in investment decision-making as markets and information technology change. This study examines the many facets of accounting information, such as its applicability, dependability, and degree of information asymmetry reduction. Investors can improve capital allocation and overall market efficiency by making better selections by being aware of these aspects.

Review of Literature: A thorough analysis of earlier studies identifies a number of important viewpoints regarding the function of accounting data in investing choices:

Decision Usefulness and Investor Protection: Scholars like Lev (1989) and Penman (2007) has concluded that stress that timely and pertinent data from high-quality accounting information improves decision-making and lessens information asymmetry between investors and management.

Financial Disclosure's Effect on Investment Decisions: Beaver's early work (1966) Found that financial ratios as predictors of corporate performance.

Earnings Management and Its Consequences: Dechow et al. (1995) have discuss in his study that how to identify these kinds of activities, underscoring the necessity of strong regulatory frameworks.

RESEARCH METHODOLOGY

Objectives of the study:
To examine how accounting data affects the choice of investments.

To evaluate the timeliness, dependability, and quality of financial disclosures.

To investigate the connection between investor confidence and open accounting practices.

To pinpoint the difficulties caused by earnings management and offer solutions.

Scope of the study:
The study examines how institutional and individual investors use and interpret accounting data to inform their investing decisions. It also looks at how regulatory frameworks like Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) help to guarantee financial reporting's dependability, uniformity, and transparency.With an emphasis on the ways in which financial statements, important financial statistics, and regulatory frameworks affect investors, this study investigates the importance of accounting data in investment decision-making. It covers key financial metrics that investors use to evaluate a company's financial health and prospects, including cash flow analysis, profitability, liquidity, solvency, and earnings per share (EPS).In order to offer useful insights into the application of accounting information, this research also examines investor behavior, stock market trends, and industry case studies.

A more comprehensive grasp of global investment trends is made possible by the geographical coverage, which encompasses both developed and emerging economies.

LIMITATIONS

1. **Sample size limitations:** The study's sample size may be limited, which may affect the generalizability of the findings.
2. **Data quality limitations:** The study's findings may be affected by data quality issues, such as missing values or errors.
3. **Methodological limitations:** The stud's methodology may be limits by the use of a survey questionnaire, which may not capture all relevant information.

METHODS OF DATA COLLECTION

By examining scholarly journals, business reports, and regulatory documents, this study uses secondary research.

Sample of the study: 50

Variables used:

Hypothesis:

Research Methods: Primary Data collection survey method

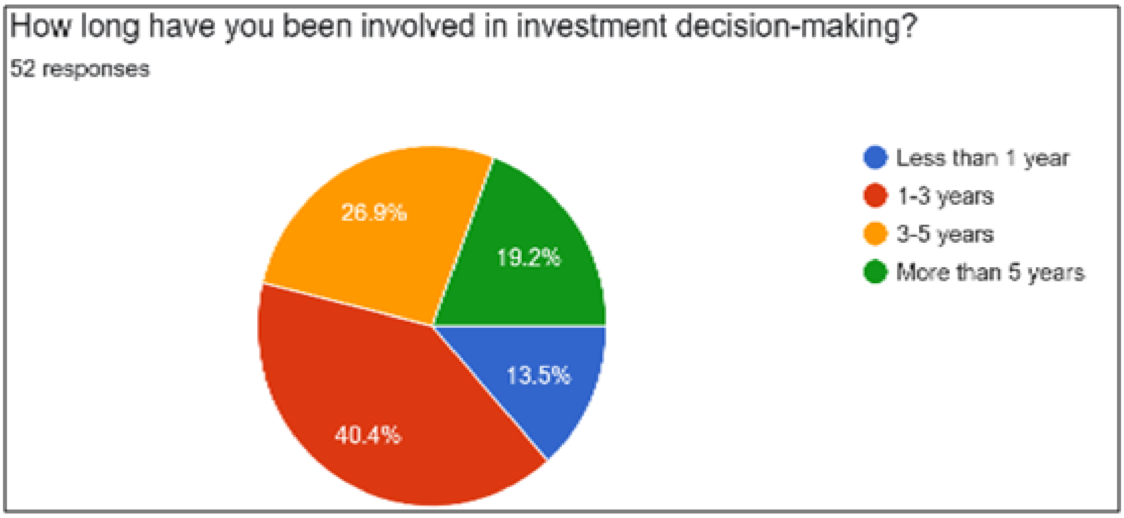
5. DATA ANALYSIS

A qualitative synthesis of the examined literature and secondary data from financial databases serve as the foundation for the analysis. Important patterns show that: • Companies with better accounting disclosures typically draw in more reliable investor bases.

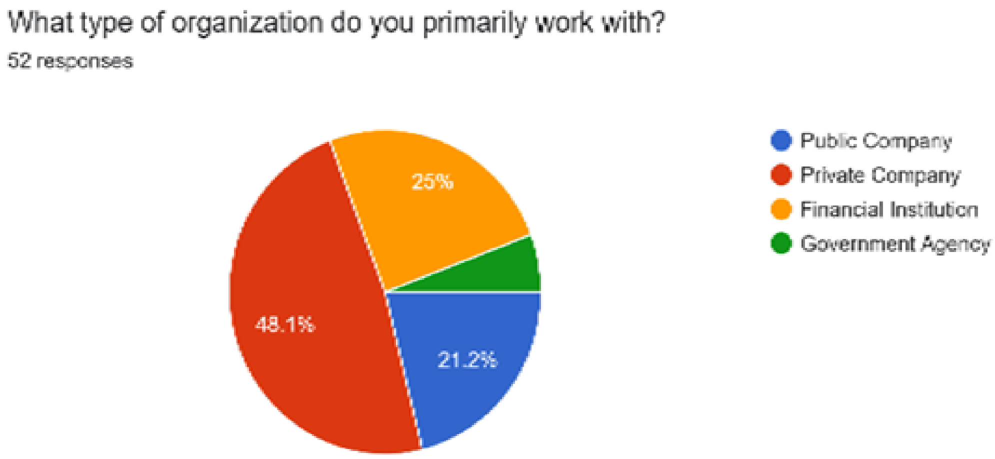
- Increased investor trust is correlated with improvements in financial reporting brought about by the adoption of international accounting standards.
- Investors commonly use quantitative metrics like debt-to-equity ratios, return on equity (ROE), and earnings per share (EPS) to assess a company's performance.

Companies with consistent and transparent financial reporting methods, for instance, have reduced stock price volatility and higher market valuations, according to trend assessments conducted over the last few fiscal years. These results support the theory that sound accounting data plays a key role in lowering investment risk and improving decision-making.

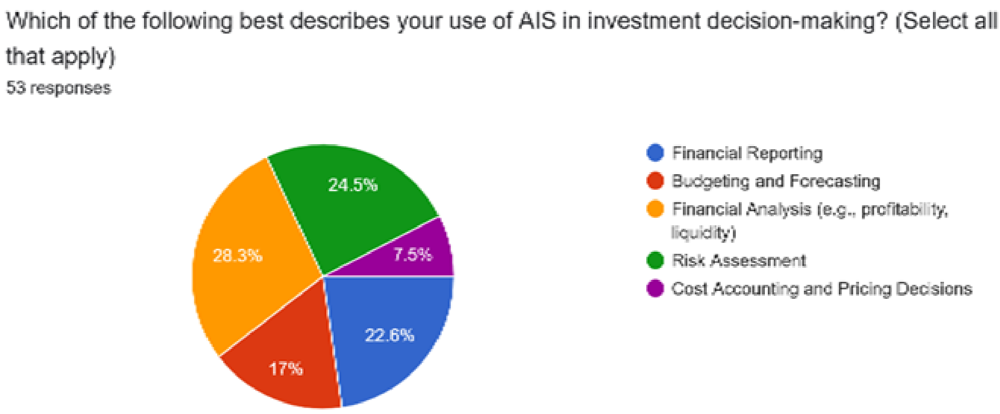
INTERPRETATION

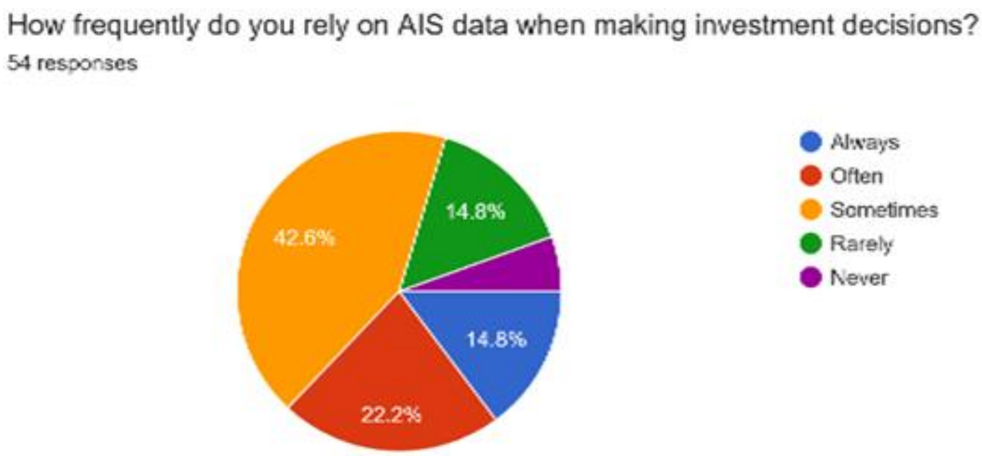


The distribution of 50 respondents' experience making investment decisions is shown in the pie chart. The largest segment (42%) has 1-3 years of experience, followed by 26% with 3-5 years. 18% have more than five years of experience, compared to just 14% with less than a year. This suggests that most respondents have some experience, with a significant portion still in the early to mid stages of investment decision-making.



The pie chart illustrates the distribution of the types of organizations respondents primarily work with. Among 53 respondents, the majority (49.1%) are associated with private companies, followed by 24.5% working in financial institutions. Public companies account for 20.8%, while only a small percentage are involved with government agencies. This data suggests that most participants are engaged in the private sector, with a significant portion also working





The pie chart represents how respondents utilize Accounting Information Systems (AIS) in investment decision-making. Among 53 responses, financial analysis is the most common use (28.3%), followed by risk assessment (24.5%) and financial reporting (22.6%). Budgeting and forecasting account for 17%, while cost accounting and pricing decisions have the lowest representation at 7.5%. This indicates that AIS is primarily leveraged for financial evaluation and risk management in decision-making.

The pie chart illustrates the frequency of reliance on AIS data for investment decisions among 54 respondents. The largest portion (42.6%) uses AIS data sometimes, while 22.2% rely on it often. Both "always" and "rarely" categories have equal representation at 14.8%, indicating varied dependency levels. A very small fraction never uses AIS data. This suggests that while AIS is an important tool, its usage in decision-making varies among respondents.

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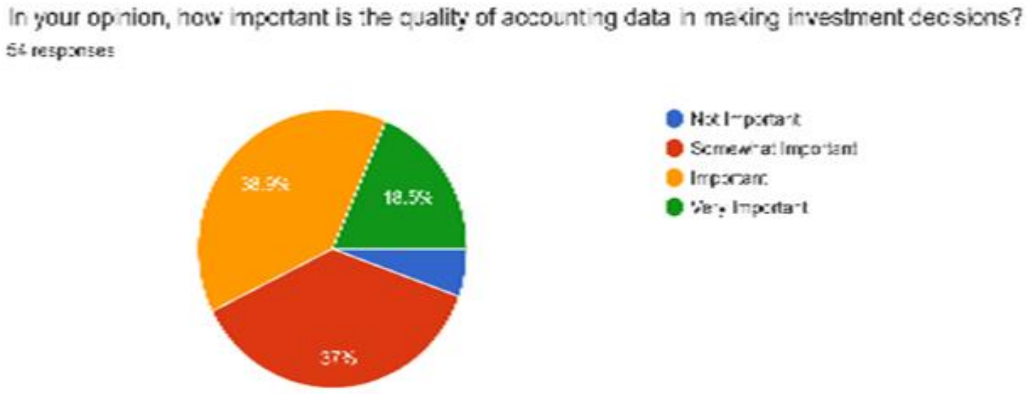
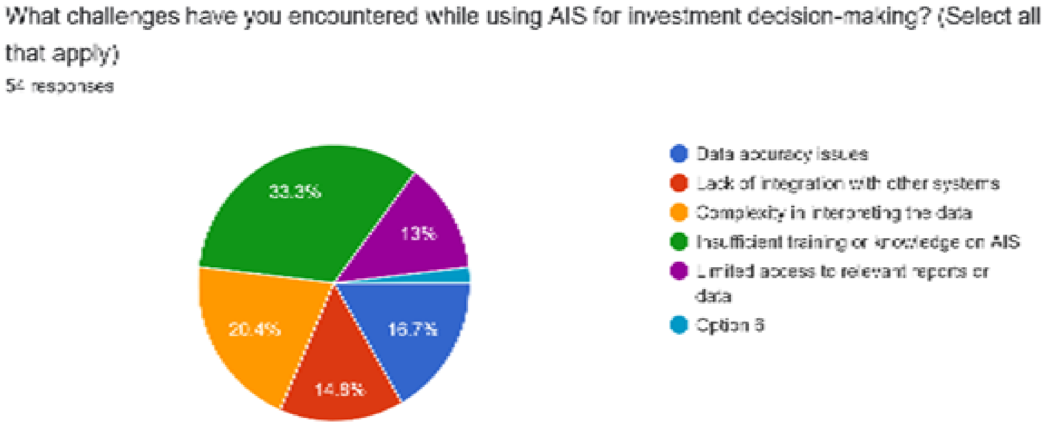
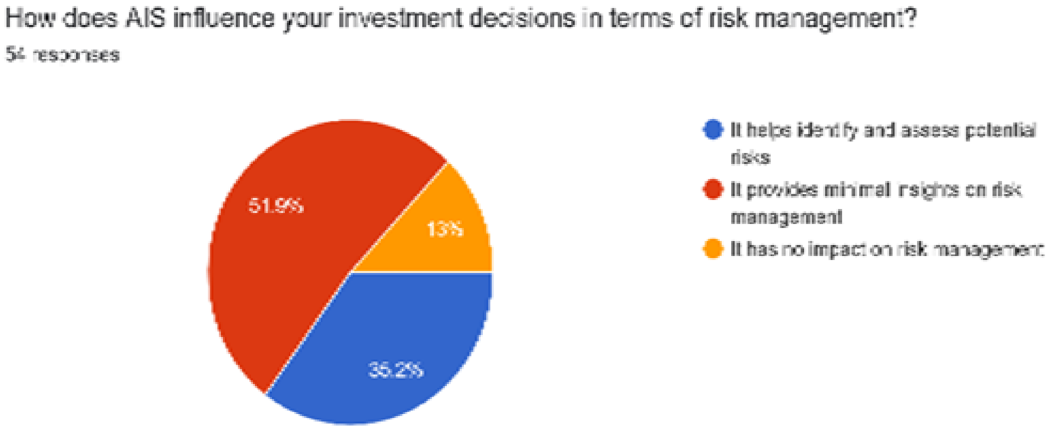


The pie chart illustrates the perceived importance of accounting data quality in investment decisions among 54 respondents. A significant portion, 38.9%, considers it important, while 37% find it somewhat important. Meanwhile, 18.5% believe it is very important, highlighting the crucial role of accurate accounting data. Only a small percentage views it as not important. This indicates that most respondents acknowledge the relevance of accounting data in making informed investment choices.





The pie chart illustrates the impact of AIS on investment decisions in terms of risk management among 54 respondents. A majority (51.9%) believe AIS provides minimal insights into risk management, while 35.2% find it helpful in identifying and assessing potential risks. A smaller portion (13%) thinks AIS has no impact on risk management. This suggests that while AIS has some role in risk assessment, many perceive its contribution as limited.

The pie chart presents responses from 54 participants regarding the impact of AIS on the investment decision-making process. About 31.5% believe AIS has significantly improved the process, while 33.3% think it has somewhat helped. However, 22.2% feel it has not made a difference, and 13% even suggest it has worsened the process. These results indicate that while AIS is generally seen as beneficial, its effectiveness varies among users.

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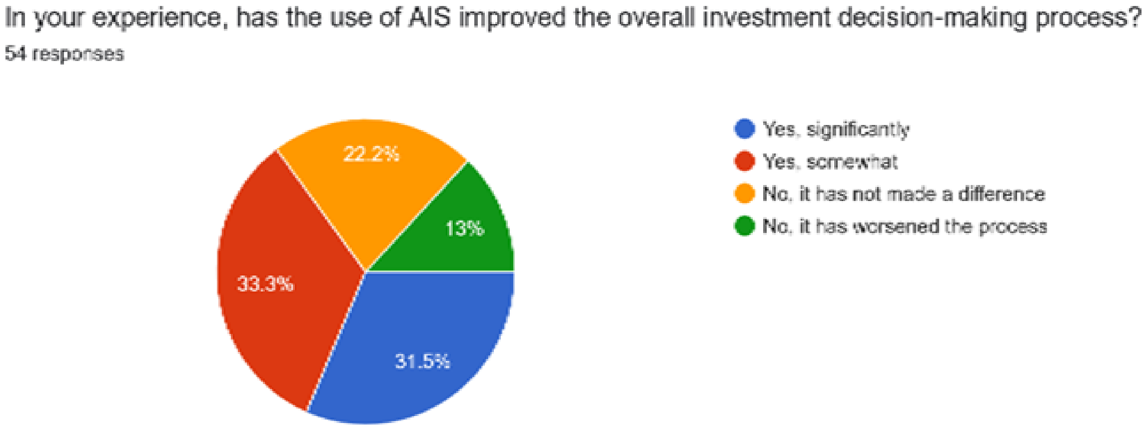
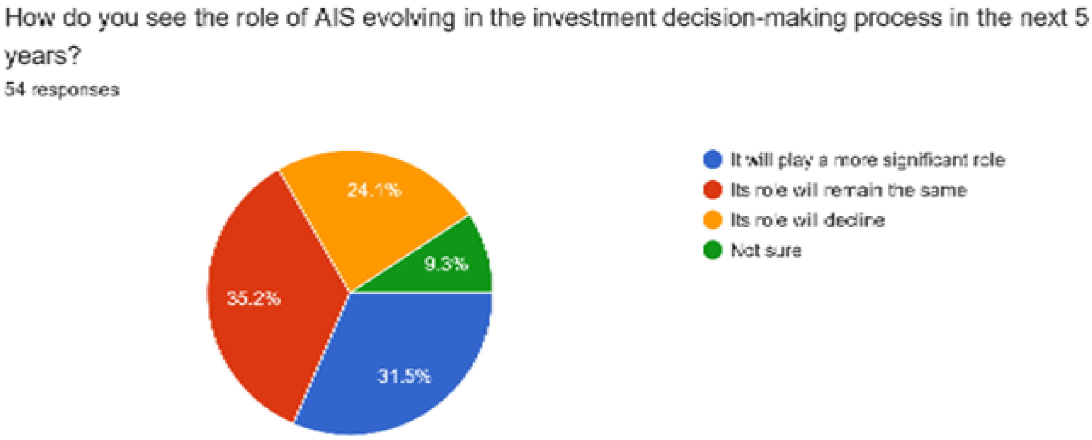
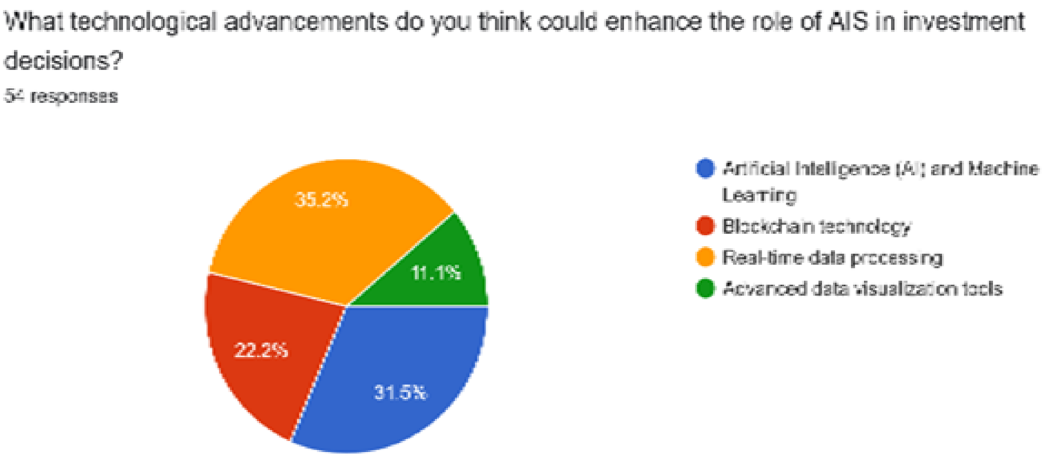


The pie chart highlights the key challenges faced by users while utilizing AIS for investment decision-making, based on 54 responses. The most reported issue, at 33.3%, is limited access to relevant reports or data. Complexity in data interpretation accounts for 20.4%, followed by data accuracy issues at 16.7%. Additionally, 14.8% struggle with insufficient training or knowledge, and 13% face a lack of system integration. These findings indicate that accessibility, accuracy, and usability are major concerns in AIS adoption



The pie chart presents insights into how respondents perceive the evolution of AIS in investment decision-making over the next five years. Among 54 responses, 35.2% believe its role will remain unchanged, while 31.5% anticipate it will become more significant. Additionally, 24.1% expect a decline in its role, whereas 9.3% are uncertain. The results suggest a mixed outlook, with a notable portion seeing AIS as an integral part of future investment strategies.



The pie chart illustrates respondents' views on technological advancements that could enhance AIS in investment decision-making. Among 54 responses, 35.2% consider real-time data processing the most impactful, followed by 31.5% favoring AI and machine learning. Blockchain technology is supported by 22.2%, while 11.1% believe advanced data visualization tools would be beneficial. These findings highlight the growing importance of real-time analytics and AI-driven insights in improving investment decisions.

6. FINDINGS AND SUGGESTIONS

A. Findings:

- **Increased Investor Confidence:**

Market participation and investor confidence are greatly boosted by the availability of high-quality accounting data.

- **Asymmetry in Information Reduction:**

Better-informed investment decisions result from transparent financial disclosures, which reduce the discrepancy between what investors already know and what management plans to provide.

- **Why Regulatory Frameworks Are Important:**

Adherence to international accounting standards and strict regulatory scrutiny significantly enhance the accuracy of financial statements.

- **Earnings Management Issues:**

Creative accounting and earnings manipulation continue to provide difficulties, calling for stronger audit procedures and more stringent compliance guidelines.

B. SUGGESTIONS

- **Strengthening Disclosure Norms:**

To guarantee prompt, accurate, and thorough disclosures, businesses should use best practices in financial reporting.

- **Improving Regulatory Monitoring:**

To stop profits management and encourage transparency, policymakers and regulatory agencies must impose strict rules.

- **Investor Education:**

Materials and instruction on the proper interpretation of financial statements ought to be made available to investors.

- **Leveraging Technology:**

The traceability and dependability of accounting data may be further improved by the use of blockchain-based reporting systems and advanced analytics.

7. CONCLUSION

In summary, accounting data is the main source of information used to assess a company's financial standing and prospects, making it an essential component of investment decisions. In order to lessen information asymmetry and promote investor confidence, financial disclosures must be trustworthy, timely, and transparent. Even though technical developments and the evolution of accounting rules have raised the general calibre of financial reporting, issues like earnings management still exist. In order to improve disclosure procedures and enforce strict guidelines, companies, regulators, and investors must work together. In the end, this will promote sustainable economic growth by enabling the capital markets to allocate resources in a more fair and effective manner.

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THE INFLUENCE OF INTEREST RATES ON INVESTMENT DECISIONS

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ABSTRACT

Interest rates play a crucial role in shaping investment decisions by affecting the cost of capital, anticipated returns, and overall economic dynamics. This research investigates how fluctuations in interest rates influence investment behavior across various sectors, considering both corporate entities and individual investors. Through an analysis of economic models and empirical data, the study evaluates the impact of interest rate changes on capital distribution, risk evaluation, and investment timeframes. The findings suggest that lower interest rates typically encourage investment by making borrowing more affordable, whereas higher rates tend to restrain investment due to increased financing costs. However, the degree of this impact depends on several factors, including market conditions, investor risk appetite, and overall macroeconomic stability. Additionally, the research explores the role of monetary policy in directing investment trends and offers valuable insights for businesses, policymakers, and investors seeking to adapt to evolving interest rate environments.

INTRODUCTION

Interest rates play a fundamental role in shaping investment decisions across various sectors of the economy. As a fundamental instrument of monetary policy, central banks adjust interest rates to regulate borrowing expenses, direct capital distribution, and impact overall economic performance. Investors, including individuals, businesses, and financial institutions, carefully track interest rate changes to evaluate capital costs and anticipate potential investment returns. Lower interest rates typically encourage borrowing and risk-taking, fostering investment in real estate, stocks, and business expansion. Conversely, higher interest rates tend to increase financing costs, leading to more conservative investment strategies and capital preservation.

This study explores the intricate relationship between interest rates and investment decisions, analyzing how fluctuations impact corporate capital expenditures, stock market behaviour, and household financial choices. By reviewing empirical data and theoretical models, the research aims to provide insights into how businesses and investors respond to interest rate changes and the broader implications for economic growth and financial stability. Grasping this relationship is essential for policymakers, investors, and financial analysts aiming to make well-informed decisions in a constantly evolving economic landscape. Additionally, the study examines how different interest rate regimes influence risk appetite and investment horizons among various investor classes. The findings contribute to a deeper understanding of how interest rate fluctuations impact long-term economic development and financial market stability.

REVIEW OF LITERATURE

1. **As per Ben S. Bernanke and Mark Gertler (1995):** Interest Rates, Investment Decisions, and External Financing this explain how interest rate fluctuations impact firms' investment decisions, with a particular emphasis on external financing, the authors examine the credit channel of monetary policy transmission, emphasizing how fluctuations in interest rates influence borrowing conditions and financial accessibility. can affect the availability and cost of external funds, thereby influencing investment activities.
2. **As per Raj Chetty (2007):** Interest rates, investment irreversibility, and backward-bending investment explain the effect of interest rates on investment in environments where firms make irreversible investments with uncertain pay-offs. It finds that at low interest rates, increasing rates can raise investment by increasing the cost of delaying investment, leading to a backward-bending investment demand curve.
3. **As per the Reserve Bank of Australia (2015):** Firms' Investment Decisions and Interest Rates this explain how changes in interest rates influence firms' investment decisions. It highlights that while lower interest rates reduce the cost of capital, firms often use hurdle rates that are significantly higher and adjust infrequently, suggesting that investment decisions may not be directly sensitive to interest rate changes.
4. **As per Li Suyuan and Adnan Khurshid (2015):** The Impact of Interest Rates on Investment Empirical Evidence of Jiangsu Province, China explains this empirical analysis investigates the relationship between interest rates and investment in Jiangsu Province. The study concludes that rising interest rates increase investment costs, leading to reduced investment demand, while falling interest rates stimulate investment by lowering costs.

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5. **As per Uluc Aysun and Zeynep Kabukcuoglu (2017):** Borrowing Costs and Research & Development (R&D) Expenditure and the Distortionary Effects of R&D Incentives study these analyses how interest rates influence firms' allocation of investment between research and development (R&D) and non-R&D activities. It also explores how different forms of R&D incentives, such as grants and tax credits, can alter this relationship, potentially leading to distortionary effects on investment decisions.

6. **As per Chen Lian, Yueran Ma, and Carmen Wang (2019):** Low Interest Rates and Risk- Based on evidence from individual investment choices, this study reveals that people tend to take on more risk when interest rates are low. Using randomized investment experiments, the authors demonstrate that a decline in interest rates significantly increases the allocation to risky assets across various groups.

7. **As per Efendi, Rahmadani Srifitri, and Septriza Berliana (2023):** The Effect of Interest Rate Fluctuations Rates on Firm's Financial Decisions, this research examines how interest rates affect economic and financial decisions, such as investment, funding, and dividends within firms. The study finds that interest rates have a negative insignificant effect on investment and funding decisions but a positively moderate effect on dividend decisions.

8. **As per Julian Hölzermann (2023):** Optimal Investment Under Uncertain Interest Rates and Ambiguity this study investigates dynamic asset allocation in the presence of interest rate risk and ambiguity. It provides a closed-form solution to the optimal investment problem, demonstrating how ambiguity aversion affects speculative investment motives and the hedging of interest rate risk.

9. **As per Dr. T. Vara Lakshmi and Mr. Muthannagari Vinay Kumar Reddy (2024):** Corporate Investment Decisions in Changing Interest Rate Environments focusing on India Infoline Finance Limited, this study analyses how fluctuating interest rates impact corporate investment behaviours, including capital allocation and risk management. The research provides practical recommendations for businesses to enhance financial resilience and optimize investment strategies amid dynamic interest rate landscapes.

10. **As per a Mathematical Study by Yuvaan Jhunjhunwala (2024):** The Impact of Interest Rate Changes on Financial Markets this research investigates how fluctuations in interest rates influence corporate financial decisions, particularly concerning borrowing costs, profitability, and expansion plans within the Indian economy. The study also examines the implications of the Fisher Effect, which relates nominal interest rates to inflation, and how data accuracy affects its application in corporate strategy and forecasting.

RESEARCH METHODOLOGY

Type of Search: Secondary

Utilizing secondary data in this research offers significant advantages, as it provides dependable and extensive insights into the connection between interest rates and investment choices. Sources such as central bank reports, financial statements, and economic databases offer historical trends and large datasets that enhance the study’s credibility. Secondary data also saves time and resources, allowing for a broader analysis of investment patterns across different economic conditions. Additionally, it enables comparisons between industries and regions, making the research more robust and informative.

OBJECTIVES OF THE STUDY

- **Analyze Interest Rate Impact** – Assessing the Influence of Interest Rate Changes on Investment Decisions in Businesses and Households.
- **Evaluate Monetary Policy Role** – Assess how central bank policies influence borrowing costs and investor behaviour.
- **Provide Practical Insights** – Offer recommendations for investors and policymakers to optimize investment strategies.

SCOPE OF STUDY

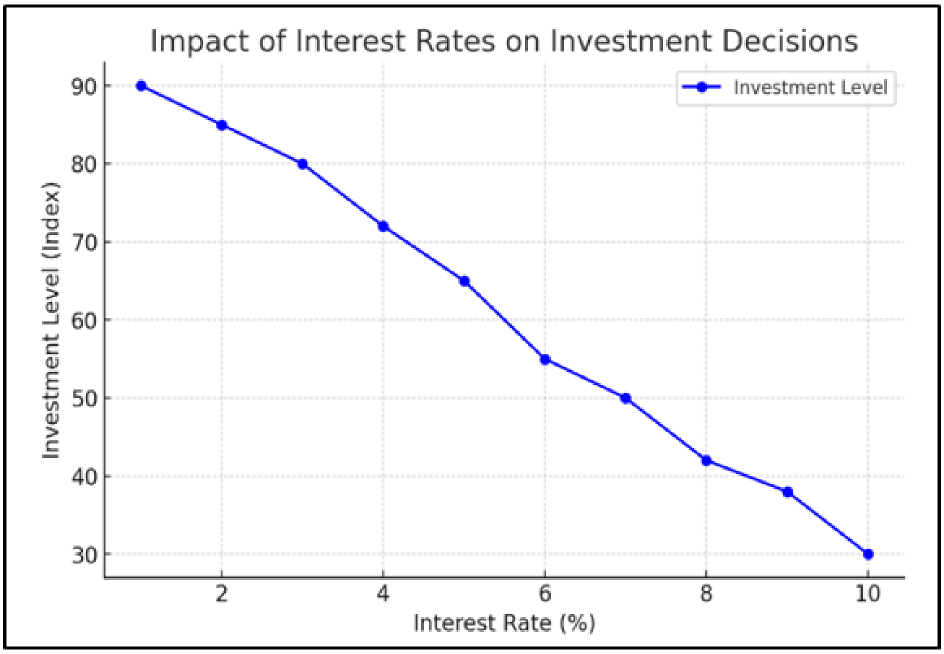
The scope of this study focuses on analyzing how interest rate fluctuations influence investment decisions across different sectors, including businesses, households, and financial markets. This analysis explores the connection between interest rates, capital distribution, borrowing expenses, and risk-taking tendencies. It examines how investment decisions respond to interest rate fluctuations in both the short and long term, highlighting the significance of monetary policy in influencing economic conditions.

LIMITATIONS OF THE STUDY

This study has certain limitations that may affect the generalizability of its findings. Firstly, it relies on secondary data, which may be subject to biases or inconsistencies across different sources. Secondly, the research focuses on historical trends, which may not fully capture sudden economic shocks, policy changes, or unpredictable market behaviours. Additionally, while interest rates are a key factor in shaping investment choices, other factors such as inflation, political stability, and global economic conditions also influence investment behaviour but are not the primary focus of this study. Lastly, the study may be limited by data availability and variations in financial policies across different countries, making cross-country comparisons challenging.

DATA ANALYSIS

The relationship between interest rates and investment decisions



INTERPRETATION

The graph illustrates the inverse relationship between interest rates and investment levels. As interest rates increase, the cost of borrowing rises, making it more expensive for businesses and individuals to finance investments. This leads to a decline in investment activities, as shown by the downward trend in the graph. Conversely, when interest rates are lower, borrowing becomes more affordable, encouraging higher investment levels. This relationship reflects the fundamental economic principle that higher interest rates discourage spending and investment, while lower rates stimulate economic activity. The trend in the graph supports the idea that monetary policy decisions, such as interest rate adjustments, play a crucial role in influencing investment behaviour in an economy.

The graph clearly demonstrates the negative correlation between interest rates and investment levels. As interest rates increase from 1% to 10%, investment levels gradually decline, indicating that higher borrowing costs discourage businesses and individuals from making capital expenditures. This is because higher interest rates lead to increased loan repayment costs, reducing the profitability of potential investments.

FINDINGS AND SUGGESTIONS

A] Finding

- **Inverse the Connection Between Interest Rates and Investment** – Higher interest fluctuation leads to reduced investment levels due to increased borrowing costs, while lower interest rates encourage investment by making financing more affordable.
- **Monetary Policy Impact** – Monetary authorities hold a vital position in shaping economic conditions. in influencing investment decisions through interest rate adjustments, which affect business expansion and real estate investment.

- **Sectoral Variations** – Various industries react differently to shifts in interest rates. Capital-intensive sectors like real estate and manufacturing tend to be more affected by rate fluctuations.
- **Investor Behaviour and Risk-Taking** – Low interest rates often encourage riskier investments in stocks and alternative assets, whereas high interest rates push investors toward safer assets like bonds and fixed deposits.
- **Macroeconomic Conditions Matter** – Other factors, such as inflation, government policies, and global economic conditions, influence investment decisions alongside interest rates, making it necessary to consider multiple economic indicators.

B] Suggestions

- **Policy Recommendations** – Policymakers should carefully adjust interest rates to balance economic growth and inflation control, ensuring they do not overly discourage productive investments.
- **Diversified Investment Strategies** – Investors should adopt diversified investment approaches to mitigate risks associated with interest rate fluctuations and consider long-term investment horizons.
- **Enhanced Financial Planning** – Businesses should integrate interest rate trends into their financial planning, adjusting capital expenditures and borrowing decisions based on expected rate movements.
- **Encouraging Alternative Financing** – Governments and financial institutions can develop alternative financing options, such as low-interest loans for startups and small businesses, to sustain investment levels even during high-interest rate periods.
- **Further Research on Emerging Markets** – Additional studies should explore how interest rates influence investment decisions in emerging economies, where financial markets may react differently compared to developed economies.

CONCLUSION

This research highlights the significant influence of interest rates on investment decisions, showing a strong inverse relationship where higher interest rates discourage investments while lower rates stimulate them. Interest rates, as a key monetary policy tool, impact borrowing costs, investor behaviour, and sectoral investment patterns. Businesses and individuals adjust their financial strategies based on interest rate trends, affecting overall economic growth. However, investment decisions are also influenced by other macroeconomic factors such as inflation, government policies, and market stability. Interest rates changes are done by government to control deflates compare to dollar in their country. If in research paper we include the reason of changes of interest rates it will be more informative

To navigate interest rate fluctuations effectively, policymakers should implement balanced monetary policies, businesses must integrate interest rate forecasts into financial planning, and investors should adopt diversified strategies. Encouraging alternative financing options and stable economic policies can also help sustain investment levels during high-interest periods. Future research can explore the impact of interest rates in emerging economies and specific industries to provide deeper insights. Gaining insight into how interest rates influence investment choices is essential for sound financial planning and maintaining economic stability.

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COMPARISON BETWEEN OLD TAX REGIME AND NEW TAX REGIME

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ABSTRACT
A revised direct tax system has been introduced in India's 2025 budget, aiming to provide better tax benefits to individuals and simplify the process of income tax filing. The Union Budget for 2025-2026 incorporates multiple revisions to the tax framework, as announced by the Finance Minister. This research paper seeks to analyze and contrast the traditional tax structure with the newly implemented one, assessing their respective impacts on taxpayers across various income levels. The proposed modifications offer significant relief to middle-class taxpayers.

***Keywords** – Income Tax, Old Tax Regime, New Tax Regime*

INTRODUCTION

Taxation is a fundamental aspect of any economy, serving as a compulsory financial contribution imposed by the government on individuals and businesses based on their earnings and consumption of goods and services. These taxes are collected to fund public services, infrastructure, and other governmental functions.

The concept of taxation in India dates back to ancient times, particularly during the Maurya and Gupta dynasties. During these eras, taxes were collected in the form of agricultural produce, livestock, and other resources.

TYPES OF TAXES

1. **Income Tax –** A direct tax imposed on an individual's earnings, which is structured in progressive slabs based on income levels. The government revises tax rates annually through the Union Budget. Revenue generated from income tax funds public welfare schemes and administrative functions.
2. Goods and Services Tax (GST) is an indirect tax has streamlined the taxation system by replacing various earlier levis, including Valuse Added Tax (VAT), Excise Duty, and Service Tax. It is applied to goods and services at fixed rates, thereby impacting the overall cost borne by consumers. GST's influence can be observed in routine transactions such as grocery shopping, dining out, and purchasing retail products.
3. **Customs and Import Duties –** These levies are applied to goods imported into India, affecting their market price. Consequently, the cost of imported items increase due to the duties imposed by the government.
4. Wealth Tax and Capital Gains Tax are imposed on individuals who hold substantial assets, including real estate and stock investments. These taxes apply to those involved in high-value financial transactions or owning significant wealth, ensuring taxation on asset accumulation and profit realization.
5. **Property Tax –** This tax is collected by local municipal authorities on the value of immovable properties owned by individuals. The revenue generated from property tax is used for civic amenities such as road maintenance, sewage systems, and waste management.
6. Professional Tax is a state-imposed levy in India on individuals involved in different professions, trades, or occupations. The tax rate depends on income levels and is usually deducted from salaries by employers before being remitted to the state government

This study provides an in-depth comparison of the old and new tax regimes, offering insights into their implications for taxpayers and the overall economy.

REVIEW OF LITERATURE

Agarwal & Sharma (2021) examined the tax burden under both regimes and found that the old tax regime benefits taxpayers with higher deductions, while the new tax regime simplifies compliance but lacks flexibility in tax planning.

Gupta & Mehta (2020) analyzed the impact of tax regime choice on different income groups and concluded that lower-income individuals benefit more from the new regime, whereas high-income individuals prefer the old regime due to investment-linked deductions.

Rao & Sinha (2022) highlighted the psychological aspect of tax planning, stating that taxpayers accustomed to exemptions under the old regime may find the new regime unattractive despite its lower tax rates.

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Kumar (2023) studied the revenue implications of the new tax regime and found that while it simplifies tax filing, it may reduce tax savings and investment habits among salaried individuals**.**

Singh & Verma (2021) compared tax liabilities for different salary brackets and found that the new regime is beneficial for those who do not invest in tax-saving instruments, but the old regime remains favorable for disciplined savers**.**

Shah (2022) analyzed corporate preferences and noted that businesses favor the new tax regime as it reduces compliance costs and provides uniformity, but employees still prefer the old regime for deductions.

Patel & Roy (2020) explored the long-term effects of both regimes, concluding that while the new regime increases disposable income, it may discourage long- term financial planning and wealth accumulation.

Chopra (2021) reviewed government tax collection trends and found that initial adoption of the new regime was low, with taxpayers hesitant to shift due to the loss of deductions and benefits.

RESEARCH METHODOLOGY

1. **Type of Research – Secondary**
   - This study relies on secondary data sources, including government reports, industry analyses, news articles, and prior research conducted by tax experts and economists.
   - Using secondary data allows for a broader examination of taxation trends and their effects on individuals' spending and economic behavior.
2. **Research Design**
   - The research adopts a comparative and analytical approach to study the differences between the Old and New Tax Regimes in India for the financial year 2025-26.
   - The study assesses the impact of tax structures on different income groups and professional categories.
3. **Qualitative Analysis**
   - Thematic analysis of expert opinions is used to evaluate the behavioral and economic consequences of tax policy changes.
4. **Scope and Limitations**
   - Scope**:** The study focuses on individual taxpayers rather than corporate taxation.
   - **Limitations:**
     - Limited access to real-time taxpayer decisions following the implementation of the 2025-26 Budget.
     - Variations in taxpayer financial planning and investment strategies.
5. **New Slab Rate**

Annual Income (₹)	Tax Rate (%)
Up to 4,00,000	Nil
4,00,001 – 8,00,000	5
8,00,001 – 12,00,000	10
12,00,001 – 16,00,000	15
16,00,001 – 20,00,000	20
20,00,001 – 24,00,000	25
Above 24,00,000	30

FINDINGS – "BENEFITS & DRAWBACKS"

Benefits of the Old Tax Regime

This study aims to identify the advantages and disadvantages of both the old and new Tax regimes in India.

- It is intended to assist individuals, particularly those from the middle- class segment with varying income levels, in selecting the most beneficial tax regime.
- The research offers a detailed analysis of financial implications under both systems.

- It provides constructive criticism of the tax structures to highlight areas of potential improvement.
- The study presents suggestions to enhance tax policies, making them more favorable for taxpayers.

Downside of the Old Tax Regime

- **Limited Tax-Saving Opportunities:** The old tax system provided fewer avenues for taxpayers to lower their tax liabilities through deductions and exemptions, often resulting in a relatively higher tax burden.
- **Lack of Investment Incentives:** The older system lacked strong incentives for investment in specific financial instruments, potentially discouraging savings and economic growth.
- **Misalignment with Economic Goals:** The old tax framework was not always aligned with contemporary economic policies and objectives, limiting its effectiveness in driving economic progress.
- **Inefficiency and Inequity:** The system sometimes favored specific income groups or industries, resulting in inequities and inefficient resource allocation.

BENEFITS OF THE NEW TAX REGIME

. **System:** The updated tax regime features a reduced number of tax slabs, enhancing clarity and simplifying compliance for taxpayers, making the filing process more straightforward

. **Reduced Tax Rates:** Under the new structure, lower tax rates are available for individuals who opt out of claiming deductions and exemptions, allowing them to retain a larger portion of their income.

. **Enhanced Flexibility and Choice:** Taxpayers have the freedom to select between the old and new tax regimes, enabling them to choose the option that aligns best with their financial objectives and tax planning strategies.

CONCLUSION

The comparison between the Old Tax Regime and the New Tax Regime Highlights the trade-off between flexibility in deductions and lower tax rates. The Old Tax Regime benefits individuals who maximize deductions and exemptions to reduce their taxable income, making it suitable for those with significant investments in tax-saving instruments. In contrast, the New Tax Regime simplifies taxation by offering lower slab rates but removes most deductions, making it more attractive for those who prefer ease of compliance and do not have substantial tax-saving investments.

Ultimately, the choice between the two regimes depends on an individual's financial planning strategy, income level, and investment preferences.

While the Old Tax Regime incentivizes long-term savings and insurance, the New Tax Regime provides liquidity by reducing tax burdens without requiring specific investments. Future tax policies may further refine these regimes, but for now, taxpayers must carefully evaluate their financial goals before making a decision**.**

SUGGESTIONS

1) **Taxpayer Awareness –** The government should enhance awareness programs to help taxpayers make informed decisions based on their financial goals.
2) **Customizable Tax Options –** Introducing a hybrid model where taxpayers can selectively opt for certain deductions while enjoying lower tax rates could provide greater flexibility.
3) **Periodic Review of Tax Policies –** Regular assessment and modifications of tax policies should be conducted to ensure fairness and effectiveness in taxation.
4) **Encouragement of Savings & Investments –** The New Tax Regime could incorporate some essential deductions for investments in retirement funds, education, and healthcare to promote long-term financial security.
5) **Tax Calculator Tools –** The government should offer improved digital tools to help taxpayers easily compare the benefits of both regimes and make an optimal choice.

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OPERATING COSTING IN THE HOTEL INDUSTRY: "A COMPARATIVE STUDY OF LUXURY AND BUDGET HOTELS"

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ABSTRACT
The hotel industry is a highly competitive and dynamic sector, where effective cost is crucial for profitability this study is aims to investigate the operating costing practices of luxury and budgeted hotels with a focus on identifying difference in cost structure, cost management practices and technology adoption a comparative analysis of luxury of budget hotels in Vasai conducted using mix method approach combining survey and interview the finding revels significant difference operating cost structure ,with luxury hotel. Having higher and beverage cost while budget hotels have higher energy and utility cost. The study also identifies difference in cost management practices, with luxury hotels focusing on revenue management and budget hotel impacting cost control the results implications for hotel management owner and investors highlighting the need for tailor cost management strategies that take into account the unique characteristics of each hotel segment.

Key word: *Operating costing, hotel industry, luxury Hotel, cost management, technology adoption*

INTRODUCTION

Operating costing in the hotel industry plays a crucial role in determining the financial performance and sustainability of a hotel. It involves the allocation and management of costs associated with running a hotel, including labour, maintenance, utilities, and supplies. In the context of luxury and budget hotels, the operating costs can vary significantly due to differences in service offerings, facilities, and target markets.

Luxury hotels tend to have higher operating costs due to premium services, high-end amenities, and greater staff-to-guest ratios, while budget hotels focus on providing basic accommodations with more cost-efficient operations. This comparative study explores how operating costs differ between luxury and budget hotels, examining factors such as cost control measures, resource allocation, and the impact of operational efficiency on profitability. Understanding these differences is essential for hotel managers and investors to make informed decisions on pricing strategies, cost management, and overall business operations.

LITERATURE REVIEW

Operating costing, also known as cost accounting, is crucial in the hotel industry as it helps determine the cost of running a hotel, evaluate financial performance, and optimize resource utilization. In the context of the hotel industry, operating costs include direct costs such as accommodation, food and beverage services, utilities, and labour costs, as well as indirect costs like marketing, maintenance, and administrative expenses. This literature review focuses on the differences in operating costing practices between luxury and budget hotels.

1. According to Smith et al. (2014) had concluded that accurate cost allocation is fundamental for hotel managers to assess whether their operations are efficient and whether pricing is aligned with the value offered to guests. In hotels, especially luxury hotels, fixed costs like rent and utilities are significant, while in budget hotels, variable costs like labour and consumables tend to be more volatile. Operating costing is essential for effective financial management in the hotel industry, as it directly influences pricing strategies, profitability, and competitiveness
2. Hanks and Williams (2016) In their study emphasize that labour costs in luxury hotels are a substantial portion of the operating cost structure. High-skilled labour in the form of chefs, concierge staff, and housekeeping professionals, along with personalized services, contribute significantly to operating expenses.
3. Wong & Susskind, 2018 concluded that these costs, while high, are generally offset by the high room rates luxury hotels charge,
4. According to Lee and Jang (2017), labour costs in budget hotels are often lower because they employ fewer staff members and use less specialized personnel.
5. A study by Xu and Chan (2019) found that budget hotels often achieve cost efficiency by optimizing their operations, such as by utilizing energy-saving measures and minimizing food waste.
6. According to Baker & Heller, 2015 Concluded that Luxury hotels tend to allocate a significant portion of their operating budget to customer experience-related costs, whereas budget hotels focus on minimizing operational inefficiencies to keep costs low .

RESEARCH METHODOLOGY

The method of data collection for this study involves primary data collection through a comparative study of luxury and budget hotels in Vasai, aimed at identifying differences in operating cost structures, cost management practices, and technology adoption. Data will be collected using online surveys of hotel managers and accountants, focusing on operating costs, cost management practices, and technology use. The sample will consist of 20 hotel managers and accountants selected through random sampling. Descriptive statistics, including percentages, will be used to analyse the data, calculating the percentage of respondents who selected each response option.

Objectives of the study:

To identify and compare the operating cost structure of luxury and budget hotels.

To analyse the difference in operating costs between luxury and budget hotels.

To analyse the impact of seasonal fluctuations on operating costs in luxury and budget hotels.

To examine the role of technology in reducing operating costs in luxury nd budget hotels.

To investigate the impact of economies of scale on operating costs in luxury and budget hotels.

Scope of study:

The scope of the research on "Operating Costing in the Hotel Industry: A Comparative Study of Luxury and Budget Hotels" will focus on analysing the differences in operating costs between luxury and budget hotels. It will begin with an overview of operating costs in the hotel industry, defining key concepts such as fixed, variable, direct, and indirect costs, and their importance in hotel management. A key part of the study will be distinguishing between luxury and budget hotels, examining their characteristics, target markets, and service offerings, which significantly affect their cost structures. On both hotel types will be explored, assessing how peak and off-peak seasons affect their operating cost structures. Bottom of Form

Limitations of the study:

Data Availability: One of the primary challenges could be the limited access to detailed financial data from hotels, particularly for privately owned establishments.

Sample Size: The research may only focus on a limited number of luxury and budget hotels due to time and resource constraints.

Differences in Cost Allocation: Hotels may employ different methods for allocating costs, such as how they treat overheads or direct vs. indirect costs.

Limited Scope of Costs Covered: The research might not be able to address every potential cost factor affecting hotel operations.

Time Constraints: The research might not have enough time to conduct in-depth longitudinal studies or account for changes in operating costs over time.

RESEARCH METHODOLOGY

The research methodology for this study will be designed to comprehensively analyse the operating costs of luxury and budget hotels, comparing the factors that influence these costs and the strategies each hotel type employs to manage them. The methodology will include both qualitative and quantitative research techniques to ensure a well-rounded understanding of the topic.

1. Research Design: The study will follow a comparative research design, where data from both luxury and budget hotels will be compared to identify key differences and similarities in operating costs. This design will allow for the identification of patterns and trends, as well as in-depth analysis of how different types of hotels manage their operational expenses.

2. Data Collection Methods

Primary Data Collection: Surveys and Questionnaires: To gather quantitative data, structured surveys and questionnaires will be distributed to hotel managers or financial officers in a sample of luxury and budget hotels. These will focus on key cost components such as staff wages, utility costs, maintenance, and technology investments. The survey will contain both closed and open-ended questions to capture detailed information on cost structures and management strategies.

3. Sample Selection: A purposive sampling technique will be used to select a 20 accountant 20 manager range of luxury and budget hotels for the study.

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4. Data Analysis Techniques

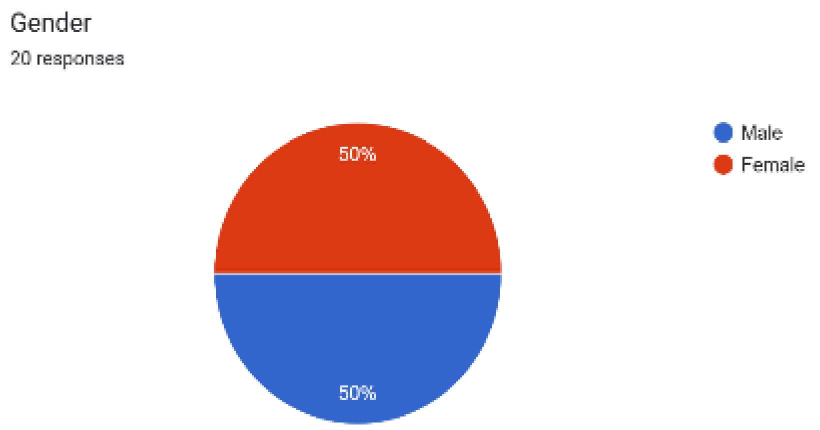
Quantitative Data Analysis

Descriptive Statistics:

Percentages: Calculate the percentage of respondents who selected each response option.

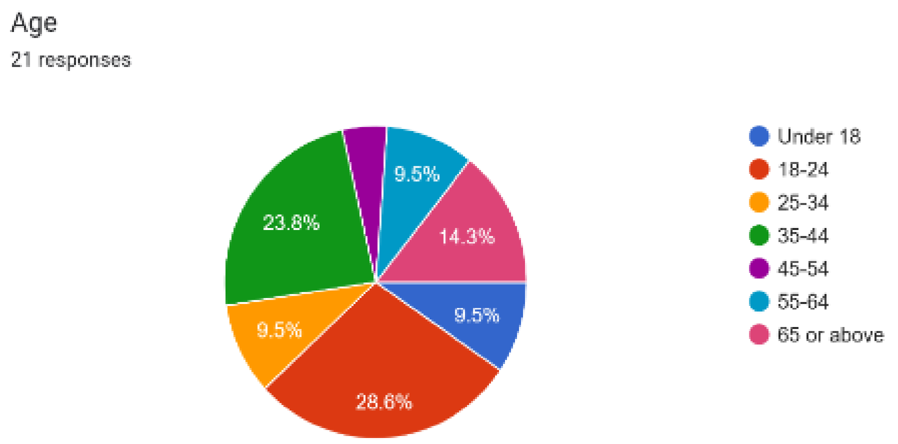
DATA ANALYSIS

Q: 1)



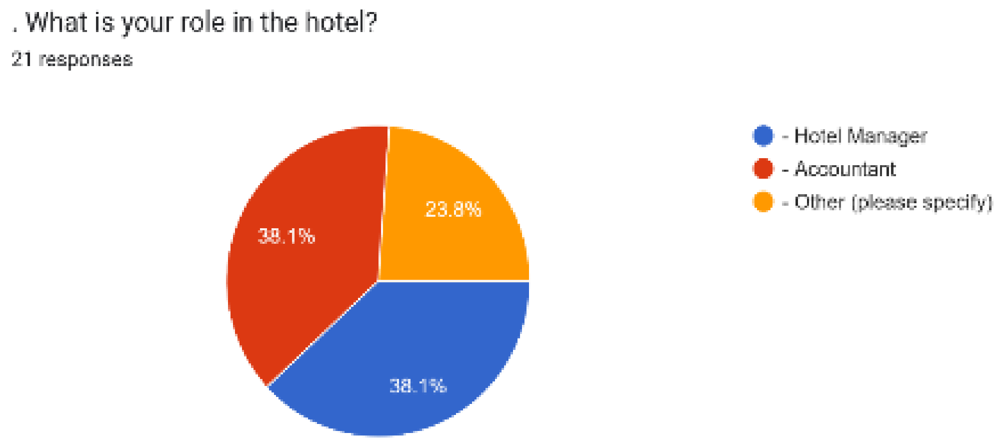
In this study, the sample consists of 20 participants, equally divided between males and females. Specifically, 10 participants are male, representing 50% of the sample, while the other 10 participants are female, also accounting for 50%.

Q.2)



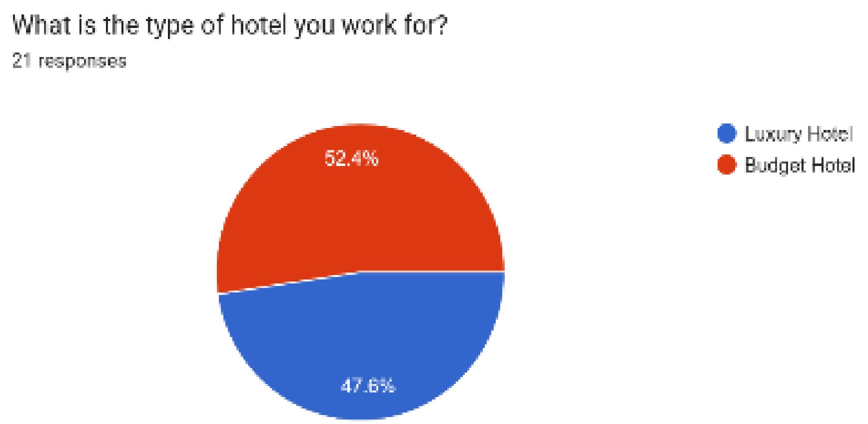
The data shows that the largest group of participants (28.6%) is aged 18-24, indicating a strong appeal to young adults. The 65+ age group also represents a significant portion (14.3%), suggesting the research is relevant to older adults. The 35-44 group follows at 23.8%, showing moderate engagement. However, the 45-54 (4.8%) and 55-64 (9.5%) groups are underrepresented, implying the topic may not be as relevant to them. The under-18 group makes up 9.5%, showing limited involvement from younger participants. Overall, the study primarily engages younger and older adults.

Q.3)



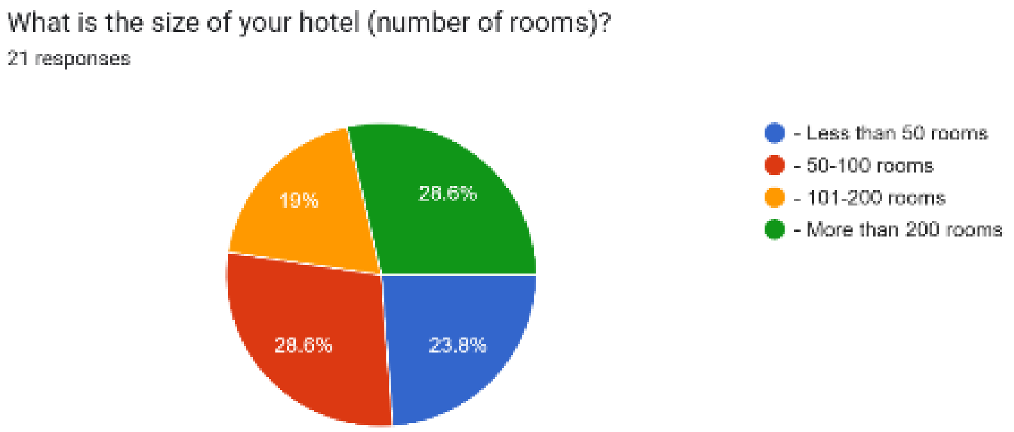
The data shows that Hotel Manager and Accountant roles each make up 38.1%, highlighting their relevance to the study. The "Other" category, at 23.8%, indicates a variety of additional roles, adding diverse perspectives to the research.

Q.4)



The data shows that **Luxury Hotels** make up 52.4% of the sample, while **Budget Hotels** account for 4.7%. This indicates that a significantly larger portion of the sample is associated with luxury hotels, suggesting a stronger focus on higher-end establishments in the study

Q.5)



The data shows a fairly balanced distribution of hotel sizes. **50-100 rooms and more than 200 rooms** each account for 28.6%, indicating a strong presence of both smaller and larger hotels in the sample. **Less than 50 rooms** represent 23.8%, suggesting a notable number of small hotels. However, **101-200 rooms** make up only 19%, showing that mid-sized hotels are less common in this sample. Overall, the data highlights a trend toward either smaller or larger hotels, with fewer in the mid-range.

CONCLUSION

In conclusion, the comparative study of operating costs between luxury and budget hotels highlights key differences driven by the scale of operations, service offerings, and target clientele. Luxury hotels tend to have higher operating costs due to premium services, high-quality amenities, and a larger staff, which significantly increases expenses in areas like labour, maintenance, and utilities. On the other hand, budget hotels operate with more streamlined services and fewer amenities, leading to lower costs, but they often face challenges in maintaining profitability due to lower average room rates.

RECOMMENDATION

Recommendations for Luxury Hotels:

Optimize Staffing and Operational Efficiency

Cost-Control Measures in Utilities and Maintenance

Leverage Premium Pricing for High-End Offerings

Diversify Revenue Streams

Recommendations for Budget Hotels

Focus on Cost Efficiency and Streamlined Operations

Dynamic Pricing and Upselling

Invest in Customer Loyalty Programs

Invest in Energy Efficiency

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IMPACT PF GST ON E-COMMERCE BUSINESS

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ABSTRACT
E-commerce as anything that involves an online transaction. E-commerce provides multiple benefits to the consumers in form of availability of goods at lower cost,wider choice and saves time. The general category of ecommerce can be broken down into two parts: Emerchandise:E-finance. E commerce involves conducting business using modern communication instruments: telephone, fax, e-payment, money transfer systems, e-data interchange and the Internet. Online businesses like financial services, travel, entertainment, and groceries are all likely to grow. Forces influencing the distribution of global e-commerce and its forms include economic factors, political factors, cultural factors and supranational institutions. Goods and Service Tax or GST as it is known is all set to be a game changer for the Indian economy. Overall it is known to be beneficial to both the consumer, business and the Government. In India, there are different indirect taxes applied on goods and services by central and state government. GST is intended to include all these taxes into one tax with seamless ITC and charged on both goods and services. Thus excise duty, special additional duty, service tax, VAT to name a few will get repealed and will be added into GST. For this, GST will have 3 parts CGST, SGST and IGST. The central taxes like excise duty will be subsumed into CGST and state taxes like VAT into SGST. This going to be forward on all transactions of both goods and services, only one tax will apply which is GST comprising of CGST and SGST. IGST would be applied instead of SGST for interstate transactions. Input credit of all these taxes will be available against all the respective outputs. This paper is outcome of a review of various research studies carried out on Impact of GST on E-commerce. This paper analyse the key areas of GST that impact the E commerce sector on account of GST& advantages of GST on e-commerce market. Finally in the conclusion one country and one tax will help Indian Economy to grow Rapidly.

***Keywords** - E-commerce, GST, Traditional business, Opportunities.*

INTRODUCTION
The cutting edge for business today is E-Commerce. E-Commerce means dealing of goods and services through the electronic media or internet. The vendor create websites and usually sells products or services directly to the customer using a digital shopping cart or basket system and allows payment through credit card, debit card or EFT (Electronic fund transfer) payments and Cash on Delivery .E-Commerce in overnight has become a dominant online activity. The effects of e- commerce can be seen in all areas of business, from customer service to design of an innovative product. It facilitates new types of information based business processes for reaching and interacting with customers like online advertising and marketing, online order taking and online customer service. In now days E-commerce uses the WWW at least some point in transaction lifecycle. It can also reduce costs in managing orders and interacting with a wide range of suppliers and trading partners, areas that typically add significant overheads to the cost of products and services. For developing countries like India, e-commerce offers considerable opportunity. In India it is still in nascent stage, but even the most-pessimistic projections indicate a boom. There has been a rise in the number of companies' taking up e-commerce in the recent past. Major Indian portal sites have also shifted towards e-commerce instead of depending on advertising revenue. Many sites are now selling an in-numerable of products and services from flowers, greeting cards, and movie tickets to groceries, electronic gadgets, and computers, etc. With stock exchanges coming online the time for true e-commerce in India have finally arrived.

IMPACT OF GST ON E-COMMERCE MARKET
India’s e-commerce market is estimated to have crossed Rs. 211,005 crore in December 2016 as per the study conducted by Internet and Mobile Association of India. The report further claim that India is expected to generate $100 billion online retail revenue by the year 2020. The uprising of

Electronic Commerce in India has also resulted in conception of online marketplaces. A Marketplace is an e-commerce platform owned by the E-commerce Operator such as Flipkart, Snapdeal and Amazon.

Some of the features of a marketplace model are-
- Marketplace enables third-party sellers to register and sell online on their platform.
- Marketplace charges a subscription fees/ commission on sale value from listed sellers.
- Third-party sellers under this model gain access to a larger customer base, registered with marketplace.

- Customer on the other hand gain access to multiple sellers and competitive prices for desired products.
- Items purchased on such marketplaces are either shipped by Merchant/Third-party seller directly or through the fulfillment center managed by Marketplace Operator.

The e-commerce industry in India has been greatly impacted by the introduction of Goods and Services Tax – GST. The introduction is being touted as the biggest reform the country has seen until now. The government is promoting GST as a part of its endeavour to create one market for the entire nation. The industry and buyers all have dealt earlier with the disparate segmentation of the Indian economy, which is being dealt away within GST. The idea of a single tax from manufacturing to supply has eliminated the need for sellers to register with multiple tax platforms and file separate returns. The e-commerce industry in India is made by both big players such as Amazon or Flipkart as well as small retailers and sellers. The GST has made a great impact on the industry.

OBJECTIVES OF THE STUDY

- To study the GST and E-commerce market.
- To Know the Advantages of GST on e-commerce market.
- To Analyse the key areas that impact the E commerce sector on account of GST.

GST AND E-COMMERCE MARKET: It is estimated that Indian E-commerce market has crossed US$ 38.5 billion as of 2017 March1 and India will soon become second largest E-commerce market platform. This Article analyses the effect of GST on E-commerce in India E-commerce means commercial transactions taking place electronically on the internet. It can be observed that E- commerce has grown tremendously in last decade. In erstwhile regime there were no specifically dedicated laws to govern the taxation of these online transactions in India. Whereas under the GST (Goods and Service tax) regime this problem has been solved and the statute encompasses all e- commerce transactions. The historical definition of market was "a place where buyer meets seller". But e-commerce revamped it and inserted some innovations, so e-commerce the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions Eg. Flipkart, Amazon, or Snapdeal etc. The definition of Electronic Commerce in terms of GST Law explains as below: As per GST Law, ‘electronic commerce’ shall mean the supply or receipt of goods and / or services, or transmitting of funds or data, over an electronic network, primarily the internet, by using any of the applications that rely on the internet, like but not limited to e-mail, instant messaging, shopping carts, Web services, Universal Description, Discovery and Integration (UDDI), File Transfer Protocol (FTP), and Electronic Data Interchange (EDI), whether or not the payment is conducted online and whether or not the ultimate delivery of the goods and/or services is done by the operator. As per Goods and Service Tax Law, an E Commerce Operator shall include every person who, directly or indirectly, owns, operates or manages an electronic platform that is engaged in facilitating the supply of any goods and/or services or in providing any information or any other services incidental to or in connection there with but shall not include persons engaged in supply of such goods and/or services on their own behalf.

KEY ADVANTAGES OF GSTON E-COMMERCE MARKET

Though the roll out of GST may lead to greater compliances for e- commerce players, its implementation have two major benefits to e-commerce players

1. **Removal of cascading taxes:** The major advantage of GST to market place players is that it will remove the restrictions on cross utilisation of credits. The GST model will therefore facilitate seamless credit across supply chains, with tax set offs available across the production value-chain, both for goods and services. This will result in reduction of cascading effect of taxes, therefore bringing down the overall cost of supplies. It is hoped that this cost benefit would be ultimately passed on to the customers or help in increasing the profits of the companies.
2. **Consolidated tax rates:** Earlier, there are differential rates of VAT for the same goods in different States. There are a lot of classification disputes in current scenario. However, GST rates at both the Central and State level are expected to be uniform and harmonised which would drastically reduce disputes among tax authorities and e-commerce players. For e-commerce companies, which are forefront in the startup boom in the country, the regime is likely to increase the compliance burden, the compliances will be the e-commerce website’s responsibility and not the sellers’. So the work for these companies will increase. Under GST, both Central and State taxes will be levied on the manufacturing cost at the point of sale, which will help eliminate the challenge of tax being levied on the same product/service more than once.

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3. **More Opportunities for Interstate Sales:** Under India's old tax system, it was complicated to sell products across state lines. Each time you did, you had to deal with a variety of different taxes and the complicated paperwork that went with them. For small businesses that didn't have the budget to pay a tax professional, the possibility of extra sales was simply not worth the hassle. This meant your ability to grow was limited by where you lived. The new tax system has eliminated all of the confusing interstate taxes and replaced them with a single tax. With GST, you can sell to customers in your own state and in other states, all without worrying about multiple taxes. As a result, you have the opportunity to sell products to customers across India or around the world. It also gives you the chance to compete with big corporations. Although that sounds intimidating, it's great for you and your customers. After all, as a small business, you may be able to offer more flexible quantities, more personal service, and other perks that can draw shoppers away from bigger suppliers. As a result, GST makes it easier to grow your business without taking on an extra tax burden.
4. **Better Tax Credits:** When you run an e-commerce business, you can take advantage of the input tax credit to reduce your tax payments. Imagine that you pay Rs 100 in GST on raw materials. When you turn those supplies into a product and sell them online, you charge your customers Rs 150 in GST. The government expects you to pay that Rs 150 to them.
5. However, with the ITC, you can deduct the original Rs 100 as a credit. This means you only need to pay Rs 50 to the government.
6. **Filing of tax returns:** The GST is sure to have a positive outreach to the e-commerce sector of our country. The structure will decrease operating costs by about 20%, also reducing the costs of logistics and warehousing. This move will encourage the sellers to maintain warehouses at strategic locations and be operated efficiently. Due to faster movements of goods, the costs to end-of-mile delivery will get lower, the benefit can be passed on to the buyers. The e-commerce marketplaces will now be free to import products from SMEs, thus enriching the quality of products. The GST on the long run will create a level playing field for e-commerce marketplaces, streamlining their services and increased business growth.
7. **Ease in Paying Taxes:** The government has made all the process of paying the taxes online. It will now be easy to pay taxes by the business.
8. **No trade barriers:** one nation one tax In the present regime, there is no uniformity in the tax rates among the different states and therefore every state determines its own tax rates specific to the products. However, such trade barriers will cease to exist as GST is inclusive of entry tax. The destination state earns the revenue from GST on sales regardless of where the sale was made. Further, there is no rate arbitrage under GST because the classification of goods and rate of GST is common across states.

KEY AREAS THAT IMPACTS THE E-COMMERCE SECTOR ON ACCOUNT OF GST

a. **Compulsory registration required:** The government specifies a company to be registered if it has a threshold of more than 20 lac. This limit has been dropped for north-eastern states by about 10 lac rupees. For the e-commerce sector the situation is different as all sellers are to be registered even if their threshold doesn't cross 20 lac. This is a limitation which if removed would allow more sellers to become a part of an online community.

b. **Increased reach of e-commerce:** The GST has opened up new avenues for small and medium-sized sellers to compete with larger enterprises. Earlier due to the over looming tax rates in different states, sellers were usually confined to their states only, limiting the free reach to far-flung areas. By the introduction of GST, e-sellers will be relieved of varying tax structures.

c. **Ineligible for composition scheme:** The e-commerce sellers are not eligible for compensation as part of GST actions. The composition scheme would have enabled sellers whose turnover is about 75 lac to file tax returns quarterly rather than the monthly which is followed now. The tax amount would have been a meager 2%, but the scheme has been kept out of reach for sellers.

d. **Increase in credit:** The GST has introduced input tax credit for e-commerce marketplaces, establishing a direct contact between input product and final product. They will be able to utilize input tax credit to their benefit.

e. **Registration In Each State:** Every business involved in e-commerce is required to get registered in each and every state from where goods & services are supplied. The business model of e-commerce is such that the sellers expect orders from anywhere in the country, hence, they have to apply for separate GST Registration for every state in which they are carrying out the operations (supply of goods) whether by the same name or with different name.

f. **Tax Collected At Source:** E-commerce marketplaces will deduct 2% of the TCS of net value sales an apart of seller liability and are to be paid to the government. Additionally, the sales reported by the marketplaces and those of the seller need to tally each month. If any discrepancies persist, the extra amount needs to be paid by the seller. This measure is aimed to weed out fraudulent activities surrounding online marketplaces and amount of tax evasion will decrease, building trust between marketplaces and the sellers.

g. **Logistics:** In the e-commerce industry logistics play an important role. There were certain restrictions on the movement as CST was across the states. But now GST will unite India removing restrictions on the movement of goods. The reduction in unnecessary logistics costs will increase profits in the industry.

h. **Pricing impact:** The output rate of tax could be higher for the company compared to the current service tax rate. However, the companies should have a higher credit pool than they do in the current regime, which could reduce the prices of their services.

i. **Compliance requirement:** Currently, e-commerce companies discharge their output service tax liability through centralised registration. Under GST, the centralized registration option may not be available. Hence, e-commerce companies would need to as such obtain registration in each state where they have their place of business, resulting in increased compliances

CONCLUSION

E-commerce entered Indian market around 2007, but within a short span has transformed the way business done in India. With attractive and convenient shopping options at the core of the consumer facing business, the e-commerce industry offers the power to create innovative, sustainable, consistent and seamless shopping experience across all channels. This market has attracted quiet a lot of investors who have been actively investing in India since then.It has been predicted that close to 329.1 million people will buy goods and services online in India by 2020. This means that about 70.7 percent of internet users in India will have purchased products online by then. Seeing this as a spontaneous opportunity to develop our economy it's under the hands of the government to support this market and revise the tax rates. I think it is great for online businesses because it brings clarity and tax obligations. Surprisingly, GST will also open new markets for online commerce because, today, due to complexities of entry tax and other processes, customers in some states cannot order everything from online shopping destinations." Easing regulatory norms is a move that will not just benefit e-commerce companies by further accelerating their growth, but will also position the country as industry-friendly and attract more investments from foreign investors. This in turn will create a ripple effect by generating endless employment opportunities. It is, therefore, imperative that the government makes all efforts to make GST a success, since it will be a win-win for both, the industry and the economy.

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UNDERSTANDING THE PERCEPTION OF MUTUAL FUND INVESTORS

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[1]Research Scholar and [2, 3] Professor, University of Mumbai

ABSTRACT

This study examines the perception and risk-taking behaviour of mutual fund investors, focusing on their investment strategies, preferences, and decision-making processes. The research highlights the growing participation of young investors, particularly those aged 18-25, in mutual fund investments. It explores the key factors influencing investor perceptions, such as fund management expertise, risk assessment, and expected returns. The study also analyses investor behaviour in terms of fund selection, diversification strategies, and investment goals, such as retirement planning and business capital accumulation. Using both qualitative and quantitative methodologies, including surveys and data analysis, the research identifies trends in mutual fund adoption, investor satisfaction, and knowledge gaps. Findings suggest that while mutual funds are increasingly seen as a wealth-building tool, a significant portion of investors remains uncertain about performance evaluation and risk-adjusted returns. The study concludes with recommendations for enhancing financial literacy, improving investor education, and fostering innovation within the mutual fund industry to better cater to evolving investor needs.

Keywords: *Mutual Funds, Investment Strategies, Investor Perception, Risk Assessment, Financial Literacy, Investment Decision-making, Fund Management, Market Performance, Portfolio Diversification, Systematic Investment Plan (SIP), Net Asset Value (NAV), Asset Management Companies (AMCs), Financial Inclusion, Digital Platforms*

INTRODUCTION

Mutual funds are a popular and accessible investment option for individuals looking to grow their financial assets. They pool money from multiple investors to invest in a diversified portfolio of stocks, bonds, and other securities, managed by professional portfolio managers. Investors can participate through lump-sum investments or Systematic Investment Plans (SIPs).

One of the key benefits of mutual funds is diversification, which helps spread risk across multiple assets, reducing the impact of market fluctuations. They also offer liquidity, as investors can buy and sell units at the daily Net Asset Value (NAV). With low minimum investment requirements, mutual funds provide access to professional asset management for investors from all financial backgrounds.

Mutual funds come in various categories, including equity funds for high-growth potential, debt funds for stability, and balanced funds that combine both. The industry has evolved with the introduction of ETFs and ESG-focused funds, catering to different investor preferences.

In India, mutual funds have transformed the investment landscape, making market participation easier. SEBI regulates the industry, ensuring transparency and investor protection. Digital platforms have further improved accessibility, enabling investors to manage their portfolios conveniently, promoting financial inclusion across urban and rural areas.

REVIEW OF LITERATURE

- **Risk-Return Trade-off and Biases (1952, 1979):** Markowitz's (1952) Modern Portfolio Theory highlights how investors assess risk versus return. Emotional biases often lead to suboptimal choices, while cognitive biases such as loss aversion (Kahneman & Tversky, 1979) further impact risk-taking behaviour.
- **Regulation, Risk Assessment, and Information Asymmetry (1987, 1996, 2015):** Regulatory changes influence investor behaviour by enhancing transparency, though complexity can deter participation (Tufano & Sevick, 1996). Risk assessment tools help investors gauge their tolerance but must be personalized for effectiveness (Agarwal et al., 2015). Information asymmetry remains a challenge, as investors often make decisions based on incomplete data, leading to suboptimal choices (Merton, 1987).
- **Behavioral Biases and Social Influence (1985, 2008):** Investors tend to hold losses too long while selling winners early (Shefrin & Statman, 1985), negatively affecting portfolio performance. Social networks influence investment choices (Guiso et al., 2008), sometimes leading to herd behaviour.

- **Risk Tolerance and Demographics (1998):** Demographic factors such as age, income, and education shape risk tolerance (Grable & Lytton, 1998). Younger investors typically accept higher risks due to their longer investment horizons, while older individuals prefer safer options.
- **Emotional and Psychological Factors in Investing (1979, 1998, 2002):** Emotions play a key role in mutual fund decisions. Market fluctuations can trigger impulsive reactions, leading to poor investment choices (Lo & Repin, 2002). Psychological biases, such as loss aversion and performance chasing, often override rational decision-making (Kahneman & Tversky, 1979; Sirri & Tufano, 1998). Investors tend to favour funds based on past performance rather than a comprehensive risk analysis.
- **Investor Behaviour and Mutual Funds (2000):** Investor perception plays a crucial role in mutual fund investments. Psychological factors, including overconfidence and herd behaviour (Shleifer, 2000), often lead to biased decision-making. Investors rely on heuristics, which can distort their understanding of risk and returns.
- **Financial Advisers and Gender Differences (2001, 2011):** Advisers help shape investor decisions but can introduce biases based on their own risk preferences (Klapper & Panos, 2011). Gender differences also impact investment styles, with men taking more risks than women (Barber & Odean, 2001).
- **Long-Term Investment Patterns (2001):** Investor risk tolerance evolves with age, influencing mutual fund choices over time (Ibbotson & Chen, 2001). Understanding these behavioural shifts is crucial for designing investment strategies that align with different life stages.
- **Global and Market Influences on Investment Behaviour (1992, 2005, 2006):** Investor behaviour varies across markets, with emerging economies displaying greater risk aversion due to economic instability (Khorana et al., 2005). Market conditions also shape risk preferences—bull markets encourage risk-taking, while bear markets increase aversion (Froot et al., 1992). During high volatility, investors shift toward safer assets (Baker & Wurgler, 2006).
- **Market Sentiment and Fund Flows (2007):** Investor sentiment significantly impacts mutual fund flows (Baker & Wurgler, 2007). Positive sentiment drives higher equity fund investments, often ignoring fundamental risks.
- **Financial Literacy and Decision-Making (2014):** Higher financial literacy leads to informed investment choices (Lusardi & Mitchell, 2014). Educated investors better assess risks and returns, reducing chances of poor financial decisions.
- **Behavioral Interventions and Education (2001, 2004, 2016):** Behavioral strategies, such as default investment options, improve risk management and portfolio balance (Thaler & Benartzi, 2004). Education enhances financial literacy, leading to better investment decisions (Kim & Bae, 2016). Psychological ownership can also affect risk tolerance, as investors may irrationally hold onto underperforming funds (Pierce et al., 2001).
- **Technology and Cultural Influence (2020):** Fintech platforms enhance investor engagement, fostering better financial decisions (Poon et al., 2020). Cultural factors also shape investment behaviour, with risk perceptions varying across societies (Hofstede's cultural dimensions).

RESEARCH METHODOLOGY

Type of Search: Secondary

Using primary data for this research is beneficial as it provides first hand and specific insights into the relationship between interest rates and investment decisions. Collecting data through surveys, interviews, and experiments ensures that the information is directly relevant to the study's objectives and reflects current market conditions. Primary data enhances the accuracy of the research by minimizing biases associated with pre-existing datasets. Additionally, it allows for a deeper exploration of investor behaviour and decision-making processes, offering unique perspectives that may not be available in secondary sources. This approach ensures a more targeted and up-to-date analysis, improving the study's overall relevance and applicability.

OBJECTIVES OF STUDY

- **To Assess Investor Knowledge and Understanding:** This objective seeks to evaluate how well mutual fund investors comprehend essential investment concepts, including risk assessment, return expectations, portfolio diversification strategies, and the various fees linked to mutual fund investments.

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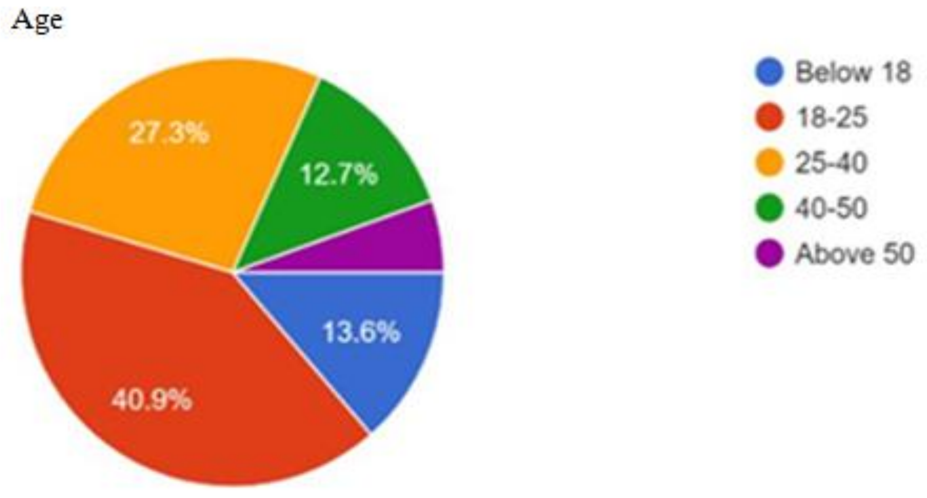
- **To Identify Perception Biases and Behavioural Patterns:** This aim focuses on recognizing common psychological biases and behavioural trends that shape how mutual fund investors perceive and make investment decisions.

- **To Explore Factors Influencing Investor Perception:** This objective examines the various elements that impact how investors view mutual funds, including demographic factors (such as age and income levels), their previous experiences with investments, exposure to financial media, and inherent cognitive biases that affect decision-making.

Scope of Study:
This study explores the decision-making processes of mutual fund investors in India, emphasizing the factors influencing their perceptions, evaluation methods, and investment preferences. Given the rapid growth of mutual fund investments, the research employs a mixed-methods approach, combining surveys and interviews with experienced investors. Quantitative data is gathered from over 100 respondents through online surveys, while qualitative insights are drawn from research papers, news articles, and focus group discussions. The study focuses on a specific point in time (cross-sectional approach) to analyse investor behaviour, ensuring data integrity through quality checks. Findings aim to inform investment strategies, policy decisions, and financial education initiatives.

Limitations of Study:
This study on investor perceptions of mutual funds faces several limitations that may affect its validity and generalizability. The research may be subject to sample bias, as the surveyed investors may not fully represent the broader mutual fund investor population. Self-reported data introduces potential inaccuracies due to recall errors and social desirability bias. The cross-sectional nature of the study limits its ability to track changes in investor perception over time. Measurement challenges arise in quantifying investor sentiment, risk tolerance, and satisfaction, leading to possible misinterpretations. External factors, such as market fluctuations and regulatory changes, also influence investor behaviour but remain beyond the researcher’s control. Low response rates may lead to non-response bias, affecting data reliability. Additionally, ethical and privacy concerns surrounding financial disclosures could limit participant transparency. Lastly, conflicts of interest from industry-affiliated funding sources may impact objectivity. Despite these limitations, the study aims to provide valuable insights into mutual fund investor behaviour.

DATA ANALYSIS



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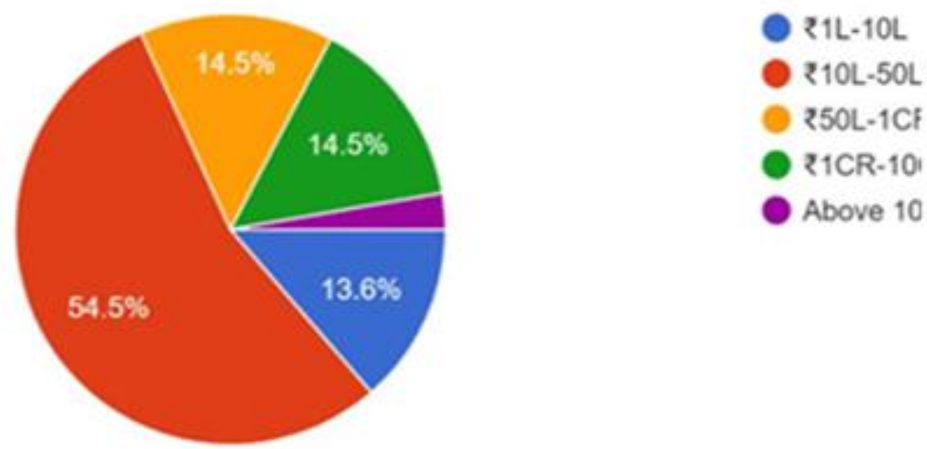
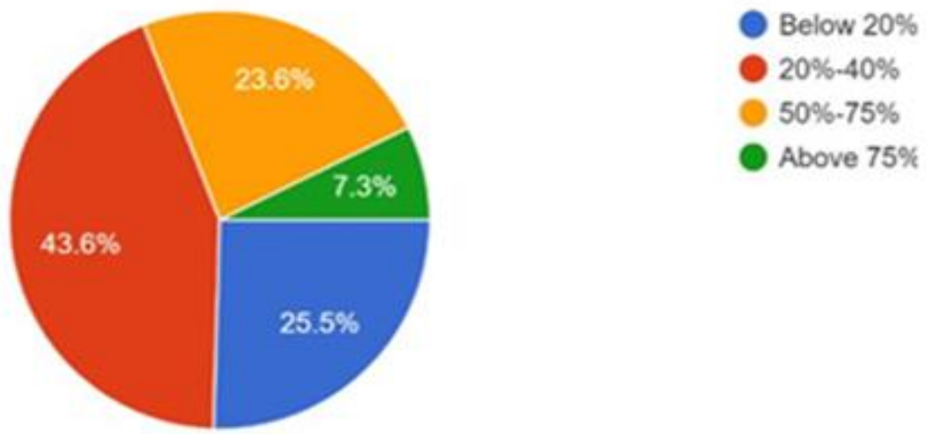
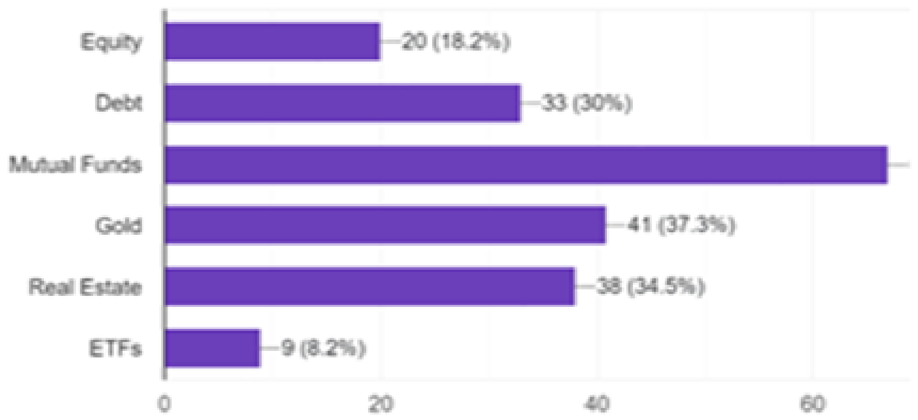
What is your yearly income?



How much money do you invest on monthly basis?



What are the sources of Investments?



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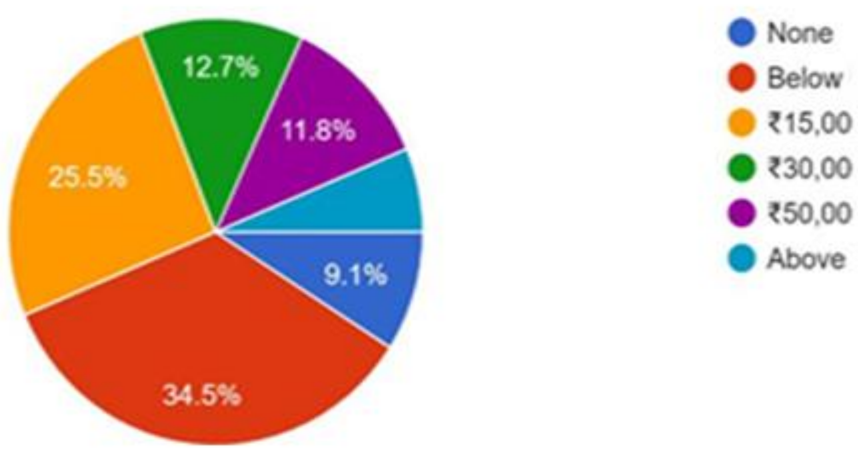
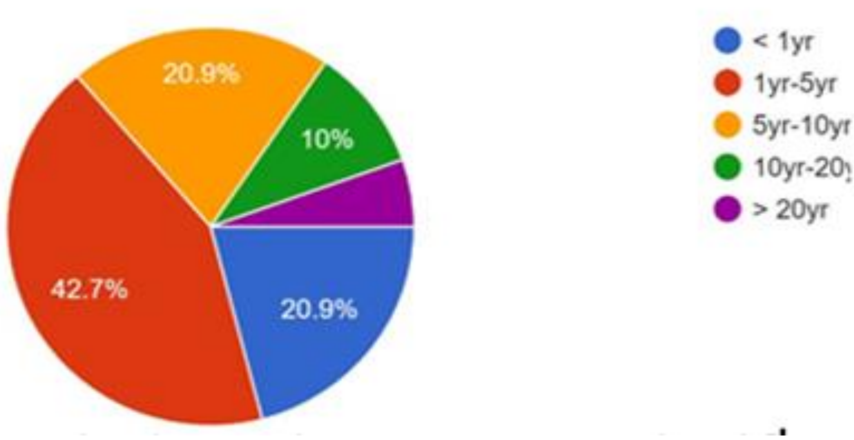
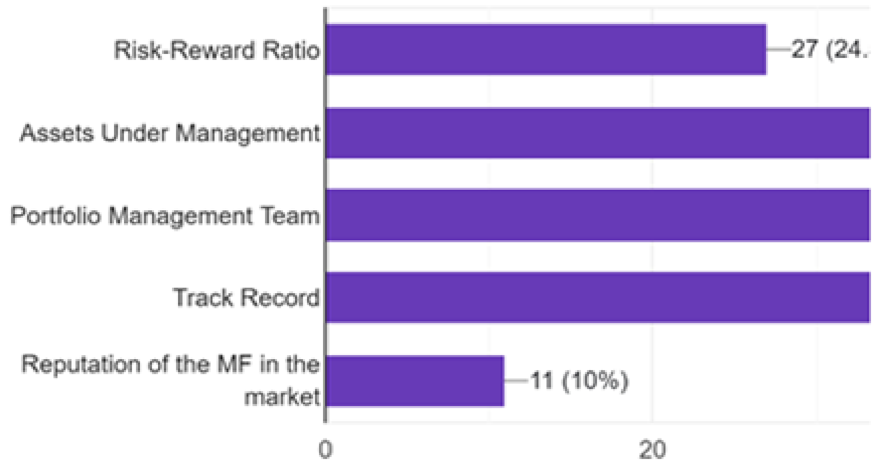
How much money do you invest in Mutual Funds? (on Monthly Basis)



How long have you been investing in Mutual Funds?



How do you analyse a good mutual fund?



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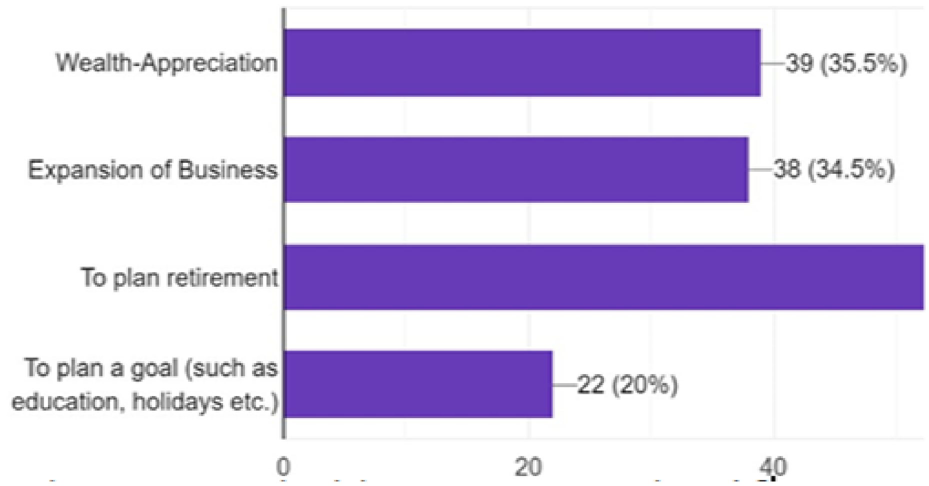
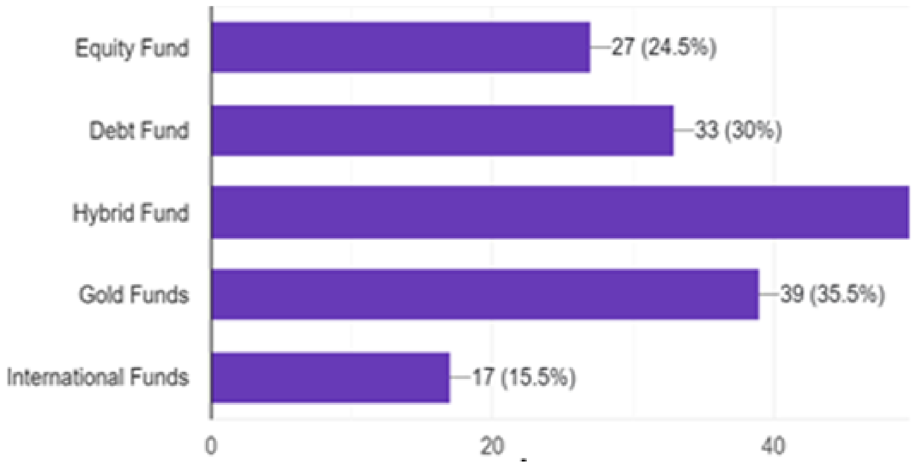
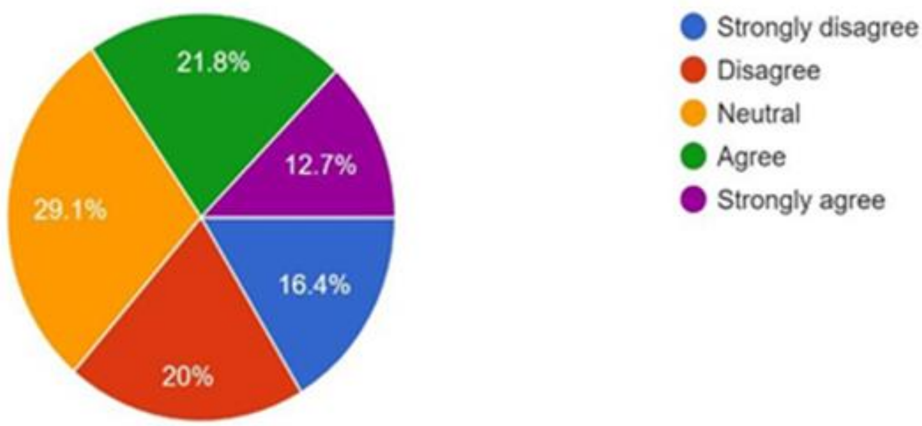


Types of Mutual Funds invested in?



Have these mutual funds given better/similar returns in comparison to the markets



The survey reveals a dominant market position for HDFC Mutual Fund, capturing approximately 50% of respondent investments, reflecting strong investor confidence and the fund house's solid track record. Along with HDFC, the other three industry leaders - SBI, ICICI, and Nippon - collectively command a substantial share of mutual fund investments, demonstrating the market's concentration among these top four players. This concentrated market structure, while indicating investor trust in established names, also highlights a significant untapped opportunity for emerging fund houses. The industry's heavy reliance on these four major players suggests a potential market gap that new entrants could exploit. New fund houses could differentiate themselves by introducing innovative products, enhanced features, and competitive returns to challenge the established players' dominance. This market dynamic presents a clear opportunity for industry expansion and diversification, where newer companies could attract investors by offering unique value propositions while potentially benefiting from the growing investor base's increasing sophistication and appetite for diverse investment options.

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FINDINGS AND SUGGESTIONS

A] Finding

- **Young Investor Dominance –** The market is largely driven by young investors, with 40.9% aged 18-25, primarily from the upper middle class (₹10L-₹50L annual income).
- **High Investment Allocation –** Around 45-48% of investors allocate 20-40% of their monthly income, while 24% invest 50-75%, indicating strong investment commitment.
- **Growing Mutual Fund Adoption –** 61% penetration rate, with 43% having 1-5 years of experience and 21% being new investors (<1 year), showing increasing trust in mutual funds.
- **Preference for Professional Management –** 52% prioritize fund management quality over market reputation, highlighting a more sophisticated investor approach.
- **Diversification and Goal-Oriented Investing –** 62% use mutual funds for retirement planning, while 35% invest for business capital appreciation, with a 54% preference for hybrid funds.
- **Market Share and Performance Perception –** HDFC Mutual Fund dominates with 50% market share, while 34% believe their funds outperform the market, though 36% (mostly new investors) remain uncertain.
- **Investor Sophistication & Education Needs –** While investors display trust in AMCs (investing ₹15,000-₹30,000 monthly), newer investors lack market cycle experience, necessitating better investor education and risk-awareness initiatives.

B] Conclusion

The study on mutual fund investor perception highlights a complex interplay between financial theories, psychological factors, and socio-economic influences. While traditional finance theory, particularly the Efficient Market Hypothesis (EMH), assumes rational investor behaviour, behavioural finance reveals the impact of psychological biases on decision-making.

The research identifies two key market opportunities:

New entrants can disrupt the market with innovative products backed by strong investment teams, Investor confidence is built more on fund management expertise than brand reputation, allowing skilled professionals to compete effectively with established players.

Cognitive biases such as anchoring, confirmation bias, and availability heuristics significantly influence investment decisions. Additionally, social identity theory explains how investor trust is shaped by group affiliations, while regulatory frameworks and agency theory ensure market integrity.

This study underscores the need for an integrated approach combining financial theory, psychology, and socio-economic factors to understand investor behaviour. A deeper understanding of these dynamics is essential for enhancing industry practices, formulating effective policies, and improving investor welfare. Ongoing research is crucial to address emerging market challenges and refine strategies for improving mutual fund investment experiences.

C] Suggestions

- **Enhanced Investment Education –** Develop targeted investment awareness programs focusing on fundamental concepts, risk management, and long-term strategies, especially for young and new investors.
- **Improved Portfolio Diversification –** Educate investors on different fund categories, emphasizing debt markets and their role in portfolio stability beyond just hybrid fund investments.
- **Goal-Based Investment Planning –** Offer specialized mutual fund products tailored for long-term retirement planning (20+ years) and medium-term business capital needs (5-10 years).
- **Increased Market Competition & Innovation –** Encourage new entrants to introduce thematic funds, digital innovations, and better customer service to challenge the dominance of major fund houses.
- **Clear Performance Benchmarking –** Provide transparent, easy-to-understand performance updates, with clear market benchmark comparisons to help investors make informed decisions
- **Digital Service Enhancement –** Improve mobile apps, AI-driven investment tools, and automated portfolio management to better serve young, tech-savvy investors.

- **Stronger Risk Transparency & Fund Management Communication –** Regularly update investors on portfolio management strategies, team credentials, and risk management approaches to boost trust and long-term investment confidence.

CONCLUSION

The study on mutual fund investor perception highlights a complex interplay between financial theories, psychological factors, and socio-economic influences. While traditional finance theory, particularly the Efficient Market Hypothesis (EMH), assumes rational investor behaviour, behavioural finance reveals the impact of psychological biases on decision-making.

The research identifies two key market opportunities:

1. New entrants can disrupt the market with innovative products backed by strong investment teams,
2. Investor confidence is built more on fund management expertise than brand reputation, allowing skilled professionals to compete effectively with established players.

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A STUDY ON DIGITAL SERVICE AND CUSTOMER PERCEPTION OF ICICI BANK

[1]Sayantan Sarkar, [2]Dr. Mohammed Sadiq Hasan and [3]Mrs. Divya Kiran Kumar Ranawat
[1]Research Scholar and [2, 3] Professor, University of Mumbai

ABSTRACT

The most inventive service offered by banks is electronic banking. With the traditional banking model undergoing a transformative shift, innovations like automatic teller machines (ATMs), direct bill payment, and electronic fund transfer (EFT) paved the way for the revolutionary concept of online banking, which has gained widespread acceptance is awareness and education continue to grow. As electronic banking gains transaction, a significant number of users are transitioning to this medium, acknowledging its utility and value. Being web-based, e-banking empowers users to access their accounts from anywhere and at any time, thereby minimizing costs associated with traditional banking methods. Efficiency and flexibility are being maximized as e-banking leverages the prowess of the internet for the delivery of financial services. Considering these factors, e-banking has emerged as the latest technology breakthrough, rapidly evolving in tandem with the vast world web landscape.

This study is on the title "Study on Digital service and customer perception of ICICI Bank" which focuses on the use of digital services whether from its website and imobile app (referred to as ICICI mobile app) by the end users categorised as individuals, businesses or any other corporations/companies registered with the ICICI Bank. This paper would also adopt different strategies and analyse the customer behaviour towards the use of e-services based on its objectives of the study and research methodology. The data collection is on primary data and accordingly analyze the data collected and concluded the study.

Keywords: *Digital service, customer perception, technology, medium of exchange, time saving, minimize costs.*

1. INTRODUCTION

Digital banking has become a driving force behind the Indian banking sector's development, closely aligned with the country's progress. To facilitate implementation of this growth, high-level services - spanning websites and mobile applications, Google searches, and instant transaction services - play a pivotal role in promoting stakeholder alignment. Notably, Indian banks are transitioning from conventional banking services to a more digital-centric approach, leveraging operational scalability. In this evolving landscape, the Indian government has taken substantial steps to promote the adoption of convenience banking practices. As a result, banks are gravitating toward digital services, and developments in the Indian banking sector now solely hinge on digitalized offerings. This paradigm shift underlines an increasing focus on user-centric financial solutions. We are currently immersed in phase one of this substantial journey, where prominent conventional banks consistently deliver top-tier online experiences and intuitive mobile apps to their clients. Efficiency has been optimized by the team, by way of successfully integrating their digital frameworks into holistic, customer-centric mobile experiences. This enables account holders to open new accounts, settle bills, and navigate conflicts - all such operations are expedited exclusively through their personal smartphones and portable devices. The emergence of digital platforms in banking has streamlined operational workflows and enabled clients using transaction facilities at an accelerated pace. Value- added attributes introduced have catalyzed overall smoother growth. It stands to reason that in such convenience lies real dividends in fostering systematic financial infrastructure as the 'end users key objective.' All this put thus, is most apparent in way faster bills clearing or a major share user driven finances transferring. In India, the presence of ICICI Bank represents one of the largest private banking entities. Given the extensive scope of its operations, ICICI Bank has, as of March 31, 2019, established a vast network encompassing 4,874 branches and 14,987 ATMs across the country. Not only has the bank been a pioneer in digital innovation – introducing internet banking in 1998 and its mobile banking application, iMobile, in 2008 – but it has also launched a digital wallet in 2015. This is in addition to its various notable milestones. To streamline customer experiences, today its internet and mobile banking platforms provide comprehensive services, offering a broad range of over 350 and 250 services, respectively. As the first Indian bank to utilize mobile technology for software robotics, the 'Money Coach' has demonstrated the bank's capability to leverage innovative thinking and address evolving customer needs. A notable benefit of the bank's technology integration includes an optimized, paperless, single-click online platform that significantly enhance the KYC process and mutual fund registration procedure for both its retail and corporate clients. A renowned force in the multinational Indian banking sector, ICICI Bank Limited has strategically placed its headquartered operations in Mumbai and registers operations in Vadodara while expertly offering a carefully-curated portfolio covering all key banking and financial stakeholders through highly modernized, customer-centric delivery channels, subsidiary branches that specifically focus on securing markets and propelling growth respectively covering all forms in investment banking servicing life - non - insurance core focused practices. An international outreach, of seventeen (mainly in but out – wider within), business practice services, are then offered. Extending regionally operational branches were set out or serviced over the main western Indian Ocean sea coast, while subsidiaries positioned across Canadian and United Kingdom headquarters were enabled leveraging these establishments toward South Eastern direction across Asia Ocean positioning an additional commercial yet major extension near major centers fully setting extended structures through the United Arab Emirates, Sri Lanka, Bangladesh, South East Asia inclusive of branches also. The RBI recognized ICICI Bank, HDFC Bank and SBI as Domestic Systematically Important Banks (DSBs). As it is recognized those banks in terms of “too big to fail”.

2. LITERATURE REVIEW

- **Sangeeta Mohanty (2011).** Assessed and appraised customers' preferences in terms of accessing the ICICI bank. The findings revealed substantial disparities among different types of bank accounts, including current accounts, savings accounts, term deposits, and demand deposits. It is noted that the majority of people favor ATM card services the most, followed by phone banking.

- **Ioansis (2011).** The research examined the security measures in place for Internet banking in Greece. The central idea of this study is that despite the availability of numerous security risk management methods, tools, and techniques, information system managers and groups may not effectively utilize them in the risk management process.

- **Priya Anand (2013).** The research examined the security measures in place for Internet banking in Greece. The central idea of this study is that despite the availability of numerous security risk management methods, tools, and techniques, information system managers and groups may not effectively utilize them in the risk management process.

- **S Firdous, R Farooqui - Journal of Internet Banking and 2017 -** In India, the internet banking was introduced in 1995 by ICICI bank followed shortly. This dimension has the strongest correlation with customer satisfaction according to the analysis.

- **MR Rabbani, FA Qadri, M Ishfaq - VFAST Transactions on Education and 2017 –** ICICI bank is a private sector bank located in the national capital region (NCR). The observations spanned from this analysis indicates that the data is highly reliable. The level of service quality provided by commercial banks is a crucial determinant of customer satisfaction. Numerous studies have shown that the quality of service provided by banks significantly impacts customer satisfaction and, in turn, customer loyalty, which directly affects through profitability basis.

- **N Patra, N Ray -** Chaos, Complexity and Leadership 2018 The Springer research focused on understanding the key customer opinions regarding the online/digital banking services offered by the ICICI bank. A comparison of the customer ratings of the bank. In this new era, digitization has been introduced as a modern approach to globalization. It has been affecting global, social, and economic aspects. With the same goal, India has actively participated in this journey to transform India into a digitally empowered society.

- **D Sharma, D Aggarwal Gupta - Int. J. Sci. Technol, 2019 -** In 2015, banks started incorporating pockets (ICICI bank) into their designs. Many of the factors involved in a descriptive study were analyzed to determine their impact on customer perception. In recent years, the popularity of advanced mobile devices has soared. Thanks to advancements in mobile network connectivity, these devices allow users to access a wide range of mobile applications. One of the most widely used mobile applications is the mobile wallet or wallet. Wallets are mobile applications that offer a range of features to consumers.

- **R Aishwarya, D Sarala, P Muralidharan -** Journal of Service 2019 - The study utilized analytics to identify the significant potential of mobile banking, focusing on the analysis of customer perception, particularly in terms of customer satisfaction and service quality at ICICI bank ltd. Mobile banking is the most recent and cutting-edge service provided by banks. The objective of the study is to examine the factors that influence the quality of mobile banking services in ICICI.

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3. RESEARCH METHODOLOGY

a. : Objectives of the study:

i. To study on impact e-services within the ICICI Bank compared to other banks.

ii. To study how it can impact on the traditional banking of ICICI Bank

iii. To study the customer's perception towards the digital services within the ICICI Bank.

b. Hypothesis:

To study on impact e-services within the ICICI Bank compared to other banks. H0: There is no significant impact of e-services in the ICICI Bank compared to other banks

H1: There is great significant impact of e-services in the ICICI Bank compared to other banks.

To study how it can impact on the traditional banking of ICICI Bank H0: There is no significant impact on the traditional banking service of ICICI Bank

H1: This will significantly impact on the traditional banking service of ICICI Bank.

To study the customer's perception towards the adoption of digital services in the ICICI Bank.

H0: There is negligence impact on the customer behaviour on adoption of digital services.

H1: There is positive impact on the behaviour of the customer on adoption of digital services.

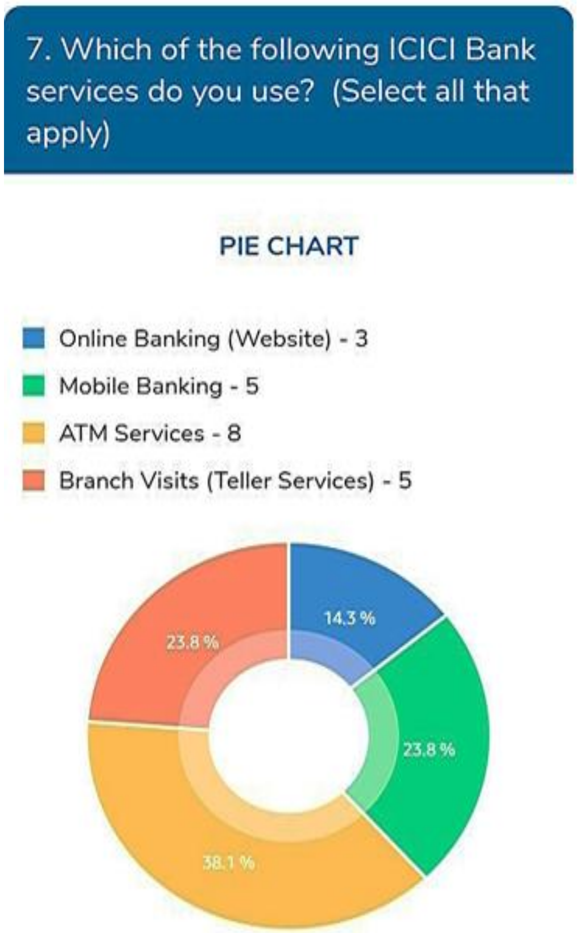
c. : Data collection and tools:

This paper focuses on primary data collection based on the survey and in-depth interviews conducted from the experimental participants of sample size 14 participants.

4. DATA ANALYSIS AND INTERPRETATIONS

Based on my objectives and hypothesis framed. I framed the questionnaire and conducted surveys. Based on the result, I analyzed the data and make interpretations. Here is the survey analysis:

4.1:



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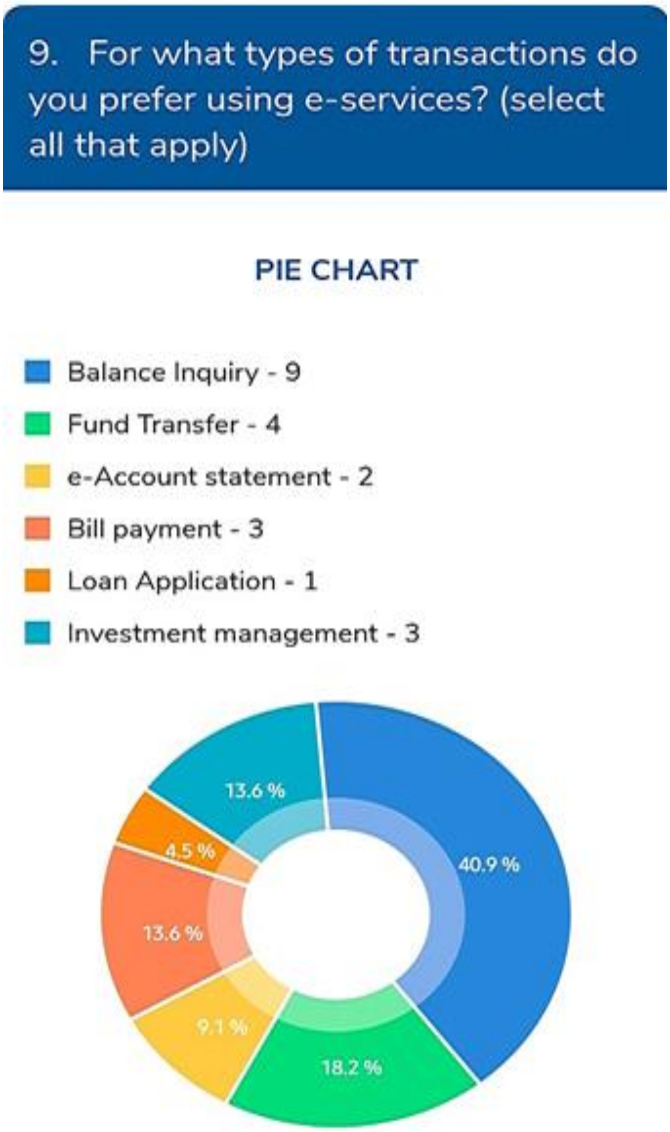
Analysis and Interpretations:
In the chart above, Majority of the respondents (38%) uses ATM services, whereas 50% (24%) of the respondents adopts both Mobile banking and branch visits and rest (14%) uses online website.

This indicates that the use of digital services is quite frequent and they are useful for many purposes whether from fund transfer, bill payment, loan application, etc.

4.2:



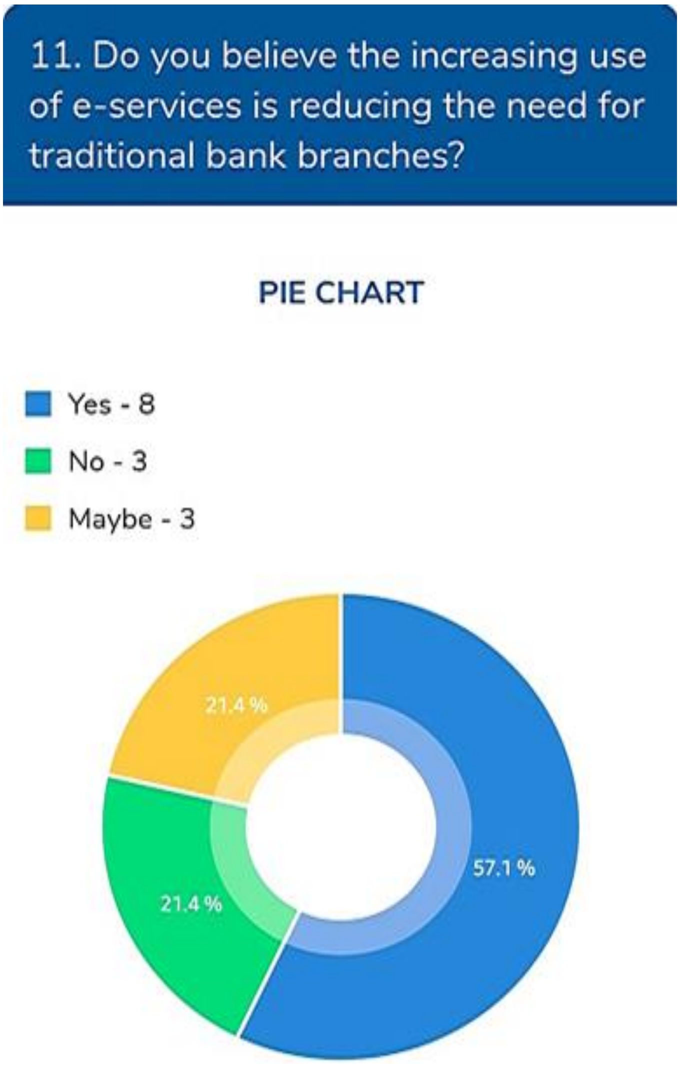
Analysis and Interpretations:
In the above chart, 41% of the respondents uses digital services for fund balance inquiry in their regular savings account, whereas 18% uses for periodic fund transfer from their bank accounts/making online transactions.

14% of the respondents uses ICICI Bank service for getting updates on their investments and make new investments in Mutual funds, stocks and bonds, etc. And for any small bill payments like electricity, postpaid service bill, etc.

Only 9% of the respondents uses this service only for downloading Accounts statement to know their detailed current balance statement including expenses incurred.

4.5% uses for loan application for any related loans like home loans, car loans, or any related personal loans.

4.3:



Analysis and Interpretations:

In the above chart, 57% of the respondents believe that use of digital services and adoption of digitization in India, will completely diminish traditional banking service, but there are 21% of the respondents who would prefer and believe that some services which the ICICI Bank has not fully adopted digital service like in the case of issuing of Demand Draft for taking college admissions and deposit cheques by visiting the branch, Fund deposits instead through e-service and this way there are services which are done in traditional mode.

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4.4:

Analysis and Interpretations:

In the above pie chart, 32% of the respondents use this e-service for their convenience because it is easily usable through anywhere and anytime whether they are at their homes, offices or any situated at their personal areas.

Also 18% of the respondents says that it is time savings, easily accessible through imobile and online website, and also family and friends recommend others to their native friends or their relatives to use this service for opening up of savings accounts, current account and issue credit card and make investment directly from their accounts in 3-in-1 service, etc.

9.1% adopted ICICI Bank e-service due to good promotional offers such as gift cards, shopping cards, gold card which has certain/limited benefits for a specific period while opening any account with the ICICI Bank.

Only 4.5 % are unconcerned about the security features of ICICI Bank. For this the ICICI Bank needs to work more and more on security features as due to rise of scams and frauds.

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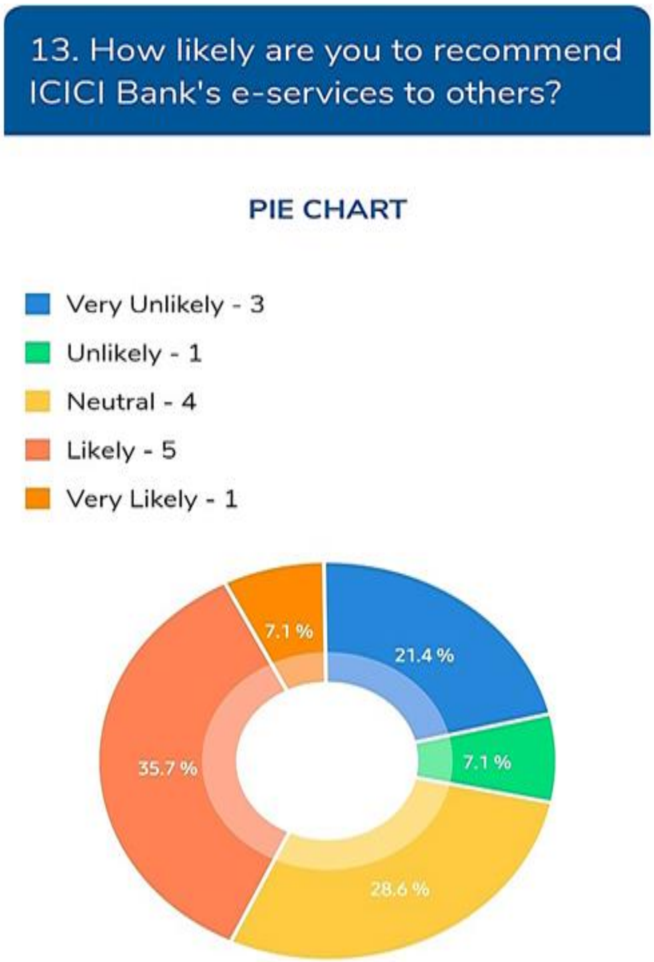
4.5:



Analysis and Interpretations:
In the above pie chart, 36% of the respondents recommends others including their friends and family and colleagues to start using imobile (ICICI Bank) as it offers fixed interest payment based on the type of savings account opted, or easily accessible loans, credit card, and fees charges is also quite low. Whereas, 28% of the respondents can’ t gives any opinions based on the e-service usage of ICICI Bank, as it indicates that maybe they don’ t uses this service or stopped using this service due to various reasons.

21% indicates very unlikely use ICICI Bank. As due to there are same type of service offered than this bank or much better service and address the customer complaints fairly and politely, etc.

6) FINDING AND SUGGESTIONS

6.1: Findings:

Easily Accessible: Digital services are easily accessible wherever, they are situated at home, or at office or directly from their mobile app (i.e., imobile).

Convenient and Time saving: The use of ICICI Bank digital services is more convenient and time savings, compared to traditional services. Nowadays, with the imobile app, one can easily open their savings account, create an FD, and transfer money at ease with the UPI system, Bill payment.

Investment Management: With the ICICI mobile app, one can start investing in stocks directly from savings account (3-in-1 MTF), which means 25% from the savings pay now and remaining pay later period. Also, one can invest in Mutual funds from ICICI Prudential AMC.

6.2: Suggestions:
From the above study, I suggest that there is one thing improvement is needed is that security features need an improvement because from the result survey till now as due to few samples size (i.e. 14), only 4.5% from the respondents believe that security features are enhanced and capable, but the fact is that there are still scams and frauds are going on and also their privacy gets impacted.

As due to small sample size, it cannot directly conclude that ICICI bank security service is not enhanced. Although, the security features are enhanced, but it requires improvement in the future.

7) CONCLUSION

Based on the research topic" A study on Digital service and Customer perception", this study explores on use of digital services in the ICICI Bank and by the customers whether it is for transfer funds to their loved ones or payment of bills at ease. This technology covers each and every aspect of banking service, as normally banks do in earlier generations at the time of traditional banking, when digital service was not much introduced in the time being force.

Based on my objectives, I successfully framed the hypothesis and conducted test by way of surveys on the experimental participants and accordingly, I analysed the data based on the sample size of 14 participants and found that, majority of the respondents use banking services for many purposes either directly from imobile app or from its website and few instances branch visits for cheque deposits or other services. From the analysis, it was found that the participants found digital (e- services) more convenient compared to traditional banking service. The participants would also likely to recommend their natives and friends to use this ICICI Bank service.Finally, I conclude that digital services play a crucial role in the banking sector as well as for the India's economic growth.

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A STUDY ON AWARENESS OF GREEN FINANCE PRACTICES IN MUMBAI WESTERN SUBURBS

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[1]Research Scholar and [2, 3] Professor, University of Mumbai

ABSTRACT
The research paper on the title "A study on awareness of Green finance in Mumbai western suburbs". This paper focuses on the awareness towards green finance also called sustainable finance, of the people in Mumbai suburbs and also for the sectors specific includes businesses, MSME, technology of sustainable finance, now the focus is more on enterprises, its adaptability and how its impact. Green finance awareness appears to be a major concern - a lack of understanding in this area results in low adaptability. Considering these factors, the literature review emphasizes the importance of investing in renewable energy projects and other eco-friendly initiatives. According to the research, determinants of green finance have significant implications for the financial policies of banks and the promotion of smart city construction and green credit. Based on the sample size of 12 respondents, the primary objective of this research is to explore and understand the green finance practices prevalent in business activities, as well as examine and evaluate the conceptual framework of green finance. Notably, the outcome of the research reveals that entrepreneurs require more practical exposure to green finance, given the unique strengths and weaknesses of every business. This has significant benefits for Real Estate, corporate firms, and enterprises.

Keywords: *Green Finance, Awareness, Mumbai Western Suburbs, Enterprises, Eco-friendly initiatives.*

1. INTRODUCTION
Considering these factors, green finance aligns closely with the field of sustainability-oriented financial activities. As the name suggests, this concept places a strong emphasis on eco-friendliness and environmental viability. Green finance – which encompasses financial activities prioritizing sustainability – can be viewed as a double-edged sword, providing benefits while raising concerns about regulatory compliance. On the other hand, efficiency was optimized by adhering to sustainable regulations.

Green finance can be beneficial for businesses, granting theCARBON CREDIT certification that ensures operational scalability and assures the market of their eco-friendly endeavors, which foster stakeholder alignment. Any business involving or exchanging activities through proper investigation and documentation illustrates the scope of green finance. Comprising activities such as green audits, renewable energy sourcing, water sanitization, and initiatives for energy efficiency, green finance encourages sustainable practices that effectively minimize global warming effects. Education plays a critical role in transforming today's youth into educated about eco-friendly concepts like green finance, leading them to eagerly absorb knowledge on sustainable practices and seek novel methods for their efficient adoption.

As every business has a responsibility in saving nature as there scope of damage we're gonna get to later out when overlooked can prove disastrous for our ecosystem. Ignoring green finance norms through sheer negligence will generate an insurmountable price tag due to adverse environmental impacts - consider pressing threats coming up due to reckless global health hazards. In such cases environment not being properly taken care of results in hindering growth in company revenues affecting society far more harder in turn and our role as a collective unit thus get marred yet through learning the basic knowledge, several firm struggles out with lacking vital green finance resources - learning and awareness mostly. Learning drives a more refined insight into understanding pivotal elements, in addition fostering numerous awareness initiatives that culminate into evolving sustainable policies in response under the challenges we saw just now from disallowing ecological progress as experienced. Practically everything turns well when corporations adopt a harmonious approach towards preserving the ecosystem for this ensures their respective "Survival as industries".

2. LITERATURE REVIEW
- **Isaac Akomea-Frimpong, David Adeabah, Deborah Ofosu& Emmanuel Junior [1] Tonkawa (2021)** paper titled "review of studies on green finance of banks, research gaps and future directions" published in sustainable finance and investment journal states that to know the studies of Green Finance of banks, research gaps and future directions.
- **Tasnim Uddin Chowdhury, RajibDatta, Haradhan Kumar Mohajan[2] (2013)** paper titled "Green finance is essential for economic development and sustainability" published in International Journal of

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research in commerce and economic management states that how green finance is essential in economic development main adapting in the business.

- **Hiroki Sayama[3] (2013)** Research on the Impact of Green Finance in Smart City paper titled "Impact of green finance" published by Hindawi as part of a publishing collaboration with John Wiley & Sons, Inc.
- **Sajeewani Jayathilake[4](2019)** paper titled "Impact of Green Financing for the Corporate Governance in the Banking Industry" published in "OIDA International Journal of Sustainable Development, Vol. 12, No. 11, pp. 23-30, 2019".

3. RESEARCH METHODOLOGY

3.1: Objectives of the study

- To assess the level of awareness on green finance among residents/businesses.
- To identify the various sources of information that contribute to awareness of green finance.
- To examine the understanding of key green finance concepts among the target population.

3.2: Hypothesis:

To assess the level of awareness on green finance among residents/businesses.

H0: There is no significant level of awareness regarding green finance practices among residents/businesses in Mumbai's Western Suburbs.

H1: There is significant level of awareness regarding green finance practices among residents/businesses in Mumbai's Western Suburbs.

To identify the various sources of information that contribute to awareness of green finance.

H0: There is no significant variation in the perceived effectiveness of different information sources in contributing to awareness of green finance in Mumbai's Western Suburbs.

H1: There is a significant variation in the perceived effectiveness of different information sources in contributing to awareness of green finance in Mumbai's Western Suburbs.

To examine the understanding of key green finance concepts among the target population.

H0: The target population in Mumbai's Western Suburbs does not demonstrate a significant understanding of key green finance concepts.

H1: The target population in Mumbai's Western Suburbs demonstrates a significant understanding of key green finance concepts.

3.3: Data collection and tools:

This data focuses on primary data collection by way of surveys and telephonic interviews on the experimental participants.

3.4: Limitations of study:

- This study focuses on small sample size of 12 respondents on a specific Mumbai suburb.
- The research is being strictly restricted to Mumbai Suburban's Only
- The data has been collected only from the Mumbai residing people not of each region responses are involved.

3.5: Scope of the study:

This study is conducted to get the awareness based on the limited target region on Mumbai Suburban and the tools adopted to get data is primary data (i.e., through Telephonic interviews and survey results).

4) DATA ANALYSIS AND INTERPRETATIONS

Based on my data collection, I adopted primary data collection on sample size of 12 respondents and accordingly, based on objectives and hypothesis, I have analysed the data and make interpretations.

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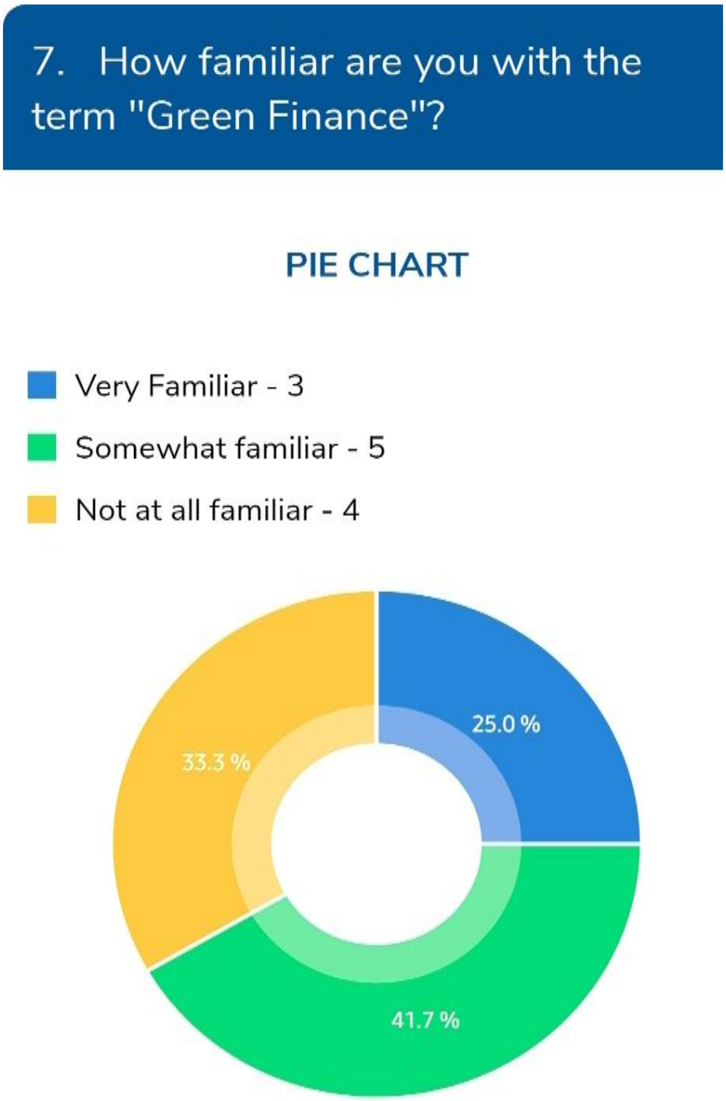
4.1:



Analysis and Interpretations:

In the above pie chart, 42% from the research participants indicates that the participants are somewhat familiar on "Green Finance", but not fully aware this means that they are raising the finance through by way of sustainable investments in new projects, infrastructure and ensure Zero carbon emission in and out of an organization.

Whereas 25% are fully aware on this Green Finance. That's Fascinating!

Whereas, 33.3% from the participants are not familiar with the "Green Finance". This can be due to not having proper knowledge or lack of awareness in Mumbai Suburban region. This can be improved by conducting seminars and workshops in a public area like in societies, or conducting a small activity in an organization, etc.

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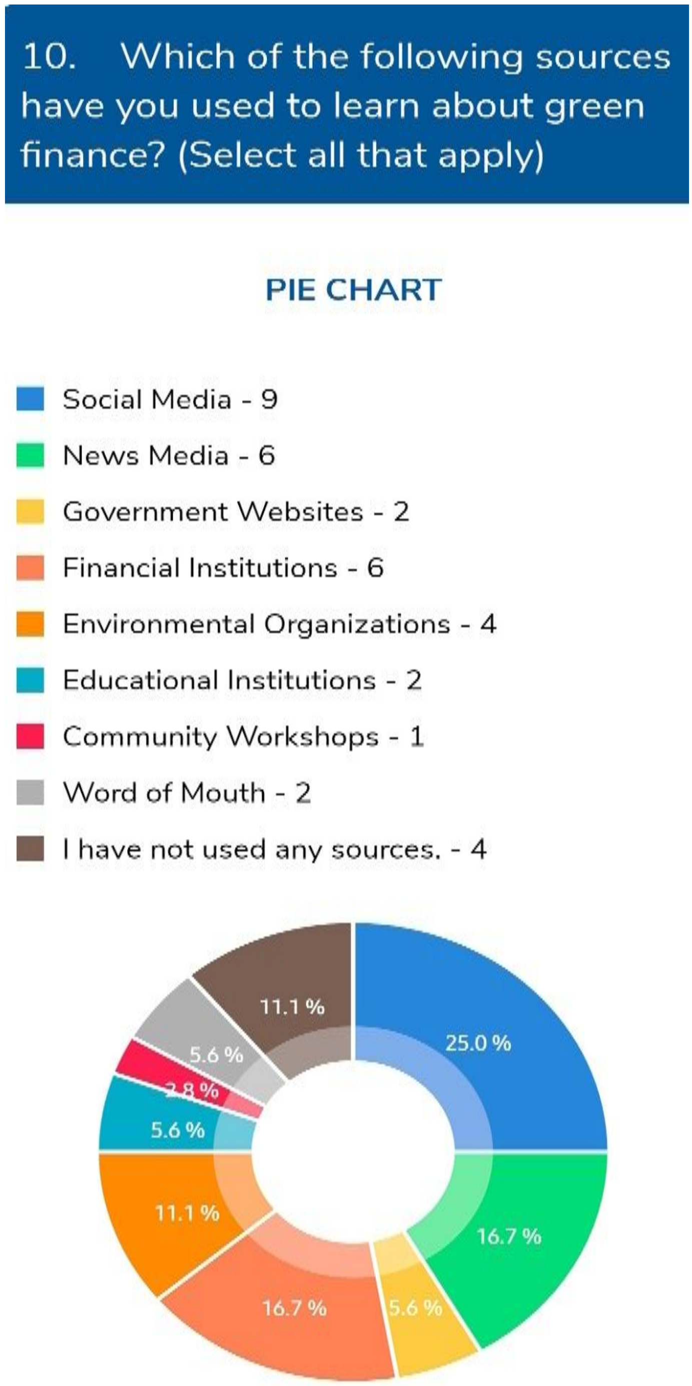
4.2:



Analysis and Interpretations:

In the above pie chart, 25% from the respondents gain awareness from social media, 17% from News Media and Financial institutions, 6% from the government websites and from others (Word of Mouth), 11.1% indicates from environmental organizations (NGO), and 2.8% from the community workshops and seminars.

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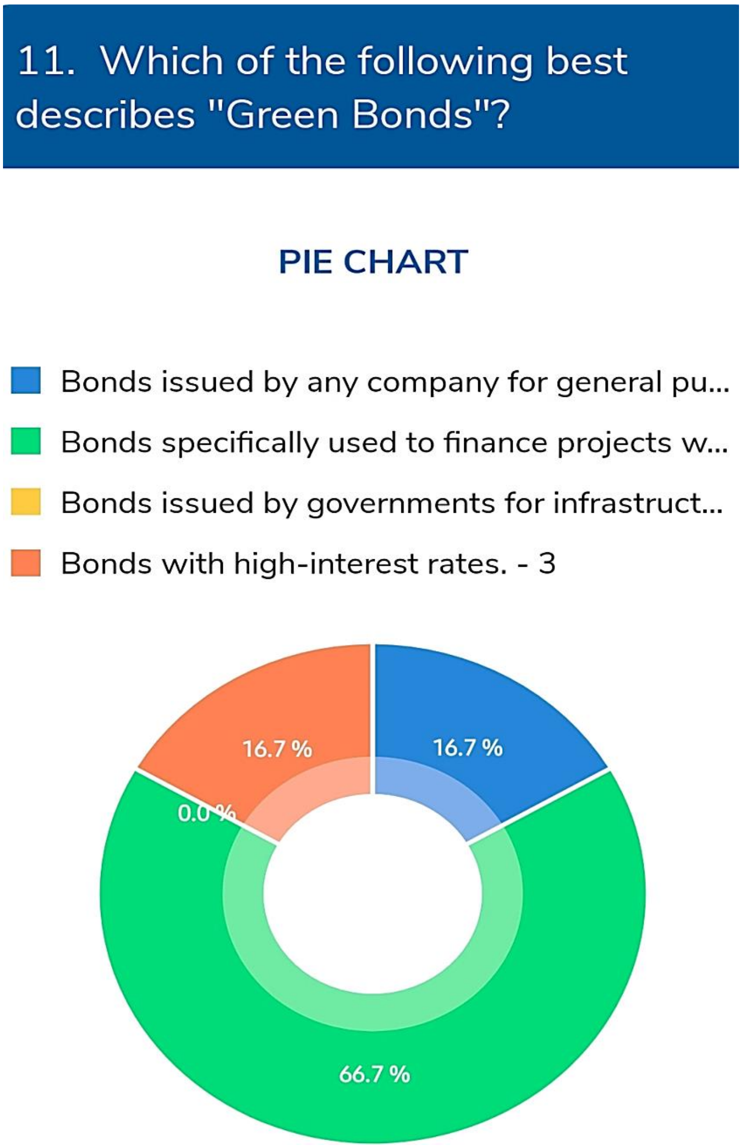
4.3:

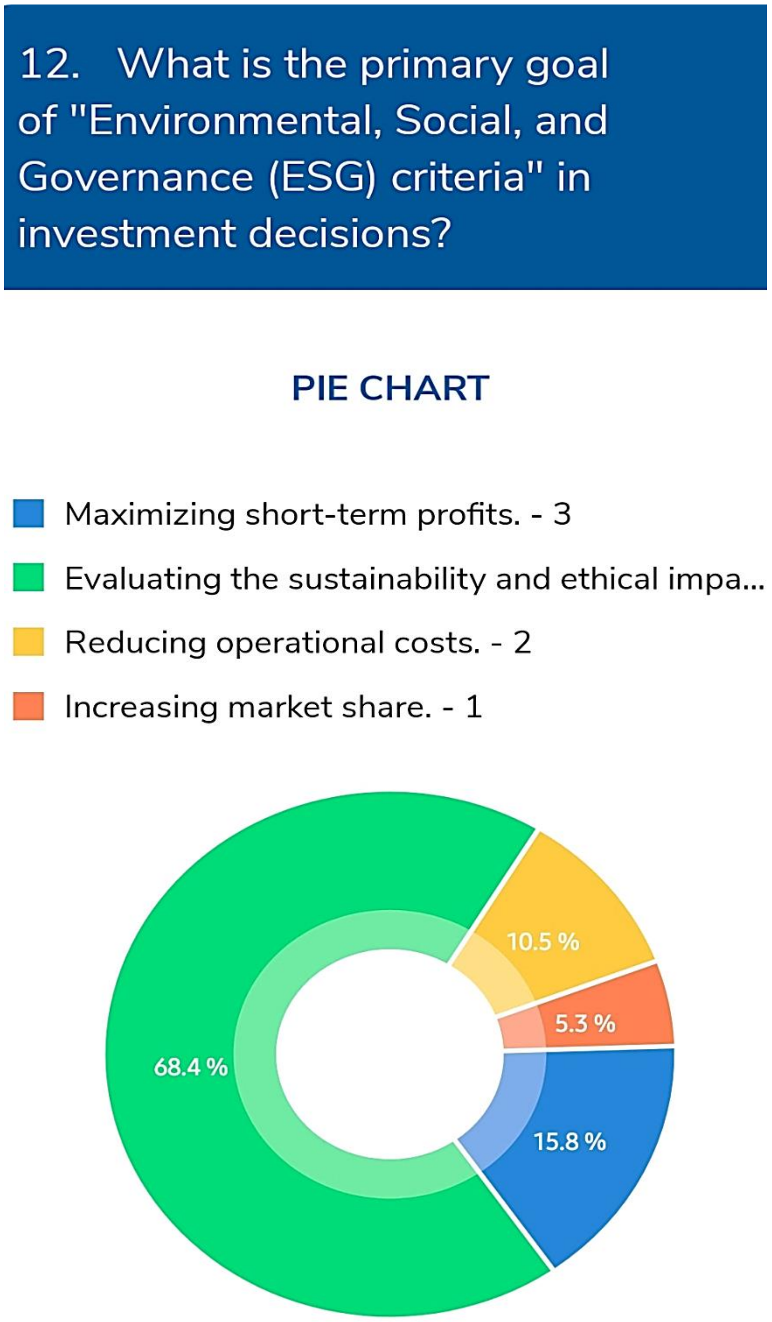


Analysis and Interpretations:

Based on the above data, 67% from the research participants indicates that green bonds are those bonds specifically used to finance projects with environmental benefits.

Whereas, 17% from the participants says that green bonds are those bonds which is issued by any company for general purposes like in investing in bonds, investing in newer projects, etc.

4.4:



Analysis and Interpretations:

Based on the above data, 68% of the respondents says that the primary goal of ESG is to evaluate the sustainability and ethical impact of investments. Whereas, 16% from the participants says, this ESG main motive is to maximize profits for short duration within an organization. 10.5 % indicates this Environmental, Sustainability and Governance (ESG) it helps to reduce the operational costs.

And 5.3% of the research participants indicates it helps to increase the market share.

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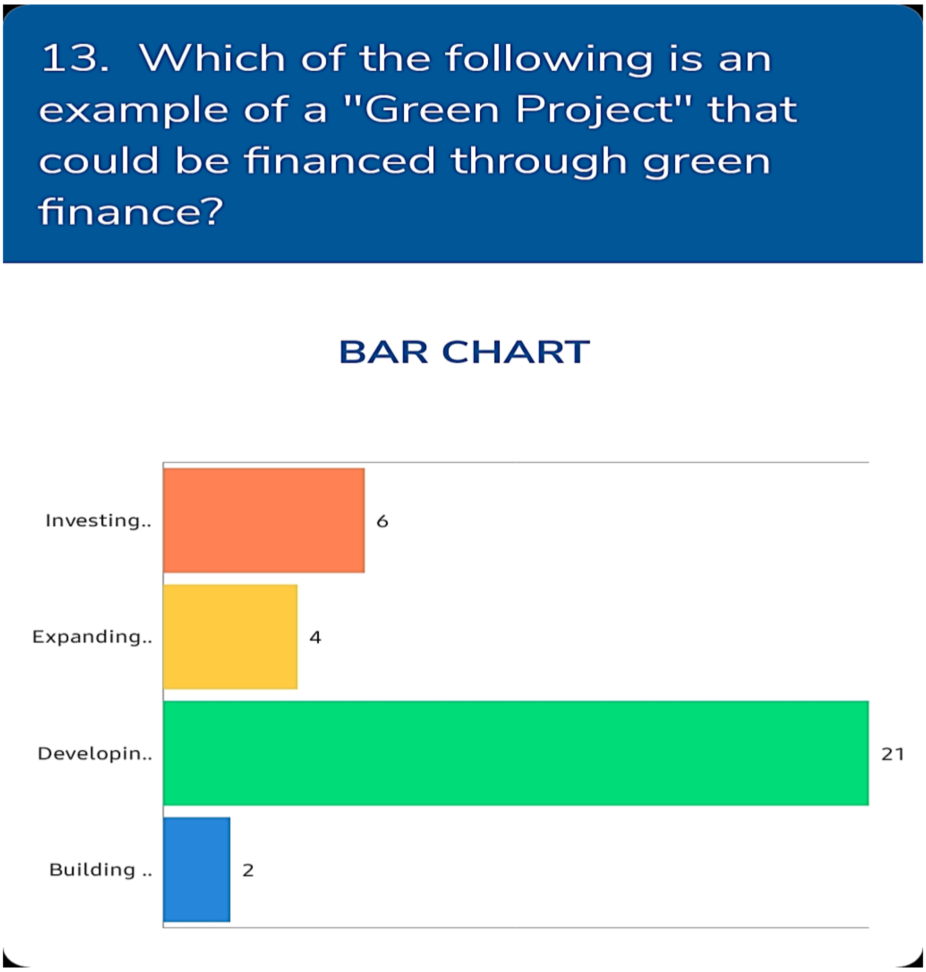
4.5:

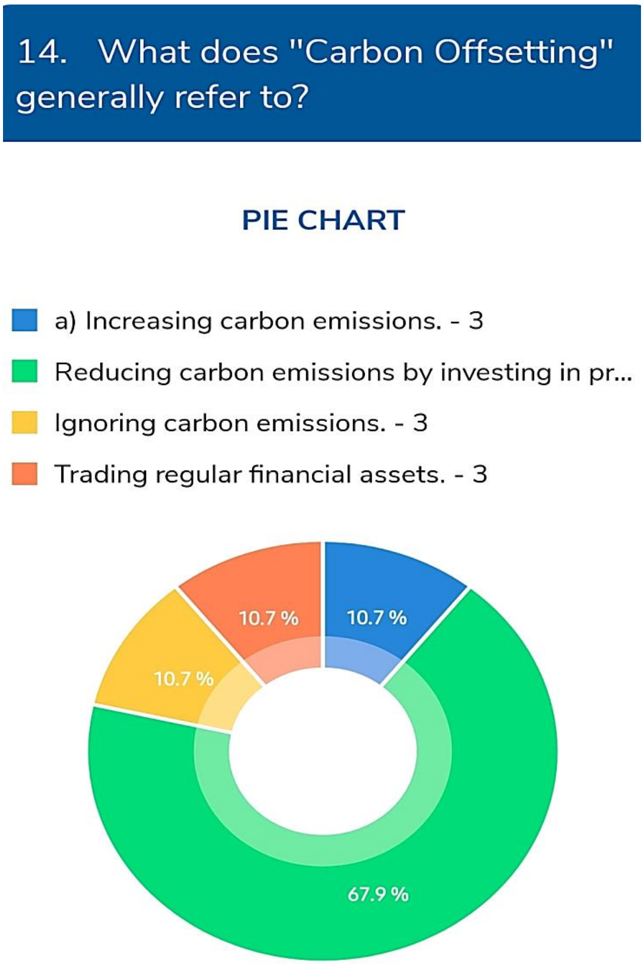


Analysis and Interpretations:

In the above bar chart, it indicates that 64% (21) from the respondents says that “Green Finance” can be best utilised for setting up of renewable energy power plant, whereas 18% (6) believe to start investing in high-risk stock portfolio, 12% (4) believe to invest green finance by expansion of traditional manufacturing factory.

Finally, 6% (2) from the respondents provides an example of building a shopping mall which should provide more sustainability growth by ensuring to set up centralized A/C, reducing carbon emission, generating on-site renewable energy, LED lighting, Smart HVAC, etc.

4.6:



Analysis and Interpretations:
Based on the above pie chart, almost 70% from the respondents believe that Reducing carbon emissions by investing in projects that reduce emissions elsewhere this measure can help to mitigate the carbon footprint quickly as low as possible and ensure sustainable growth for a better future.

Whereas, 11% from the respondents says that to increase carbon emission and don't take the carbon gases/emission seriously and continue to trade in regular financial assets. With this 11% it gets impacted on the eco-cycle and sustainability finance growth, not only finance but it gets impact on other sectors.

5) FINDING AND SUGGESTIONS

5.1) Findings:

- **Awareness:** With the survey, majority from the respondents gained Green Finance awareness through social media, and also from its news and article app. This indicates that the population survey has curiosity to know about green finance (Sustainable Finance) and social media gets the job done.
- **Green Bonds:** This is one of the sustainable investing tools which enables the organization/corporation to raise finance by taking into consideration the environmental factors, issuing financial securities such as green bonds, for setting up newer projects like renewable energy power plant, etc.

5.2) Suggestions:

This research paper, there are few suggestions that needs to be taken care of on regarding “Green Finance” . That is by adopting sustainability in organization, or society, this tool helps to prevent and reduce carbon emission, Green House Gases (GHGs) and from the energy efficient source, setting new manufacturing plant, it was found that 11% from the respondents doesn't care towards environmentally friendly, ensuring sustainable growth. For this purpose, it requires to create strong awareness campaign by showing the reality of how these harmful gases like carbon emission, GHGs and other dangerous chemicals can impact the eco-system, even small chemicals are also harmful. All need is to create awareness for those people as well as for others (who doesn't bother) in the Mumbai suburban.

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6) CONCLUSION

Disparity exists between theoretical understanding and practical awareness of green finance, . Although businesses grasp the concept, actual application and adaptability remain a concern. Considering these challenges, allocating a dedicated percentage of expenses to bolster green finance mechanisms appears necessary. Implementing comprehensive eco-friendly strategies in one step proves unrealistic, as every product undergoes a unique development process. As a result, entrepreneurs/residents are encouraged to integrate eco-friendly principles gradually, starting with an initial pitch, which can evolve as time progresses.

Green finance awareness isn't typically the first priority in business development. However, through ongoing market research and environment analysis, businesses can enhance understanding and acceptance of green finance over time. An incremental approach, raising awareness and empathy for various aspects of adaptability, facilitates smoother transition to eco-friendly practices. Ultimately, integrating green finance in accordance with individual business phases and expectations engaged in operational scalability and stakeholder alignment, all which align more perfectly with today's complex markets.

7) REFERENCES

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- https://www.hindawi.com/journals/complexity/2020/6673386/#abstract

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A STUDY OF INDIAN PAYMENT GATEWAY SYSTEM AND ITS AWARENESS AMONG GENERAL PUBLIC

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[1]Research Scholar and [2, 3] Professor, University of Mumbai

ABSTRACT

The RuPay Card is India's own version of a credit/debit card, similar in functionality to global giants such as Visa and Mastercard. The term "RuPay" is derived from two words: Rupee and Payment, symbolizing its role as a payment system linked to India's national currency. RuPay was developed as an indigenous alternative to international card payment processors that dominate the global market. The goal of RuPay is to provide every Indian citizen with a secure, modern, and reliable payment solution.

In March 2012, RuPay expanded its reach internationally by forming a partnership with Discover Financial Services, allowing Indian users access to international services. The card operates on cutting-edge technology, ensuring security, scalability, simplicity, and cost-effectiveness. This initiative marked the entry of RuPay into India's premium card market. As a result of this collaboration, Discover cardholders and Diners Club members can also access the extensive network of ATMs and Point of Sale (PoS) terminals in India, facilitated by the National Financial Switch (NFS) network.

*To further expand its capabilities, RuPay launched the **RuPay JCB Global Card** in partnership with **JCB International** in July 2019. Today, RuPay offers three card variants: Classic, Platinum, and Select. These cards are accepted across over 42.4 million PoS locations and 1.9 million ATMs in more than 200 countries.*

Keywords: *Visa, Mastercard, RuPay, PoS, RuPay Global, ATM, NFS network*

INTRODUCTION

On 15th August 2014, the Government of India made a landmark announcement regarding the launch of the Pradhan Mantri Jan Dhan Yojana (PMJDY), a program that led to the creation of India's own card network, RuPay. This initiative was spearheaded by the National Payments Corporation of India (NPCI). RuPay represents India's first-ever global card payment network, offering widespread acceptance at retail stores, ATMs, and online platforms.

RuPay has made remarkable strides in the Indian payment industry. In 2013, it accounted for a mere 0.6% of the country's total card transactions. However, by 2017, RuPay had surpassed Visa to become the dominant payment card provider in India, handling over 375 million transactions. By 2020, RuPay commanded an impressive 60% market share, which led Visa to seek the intervention of the U.S. government to counter the rise of RuPay.

This raises several critical questions: How did RuPay, in just six years, outpace the dominant international card networks like Visa and Mastercard in India? What was the government's strategy behind this bold initiative? How can India leverage RuPay to establish a strategic advantage in global trade through its payment interface? Most importantly, how does RuPay impact the everyday lives of Indian citizens?

LITERARTURE REVIEW

- **RuPay :** The Indigenous Electronic Card Payment Scheme **-** Dr. Anurag Seetha
- **Why RuPay Card for India –** Dr. Dinesh Kumar Gupta
- **RuPay Card An Alternative –** K Hari Krishnan, Bipin K Deokar
- **An Analysis on the Rise in Digital Transactions in India –** Rajat Rajesh Narsapur, Apurva Parasar
- **A Progressive Transition:** Plastic Money – Rooplata.P, Dr. R. Sathya

OBJECTIVES

- To conduct a study on "The RuPay Story".
- To find out the Awareness and Use of the RuPay Card among the General Public.

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HYPOTHESIS

H_0 = There is relationship between the Awareness and Use of RuPay Card H_1 = There is no relationship between the Awareness and Use of RuPay Card

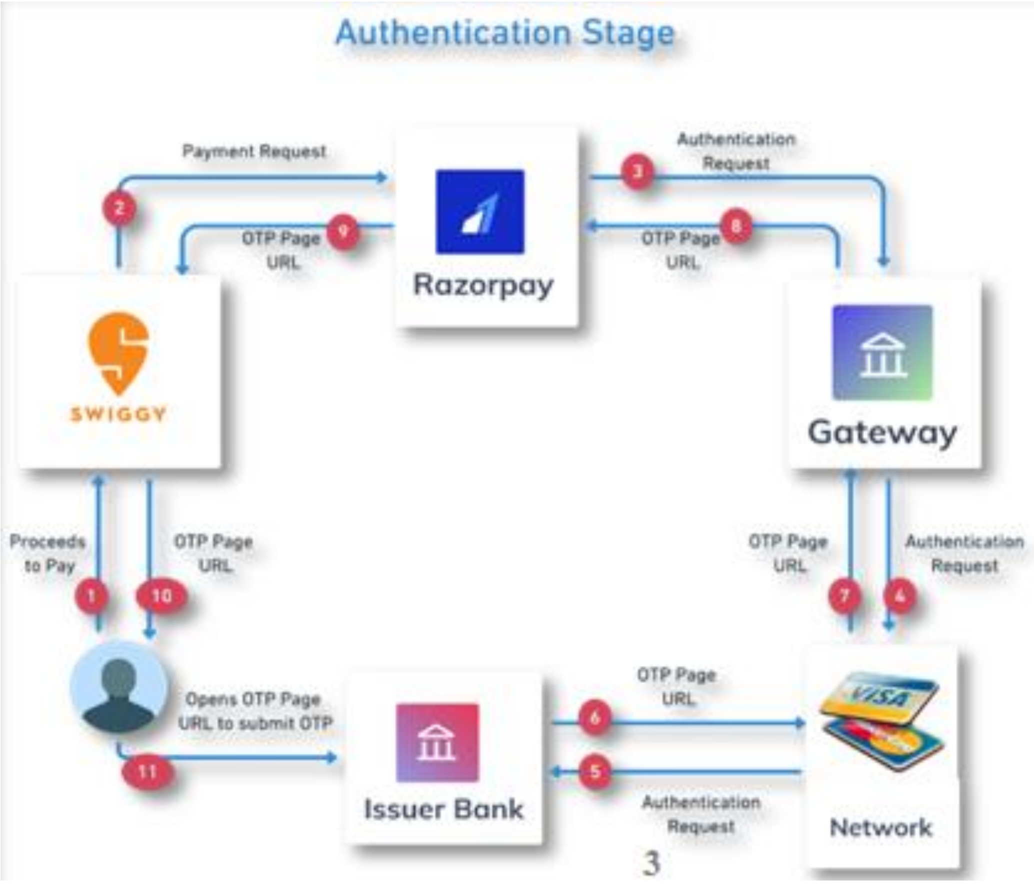
RESEARCH METHODOLOGY

This study aims to explore the rise and influence of RuPay, with a focus on how aware and engaged the general public is with the card, particularly across urban and rural settings.

The research hypothesizes whether there is a link between the public's awareness of the RuPay card and its usage patterns.

DATA COLLECTION

Overall, the entire process of paying by card can be broken down into three stages: Authentication, Authorization and Settlement.



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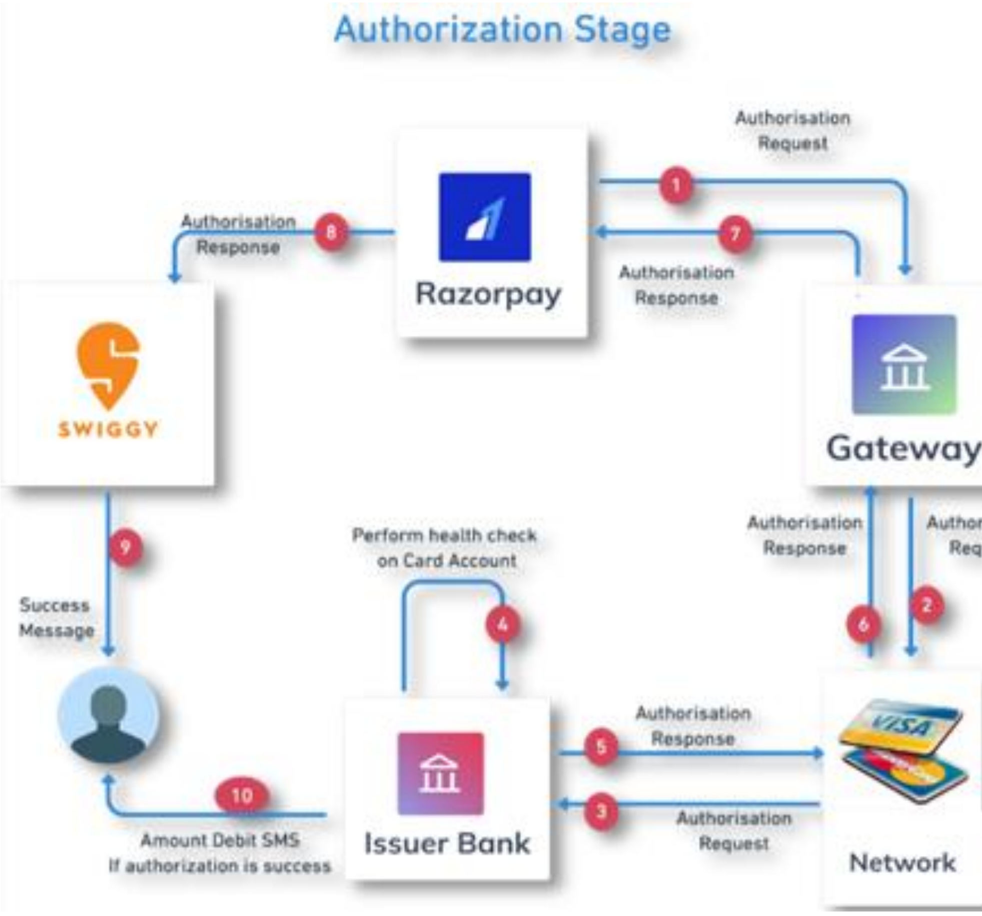


DATA COLLECTION PROCESS: THREE PHASES OF TRANSACTION PROCESS

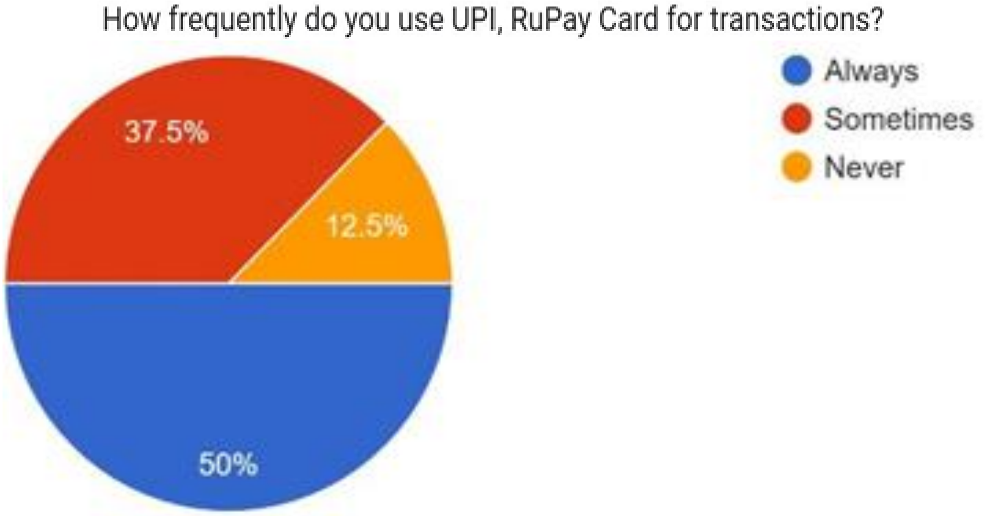
- **Authentication:** Verifying the identity of the cardholder.
- **Authorization:** The transaction is processed behind the scenes without user interaction.
- **Settlement:** At the end of the day, merchants close their sales and initiate a transaction to transfer funds.

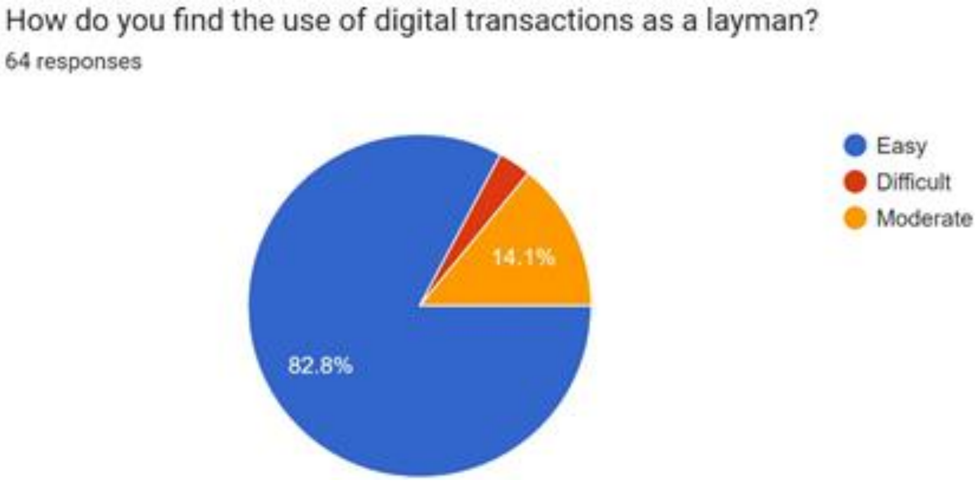
Why Choose RuPay Card?/ Its Benefits and Success

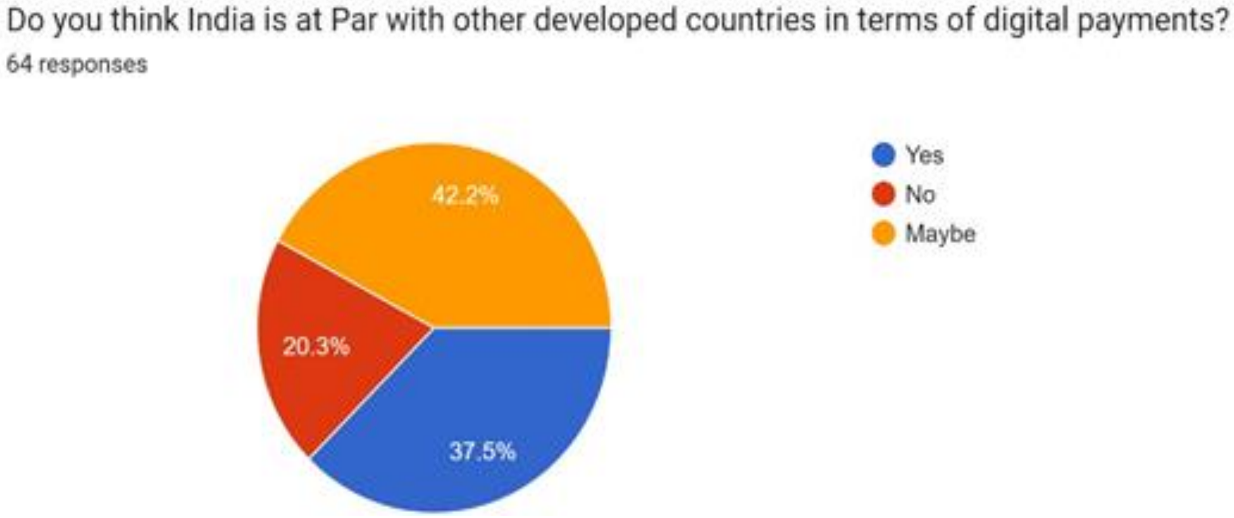
- **Reduced Transaction Costs**: RuPay offers lower processing fees, as it operates within India, making it more cost-effective for users and merchants.
- **Lower Merchant Discount Rate (MDR)**: RuPay has an advantageous MDR, especially in rural areas, which promotes greater usage and adoption.
- **No Switching Fee or MDR for Debit Cards**: The introduction of these policies benefits low-income groups by making financial transactions even more accessible.
- **Broad Bank Network**: RuPay is available through more than 500 banks across India, compared to Visa and Mastercard, which have limited coverage.
- **Seamless Integration**: RuPay is designed for compatibility across various payment methods, such as ATMs and mobile payments, enhancing overall payment convenience.
- **International Expansion**: Similar to global providers, RuPay is expanding internationally to become a competitive player in the global financial ecosystem.
- **Impact on Everyday Life:** RuPay plays a significant role in financial inclusion, providing an easy platform for government services and financial tools that were previously inaccessible to certain segments of society. With its variety of card options, it has started to cater to previously underserved populations.

The Awareness and Use of RuPay Card among General Public

Data was gathered from 60-65 participants within the age group of 18-45 years from both rural and urban areas. The research relied on both **primary** and **secondary** data sources.







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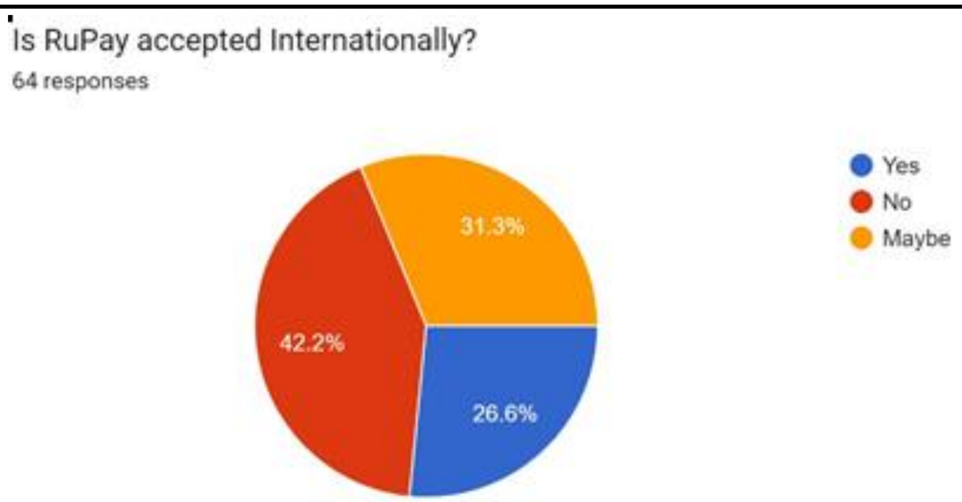

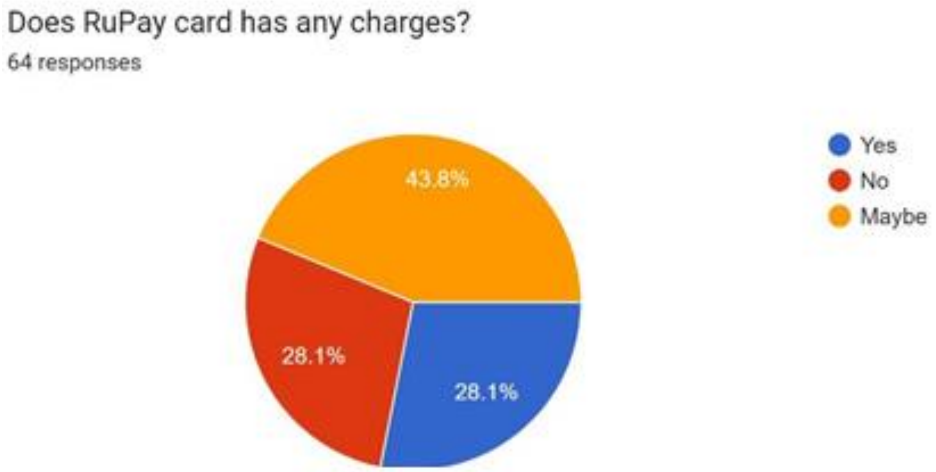

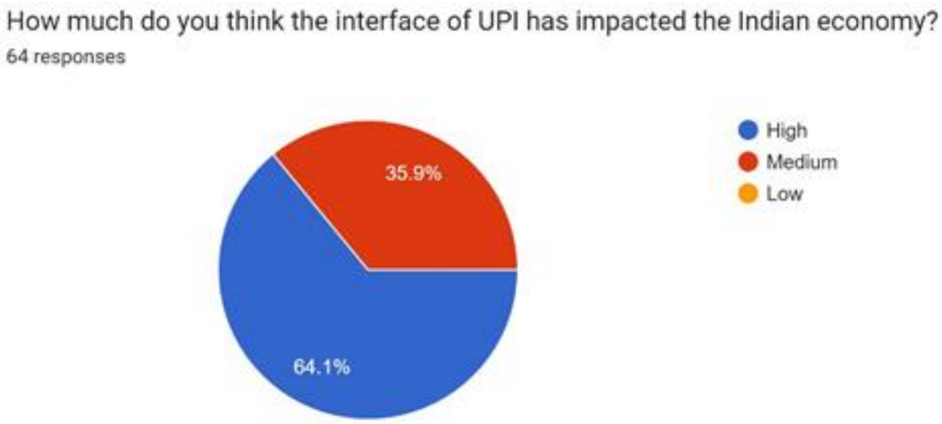

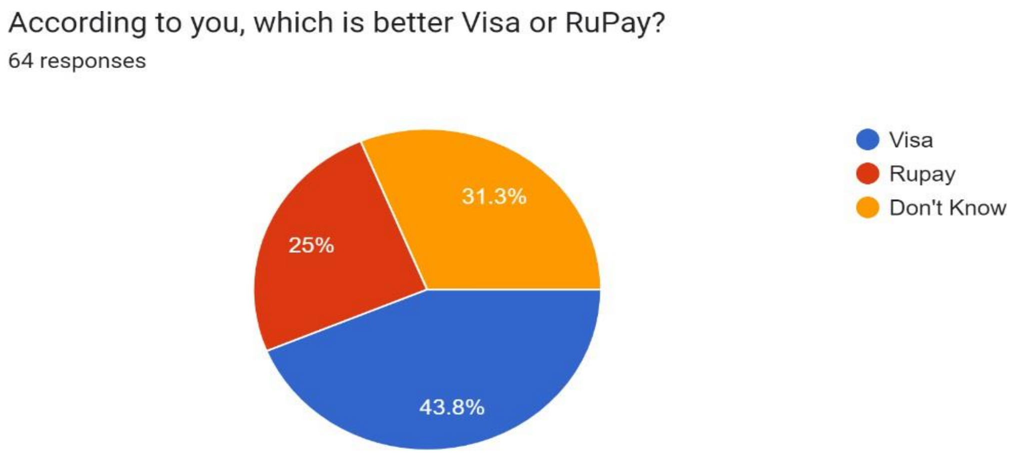

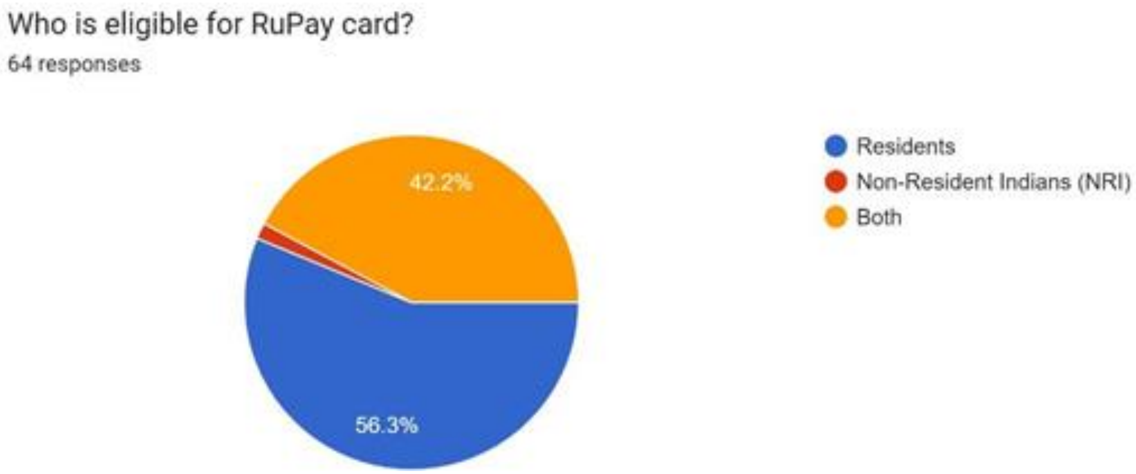

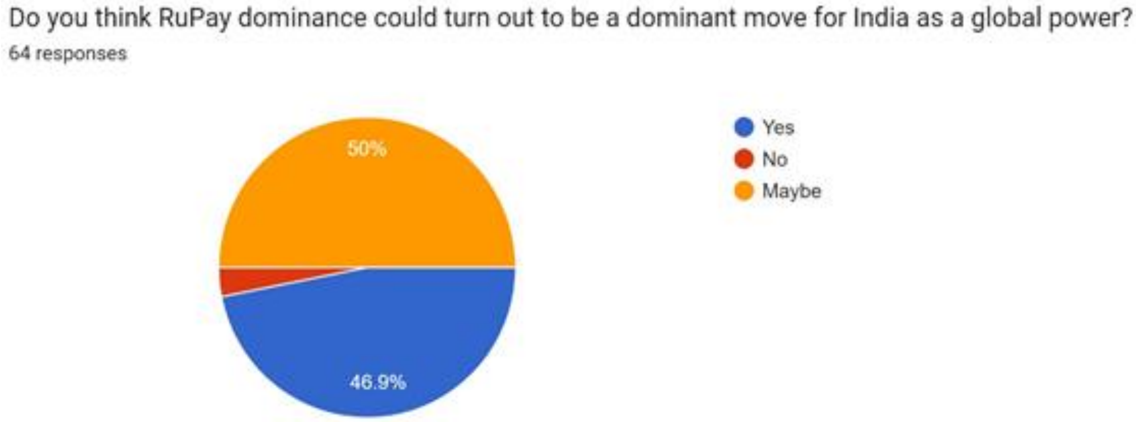

Is Digitalization safe in your eyes? And if Yes/No then how can we be more secure?

- Yes it is safe for educated people but many uneducated people face the problem of being scammed
- It identifies potential risks and ensures that equipment is working with healthy and safe limits
- Yes of course secured unless done by taking full security methods
- Awareness about sharing upi pin and otp should be more.
- Already secured from my point of view
- By spreading awareness regarding digitalization
- Yes it is safe, can't be more safe than this
- Require digital security for safety
- By not giving your personal information to anyone.
- Everything has 2 effect similarly is digitalization. It has made human life very easy wrt payment. End to end encryption more attention to secured database can help make it more secure.
- Yes, we are more secure because if we had paid money to someone and he says u have not paid then we can show him proof and legal transcations
- Yes, I feel it is safe because there are records maintained and if there's some discrepancies on the same, it can be rectified since we have the proof of transaction. We can be more secure by adding many systems of verification so that it becomes difficult to hack anyone's account which seems to be the main concern of people using digital transaction.
- Yes, unless and untill we have any backup for all the risk that may occur while transactions....
- Digitalization is safe if used accordingly
- Yes but we should not share our passwords and pins to anyone, and always be updated with technology

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- Yes. We can be more secure by researching more about cyber security and taking action according to it.
- Yes it is secure and we can make it more secure by developing a stern web security software to detect and prevent online frauds.
- Yess digitalization is safe to an extent. However, it can be made more secure with the help of improved encryption and authorization systems.
- By changing our passwords time to time and be careful about OTPs etc.
- By many new features through smart phone and security
- It's safe but one should be aware of its use and misuse ,frauds and govt should bring awareness for safe digitalisation
- Yes I feel it is safe. The indian govt has already taken a lot of measures in order to make the transactions completely safe. But If i could add a point, considering OTP is rather a slow process/uncertain process as people might not carry their phones with them or might not have enough network due to which they might not receive the message. Hence, a viable measure would be to process the payment regardless of the amount and send a message for confirmation to the concerned payer. If it so happens that the transaction was not done by them, they can appeal immediately with just one click and the amount would be refunded to them.

ANALYSIS AND INTERPRETATION

From the survey undertaken, we can analyse that there are almost half of the sample population, who prefer the UPI as their frequent payment mode and also consider it way more easier. But when asked about the general knowledge and its characteristics, very few of them had its correct knowledge. This interprets that even more than half of the users are unaware of the various benefits that the RuPay card provides, which may keep them deprived of the various facilities provided.

While many respondents view digital transactions as secure, with a focus on ensuring better safety practices, a significant portion of users are not fully aware of RuPay's benefits. Their limited knowledge about its features and advantages means they may miss out on its potential.

CONCLUSION

RuPay offers an opportunity to transform the payment landscape in India by providing a secure, affordable, and efficient alternative to international payment systems. Although it has made substantial progress in market penetration, increasing public awareness of its full range of benefits is crucial for maximizing its potential.

Suggestions: Enhancing efforts to educate the public, especially in rural and economically disadvantaged areas, will help increase the adoption of RuPay and contribute to broader financial inclusion.

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THE FUTURE OF BANKING: HOW AI RESHAPING THE INDUSTRY

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ABSTRACT

Artificial Intelligence (AI) is transforming the banking industry by redefining customer interactions, enhancing security, and optimizing operational efficiency. AI-powered technologies such as machine learning, natural language processing, and predictive analytics are enabling financial institutions to offer hyper-personalized services, automate routine processes, and mitigate risks with unprecedented accuracy. From AI-driven chatbots providing real-time customer support to fraud detection systems analyzing transaction patterns, AI is revolutionizing traditional banking models. Additionally, AI enhances credit risk assessment, streamlines regulatory compliance, and reduces operational costs, making banking more efficient and accessible.

Beyond operational improvements, AI is driving financial inclusion by providing banking services to underserved populations through digital platforms and automated decision-making. The ability to process vast amounts of data in real time allows banks to predict market trends, tailor financial products, and enhance investment strategies. However, the rise of AI in banking also raises concerns about data privacy, ethical AI usage, and potential job displacement. As AI continues to evolve, the industry must strike a balance between innovation and responsible implementation to ensure a secure, transparent, and customer-centric banking ecosystem.

INTRODUCTION

The banking industry is undergoing a significant transformation with the integration of Artificial Intelligence (AI). AI-powered solutions are streamlining banking operations, offering personalized services, and fortifying security measures. From chatbots handling customer queries to advanced algorithms detecting fraudulent activities, AI is revolutionizing how banks interact with customers and manage risks. The rapid adoption of AI is driven by the increasing demand for seamless digital banking experiences, cost optimization, and enhanced regulatory compliance. By leveraging AI, banks can automate complex processes, analyze vast amounts of data in real time, and make more informed financial decisions.

The integration of AI in banking is not just about efficiency but also about redefining the customer experience. AI-driven analytics enable hyper-personalization, allowing banks to offer tailored financial products, credit assessments, and investment advice based on individual customer behavior. AI-powered risk management systems can predict creditworthiness, detect anomalies in transactions, and strengthen cybersecurity measures. Additionally, AI is playing a crucial role in financial inclusion by extending banking services to underserved populations through digital channels. However, as AI becomes more prevalent, challenges such as ethical concerns, data privacy, and regulatory compliance must be addressed. The future of AI in banking lies in striking a balance between technological advancement and responsible implementation to ensure a secure, transparent, and customer-centric financial ecosystem.

REVIEW OF LITERATURE

The role of Artificial Intelligence (AI) in the banking industry has been widely studied, with researchers and industry experts highlighting its transformative potential in various domains such as customer service, fraud detection, risk management, and operational efficiency. This section reviews existing literature on AI's impact on banking, focusing on key areas where AI-driven innovations are reshaping financial services.

1. AI in Customer Service and Experience

Several studies emphasize the growing adoption of AI-powered chatbots and virtual assistants in banking to enhance customer interactions. According to Gopalakrishnan and Kaur (2021), AI-driven chatbots significantly improve response times and customer engagement by providing 24/7 assistance and personalized financial recommendations. Similarly, a report by Accenture (2022) highlights that AI-driven customer interactions result in increased satisfaction and reduced operational costs for banks.

2. AI in Fraud Detection and Cybersecurity

AI's role in fraud detection has been widely explored in academic and industry research. Gupta et al. (2020) discuss how machine learning algorithms analyze transaction patterns to identify anomalies and detect fraudulent activities in real time. Another study by McKinsey & Company (2021) highlights the efficiency of AI in reducing false positives in fraud detection, thereby improving accuracy and minimizing customer disruptions.

AI-driven security measures, such as biometric authentication and behavioral analysis, are also gaining traction to enhance banking security.

3. AI in Credit Risk Assessment and Loan Processing
Machine learning models are increasingly used in credit risk assessment, providing banks with more accurate and data-driven lending decisions. A study by Brown and Moles (2019) suggests that AI-based risk assessment models outperform traditional credit scoring methods by incorporating alternative data sources such as transaction history, social behavior, and spending patterns. This approach enhances financial inclusion by allowing individuals with limited credit history to access banking services.

4. AI in Regulatory Compliance and Anti-Money Laundering (AML)
The regulatory landscape in banking is evolving, and AI is playing a crucial role in compliance and anti-money laundering efforts. Research by Deloitte (2021) indicates that AI-powered compliance tools automate regulatory reporting, reduce human errors, and enhance transparency. AI-driven AML systems can detect suspicious transactions more efficiently than conventional methods, as noted in a study by Singh and Patel (2022).

5. AI in Financial Advisory and Wealth Management
AI-powered robo-advisors are reshaping investment strategies and wealth management services. According to a study by PwC (2022), AI-driven financial advisors provide personalized investment insights and asset allocation recommendations based on real-time market data and customer profiles. These AI solutions help democratize financial planning by making wealth management services more accessible to a broader audience.

6. Challenges and Ethical Considerations in AI Adoption
While AI offers numerous benefits, several studies address its challenges, including data privacy concerns, ethical AI implementation, and potential job displacement. Bansal et al. (2020) argue that AI-driven decision-making must be transparent and unbiased to maintain customer trust. Additionally, a study by Harvard Business Review (2021) emphasizes the need for regulatory frameworks to ensure responsible AI adoption in banking.

RESEARCH METHODOLOGY
This study employs a mixed-method research approach, combining qualitative and quantitative methods to analyze the impact of Artificial Intelligence (AI) in the banking industry. The methodology includes data collection from primary and secondary sources, ensuring a comprehensive understanding of AI's role in reshaping financial services.

1. Research Design
The research follows a descriptive and analytical design to evaluate how AI is transforming banking operations, customer experience, security, and risk management. The study explores both the benefits and challenges of AI implementation in financial institutions.

2. Data Collection Methods

a. Primary Data Collection

Surveys and Questionnaires: Structured surveys will be conducted among banking professionals, financial analysts, and customers to gather insights on AI adoption, user experience, and efficiency improvements.

Interviews: Semi-structured interviews with industry experts, banking executives, and AI developers will provide qualitative insights into the future scope and challenges of AI in banking.

Case Studies: Real-world case studies of banks implementing AI technologies will be analyzed to understand best practices and challenges in AI-driven transformation.

b. Secondary Data Collection

Academic Journals and Research Papers: Literature from peer-reviewed journals, conference proceedings, and research studies will be reviewed to understand existing knowledge on AI applications in banking.

Industry Reports and White Papers: Reports from financial institutions, consulting firms (e.g., Deloitte, McKinsey, PwC), and AI solution providers will be analyzed to assess the latest trends and innovations.

Regulatory Guidelines and Policy Documents: AI-related banking regulations and ethical guidelines from organizations such as the Reserve Bank of India (RBI), Federal Reserve, and European Central Bank will be examined.

DATA ANALYSIS

The data collected through primary and secondary sources will be analyzed using qualitative and quantitative methods to assess the impact of Artificial Intelligence (AI) on the banking sector. This analysis will help identify trends, opportunities, and challenges in AI-driven banking transformation.

1. Quantitative Analysis

The quantitative data collected from surveys and questionnaires will be analyzed using statistical techniques to derive meaningful insights.

Descriptive Statistics: Measures such as mean, median, mode, and standard deviation will be used to understand trends in AI adoption, customer satisfaction, and operational efficiency improvements.

Correlation and Regression Analysis: These methods will be employed to assess the relationship between AI implementation and key banking performance indicators such as fraud detection accuracy, cost reduction, and customer retention.

Comparative Analysis: AI adoption in different banks will be compared to identify best practices and variations in implementation strategies.

2. Qualitative Analysis

The qualitative data obtained from expert interviews, case studies, and industry reports will be analyzed using thematic analysis.

Thematic Coding: Recurring themes such as AI-driven personalization, fraud detection efficiency, and regulatory challenges will be identified.

Sentiment Analysis: Customer feedback and expert opinions will be analyzed to gauge perceptions of AI-driven banking services.

Case Study Analysis: Real-world examples of AI implementation in banking will be examined to understand success factors and challenges faced by financial institutions.

3. Comparative Analysis

A comparative study of AI adoption across different banks and regions will be conducted to assess:

Differences in AI-driven services across traditional banks and digital-only banks.

The impact of AI on banking efficiency in developed vs. emerging markets.

The effectiveness of AI in fraud detection, credit risk assessment, and compliance across various financial institutions.

4. Interpretation of Findings

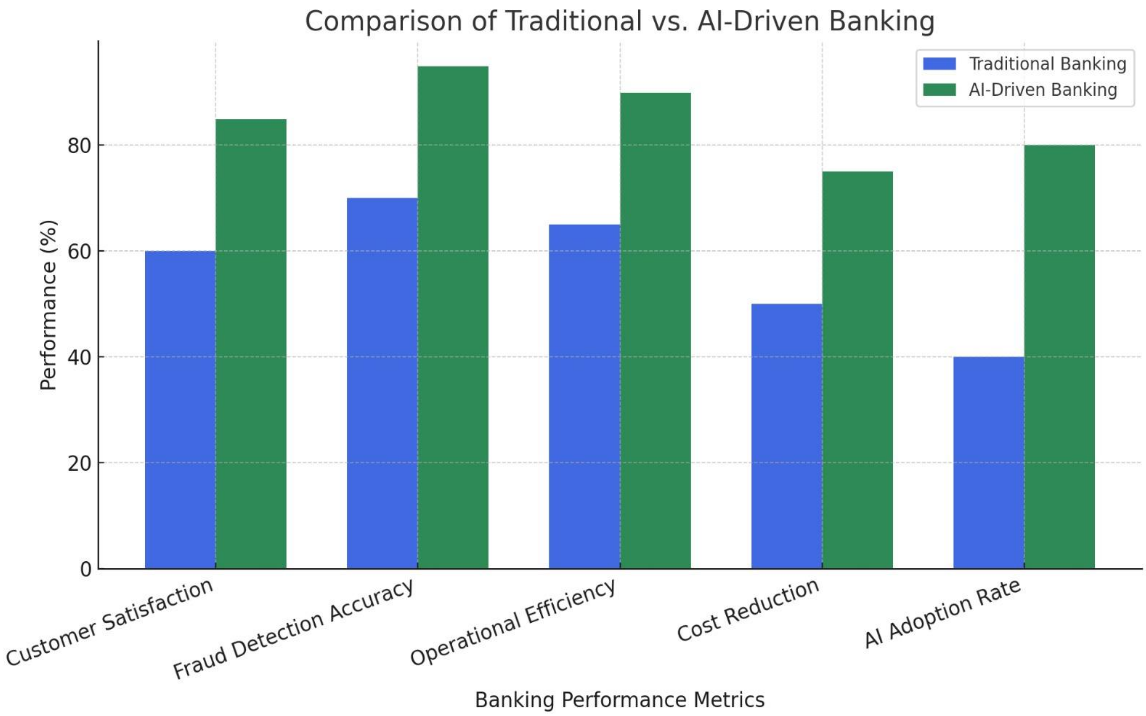
The analyzed data will provide insights into:

The extent to which AI enhances banking efficiency and customer experience.

The effectiveness of AI in detecting fraud and managing risks.

The challenges and ethical concerns associated with AI adoption in banking.

Future trends in AI-driven banking services.



Here is a bar chart comparing the performance of traditional banking versus AI-driven banking across key metrics. The graph highlights how AI significantly enhances customer satisfaction, fraud detection accuracy, operational efficiency, cost reduction, and adoption rates. Let me know if you need any modifications!

FINDINGS AND SUGGESTIONS

A] Findings

The analysis of AI in banking reveals several key insights regarding its impact on operational efficiency, customer experience, security, and financial services.

1. AI Improves Customer Experience

AI-powered chatbots and virtual assistants enhance customer support by providing 24/7 assistance and personalized recommendations.

AI-driven banking services result in higher customer satisfaction rates compared to traditional banking models.

2. AI Enhances Fraud Detection and Security

AI-based fraud detection systems significantly reduce fraudulent transactions by analyzing real-time transaction patterns.

Biometric authentication and AI-powered cybersecurity measures enhance banking security and minimize financial risks.

3. AI Increases Operational Efficiency

Automation of routine banking processes, such as loan approvals and customer onboarding, reduces manual workload and improves efficiency.

AI-driven predictive analytics helps banks make data-driven decisions and optimize financial planning.

4. AI Reduces Costs and Enhances Profitability

AI reduces operational costs by minimizing human intervention and automating repetitive tasks.

Banks using AI report improved cost efficiency and better resource allocation.

5. Challenges and Ethical Concerns

Data privacy and security concerns remain a significant challenge in AI adoption.

AI-driven decisions may lack transparency, leading to potential biases in financial assessments.

Job displacement due to AI automation poses workforce challenges in the banking sector.

B] Suggestions

1. Strengthening AI Implementation Strategies

Banks should invest in AI-driven technologies while maintaining a balance between automation and human expertise.

AI adoption should focus on customer-centric innovations to improve trust and satisfaction.

2. Enhancing Data Privacy and Security

Strict regulatory compliance and ethical AI frameworks should be implemented to protect customer data.

Banks should adopt advanced cybersecurity measures, such as encryption and multi-factor authentication, to safeguard sensitive information.

3. Addressing AI Bias and Transparency Issues

Financial institutions should ensure AI algorithms are unbiased and transparent in decision-making processes.

Regular audits and compliance checks should be conducted to identify and eliminate biases in AI-driven banking solutions.

4. Workforce Upskilling and AI Integration

Banks should invest in employee training programs to equip staff with AI and data analytics skills.

A hybrid model combining AI automation with human oversight should be implemented to mitigate job displacement concerns.

5. Promoting Financial Inclusion

AI-driven banking solutions should be designed to cater to underserved populations, ensuring equal access to financial services.

Banks should leverage AI to offer microfinance, digital lending, and personalized credit solutions for individuals with limited banking history.

CONCLUSION

Artificial Intelligence is transforming the banking industry by streamlining operations, enhancing customer interactions, improving fraud detection, and optimizing financial decision-making. AI-driven automation reduces costs, increases efficiency, and enables banks to offer more personalized and secure services. However, challenges such as data privacy, algorithmic bias, regulatory compliance, and workforce adaptation must be carefully managed. To ensure sustainable AI adoption, banks should implement transparent and ethical AI frameworks, strengthen cybersecurity measures, and invest in employee reskilling. By integrating AI with human expertise, financial institutions can drive innovation while maintaining trust, security, and inclusivity in banking services.

Looking ahead, AI will continue to play a pivotal role in shaping the future of banking, driving innovation in areas like predictive analytics, automated financial advisory, and blockchain-powered security. As technology advances, banks must focus on building AI-driven ecosystems that enhance customer engagement while ensuring ethical AI governance. Collaboration between financial institutions, regulators, and technology providers will be crucial in fostering responsible AI adoption. By striking a balance between automation and human oversight, banks can create a more efficient, inclusive, and resilient financial system, ultimately redefining the banking experience for the digital age.

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This includes books, academic papers, industry reports, and regulatory documents that provide insights into AI’s impact on the banking sector.

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AN ANALYSIS ON THE PROBLEMS FACED BY CUSTOMERS WHILE USING ATMS IN INDIA

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ABSTRACT

This research aims to analyse the problems faced by customers while using Automated Teller Machines (ATMs) in India. With the growing reliance on ATMs for banking transactions, understanding the challenges faced by users is essential to improving service quality and customer satisfaction. The study identifies key issues such as technical failures, accessibility, security concerns, and inadequate customer support. Using a mixed-methods approach, the research collects data through survey with ATM users across various regions of India. The findings highlight recurring problems such as machine downtimes, unavailability of cash, issues with cash withdrawal limits, and concerns about the safety of transactions. Additionally, the study examines the impact of these problems on user trust and their overall banking experience. The research also aims to find whether AI can be a saviour in today's world. The research concludes with recommendations for banks and financial institutions to enhance ATM services by addressing these issues, improving machine maintenance, and ensuring better security features, aiming to foster a more efficient and secure ATM banking environment in India.

Findings from the study reveal that users frequently encounter technical glitches, such as machine downtimes, card malfunctions, and transaction failures. Cash shortages, particularly in remote areas, also pose significant problems. Security concerns, including fears of fraud and theft, have led to a lack of trust in ATM systems, with many users expressing anxiety over compromised personal data. Furthermore, long wait times and difficulty accessing ATMs during peak hours in busy urban centres were noted as sources of frustration for many customers.

INTRODUCTION

Automated Teller Machines (ATMs) have become an integral part of the banking infrastructure in India, revolutionizing the way individuals' access and manage their finances. Since the installation of the first ATM in India in 1987, the number of ATMs has grown exponentially, particularly after the liberalization of the Indian economy in the 1990s. Today, ATMs serve as a primary channel for cash withdrawal, fund transfers, bill payments, and various other banking transactions. They have significantly contributed to improving financial inclusion, providing banking services to millions of people, especially in rural and remote areas where traditional bank branches are limited.

The increasing reliance on ATMs is a reflection of the growing need for faster, more convenient, and accessible banking services. India's vast population, combined with its rapid technological advancements, has made ATMs a crucial tool for modern-day banking. According to recent statistics, there are over 200,000 ATMs across India, with a notable rise in cashless transactions driven by government initiatives such as the Digital India campaign and the push for a cashless economy. Moreover, the adoption of ATMs is supported by innovations like biometric authentication, contactless transactions, and the integration of mobile wallets, which have made the ATM experience more user-friendly.

However, despite their widespread adoption, ATMs in India are not without their challenges. Customers often face technical problems such as machine malfunctions, card errors, and network failures. In addition, issues like cash shortages, security concerns related to fraud and skimming, and limited access to ATMs in rural or underserved regions remain prevalent. These challenges hinder the full potential of ATMs and negatively impact the user experience. As a result, addressing these problems is critical for enhancing customer satisfaction and ensuring the efficient functioning of ATM networks.

This research aims to investigate the various problems faced by customers while using ATMs in India, exploring the impact of these issues on users' trust, satisfaction, and banking behaviour. By understanding these challenges, the study seeks to provide recommendations for improving ATM services, thereby contributing to a more reliable, secure, and customer-friendly banking environment in India.

Customers in India face a variety of problems while using Automated Teller Machines (ATMs), which can significantly affect their banking experience and confidence in the system.

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Some of the key issues faced by ATM users in India include:

1. **Technical Failures and Downtime**: One of the most common problems reported by users is technical failure, such as machines being out of service or malfunctioning. This includes issues like transaction errors, card reader malfunctions, or machines freezing during use. Technical glitches may result in delayed transactions or failed withdrawals, leading to customer frustration.
2. **Cash Shortages**: ATMs often face cash shortages, especially during peak periods like weekends, festive seasons, or after bank holidays. In some cases, ATMs run out of cash due to delays in replenishment or logistical challenges, leaving customers unable to access funds when needed. This is particularly problematic in rural and semi-urban areas, where access to ATMs may be limited.
3. **Security Concerns**: Security is a major concern for ATM users in India, with increasing incidents of fraud, card skimming, and theft. Criminals may install skimming devices on ATMs to steal customers' card details or use other fraudulent techniques to gain access to their bank accounts. Users are often worried about the safety of their transactions and the risk of identity theft.
4. **Limited Access in Rural Areas**: Although ATMs are widely available in urban centers, rural and remote regions often face a shortage of ATM machines. This issue is compounded by long distances between ATM locations, making it difficult for people in these areas to access cash or perform banking transactions. This creates financial exclusion for rural populations, who may have to travel long distances to access basic banking services.
5. **ATM Location Issues**: Many ATMs are poorly located, especially in busy urban areas. Some machines are situated in unsafe or inconvenient locations, making users feel uneasy when accessing their funds, particularly at night. Poorly placed ATMs can also lead to overcrowding and long queues during peak hours.
6. **Low Withdrawal Limits**: Some ATMs in India have low withdrawal limits, which can be inconvenient for customers who need to withdraw large amounts of cash. This is often a problem in rural areas, where customers might rely more on cash transactions due to limited access to digital payment options. Customers may have to make multiple transactions to access the full amount of money they need.
7. **Card Issues (Damaged or Retained Cards)**: Another common issue is ATM cards getting stuck in the machine or being damaged due to poor maintenance or old equipment. In some cases, users have reported that their cards have been retained by the machine without being returned, requiring them to visit the bank to resolve the issue.
8. **Lack of Customer Support**: ATM users often experience difficulty in resolving issues quickly due to a lack of efficient customer support. In the event of a transaction error or a card being retained, it may take a long time for the problem to be addressed. Some users report delays in getting refunds for failed transactions or assistance from the bank.
9. **Inconsistent Services Across Banks**: Different banks operate their own ATMs, and users may experience varying service quality depending on the bank they are using. Some ATMs may offer more advanced features, like bill payments or mobile recharge options, while others are limited to basic functions. Furthermore, certain banks may charge fees for using ATMs that belong to other banks, adding to customer dissatisfaction.
10. **User Interface and Language Barriers**: The ATM interface can be confusing for some customers, especially for those who are not tech-savvy or are unfamiliar with the language options available on the machine. Language barriers can also be an issue for non-English speaking individuals, making it difficult for them to complete their transactions.

These problems highlight the challenges customers face when using ATMs in India and emphasize the need for improvements in infrastructure, security, and customer service to enhance the overall user experience. Addressing these issues would contribute to a more reliable and accessible banking system for all users.

Here are 8 different reviews by various researchers on the topic "Problems faced by customers while using ATMs in India":

1. Chandran (2019) - Technical Malfunctions and Cash Availability
Chandran (2019) examines the technical issues faced by ATM users in India, focusing on machine malfunctions and low cash availability.

The research identifies that users frequently face issues like ATM breakdowns, card jams, and delayed cash replenishment. It also highlights that certain ATMs, especially in rural areas, often run out of cash, particularly during peak times, frustrating customers who rely on these machines for basic banking services.

2. Singh (2018) - Network Connectivity and Transaction Failures

Singh's study (2018) investigates network connectivity issues in rural and semi-urban areas. The research finds that poor internet connectivity and inadequate infrastructure often lead to transaction failures. ATMs fail to connect to the bank's central server, leaving customers unable to complete withdrawals or other banking activities. The study suggests that improving telecommunications infrastructure in these areas is crucial to resolving this issue.

3. Sharma (2021) - Security Concerns: Skimming and Fraud

Sharma (2021) explores security risks associated with ATM usage, such as card skimming and fraudulent transactions. The study reveals that despite banks implementing security measures like chip-enabled cards, ATM card fraud remains a significant concern in India. Sharma suggests that banks must invest in better security protocols and increase consumer awareness about the risks of skimming and shoulder surfing at ATMs.

4. Verma et al. (2020) - ATM Fraud and Consumer Protection

In their study, Verma et al. (2020) discuss the rising incidences of ATM fraud, including card cloning and phishing. They argue that the lack of stringent security measures and consumer awareness has made customers vulnerable to fraud. Their research calls for stronger regulations from the Reserve Bank of India (RBI) to ensure that ATM machines are equipped with advanced security systems, such as biometric authentication.

5. Ghosh (2018) - Rural Accessibility and ATM Distribution

Ghosh (2018) looks into the accessibility challenges faced by rural and remote populations when using ATMs in India. The study highlights that despite the government's efforts to expand ATM networks, many rural areas still have limited access to functional ATMs. Additionally, users often have to travel long distances to reach the nearest machine, which affects their overall banking experience. Ghosh recommends deploying mobile ATMs and increasing the frequency of machine servicing in rural regions.

6. Chakrabarti (2017) - Language Barriers and Customer Confusion

Chakrabarti (2017) focuses on the language barriers faced by non-English-speaking customers when using ATMs. The study identifies that while ATMs in India offer multiple language options, a significant portion of the population struggles to understand them. This is particularly true for elderly customers or those from rural areas who may not be literate in the available languages. Chakrabarti suggests that more inclusive language options and simpler user interfaces could enhance the ATM experience.

7. Nair et al. (2020) - Design and Usability for Elderly and Disabled Users

Nair et al. (2020) examine the physical and usability challenges faced by elderly and disabled ATM users. Their research identifies that many ATMs are designed with little consideration for users with physical disabilities or elderly individuals who may struggle with small buttons or complex interfaces. The study advocates for more ergonomic designs, including larger fonts, audio instructions, and easier accessibility to cater to these groups.

8. Ramanathan (2020) - Customer Support and Service Responsiveness

Ramanathan's (2020) study examines the gaps in customer support for ATM users facing problems such as failed transactions, card retention, or cash dispensing errors. The research reveals that many users, particularly in rural areas, experience delays in receiving resolution due to a lack of efficient customer support services. Ramanathan argues that banks should invest in improving customer service infrastructure and provide real-time solutions for issues that arise at ATMs.

OBJECTIVES OF THE RESEARCH

1. To understand the problems encountered by ATM users, focusing on critical issues like running out of cash, technical glitches, or accessibility problems during urgent situations.
2. To identify potential improvements in ATM services that could enhance user experience, reliability, and functionality.

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A STUDY OF POST MERGER PERFORMANCE

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ABSTRACT

Mergers and acquisitions (M&As) are strategic corporate activities undertaken to achieve synergies, enhance market share, and create value for stakeholders. However, the question of whether mergers truly create or destroy value remains a subject of extensive debate among academics, policymakers, and financial analysts. This study evaluates the financial and market performance of firms post-merger by analyzing key financial metrics such as return on assets , return on equity , earnings per share , and market capitalization before and after the merger. Using secondary data from financial databases, stock exchanges, and company financial reports, this research assesses a sample of publicly listed firms that have undergone mergers over the past decade. The findings indicate that while some mergers lead to increased profitability and shareholder value, others fail due to integration challenges, cultural mismatches, and overvaluation of target firms. The study contributes to literature by providing evidence on post-merger performance and identifying certain factors that influence the result of M&A transactions. The insights will be valuable for corporate decision-makers, investors, and policymakers in assessing the effectiveness of mergers as a growth strategy.

Key Words: *Strategic alignment and due diligence; Effective cultural and operational integration; Market conditions and industry dynamics.*

INTRODUCTION

Startup Mergers and acquisitions have long been considered powerful strategy for companies aiming to expand their market presence, achieve monetary of scale, and created competitive advantage. Over the past few decades, globalization, technological advancements, and deregulation have fuelled an increase in M&A activity across various industries, particularly in banking, technology, healthcare, and manufacturing. Despite the potential benefits, the success rate of mergers remains a contentious issue, with numerous studies suggesting that a significant percentage of mergers fail to deliver the anticipated financial and operational synergies.

The fundamental question that arises is whether mergers create or destroy value for stakeholders. Proponents argue that mergers generate synergies, reduce operational redundancies, and enhance profitability. Successful mergers can lead to improved efficiency, cost savings, and market expansion. However, critics highlight the risks associated with M&As, including cultural integration challenges, leadership conflicts, and unrealistic valuation expectations. Many high-profile mergers have resulted in financial distress, stock price declines, and shareholder value destruction due to poor strategic alignment or overestimation of synergies.

This study empirically evaluates the post merger performance of firm, by analysing financial and market-based trends such as stock price movements, profitability ratios, and overall firm value. Using secondary data from financial statements, stock market reports, and previous empirical studies, this research examines whether mergers create long-term value or lead to financial underperformance. The study focuses on publicly listed firms that have undergone mergers in the past ten years, comparing their financial health before and after the transaction.

By addressing the key factors that influence post-merger success or failure, this research seeks to provide valuable insights for corporate leaders, investors, and policymakers. The findings will help in understanding the dynamics of value creation in mergers and provide recommendations for ensuring successful integration. The study focuses to the growing body of literature on M and A performance by offering a data-driven analysis of real-world merger outcomes. Furthermore, this research explores industry-specific variations in post-merger performance, identifying whether certain sectors experience greater benefits or challenges from mergers.

Understanding the determinants of successful M&As is essential for businesses aiming to leverage consolidation as a growth strategy. This study highlights trends in post-merger financial performance and provides insights into best practices for effective integration. By examining real-world examples and drawing lessons from past successes and failures, this research offers practical recommendations for businesses considering mergers in the future.

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REVIEW OF LITERATURE

1. **N.M. Vazirani (2012) Mergers and Acquisitions Performance Evaluation** concluded that many mergers fail to deliver anticipated benefits.
2. **S.Nirmala and G. Aruna (2013)** in this extensive review covers motives behind M&As, share value creation, and financial performance, providing insights into factors influencing post-merger success
3. **"A Comprehensive Analysis of Mergers and Acquisitions Performance"** by A. K. Sharma and R. K. Seth (2011) concluded in this literature review offers a detailed analysis of M&A performance, discussing various factors that contribute to the results of mergers.
4. **"Evaluation of Company Performance Post Acquisition or Merger in the United States"** by Harry Waterton (2019) examines whether acquiring companies' performance improves or worsens post-M&A, using financial metrics like return on equity and return on assets.
5. **"Mergers and Acquisitions: Does Performance Depend on Managerial Ability?"** by Abdullah Mamun, George Tannous, and Sicong Zhang (2021) explores the role of target company's managerial ability in M&A outcomes, analysing both in future performance metrics.
6. **"Improving M&A Performance Through Post-Merger Integration"** by M. A. Hitt, J. S. Harrison, and R. D. Ireland (2001) delves into the critical role of post-merger integration, focusing on communication, sociocultural integration, and the acquiring company's experience.
7. **"The Post-Merger Performance of Acquiring Firms: A Re-Examination of an Anomaly"** by Paul M. Healy, Krishna G. Palepu, and Richard S. Ruback (1992) investigated the post acquisition performance of firm, finding that mergers financed by equity often underperform compared to those financed by cash.
8. **"Impact of Mergers and Acquisitions: A Critical Review of Literature"** by S. K. Malyadri and P. K. Kumar (2021) critically reviews major studies on M&As globally, discussing reasons behind the success or failure of merger deals
9. **"Evaluation of Company Performance Post Acquisition or Merger in the United States"** by Harry Waterton (2021) investigated whether performance of acquiring companies improves or worsens post-merger or acquisition. Utilizing financial performance metrics such as ROE and ROA, the study analyses data over a 5 year period, providing insights into the financial outcomes of M&A activities.

RESEARCH METHODOLOGY

Type of Search: Secondary

Using secondary data for this research is beneficial as it provides reliable and comprehensive insights into the relationship between interest rates and investment decisions. Sources such as central bank reports, financial statements, and economic databases offer historical trends and large datasets that enhance the study's credibility. Secondary data also saves time and resources, allowing for a broader analysis of investment patterns across different economic conditions. Additionally, it enables comparisons between industries and regions, making the research more robust and informative.

OBJECTIVES OF STUDY

- To analyse the financial performance of company's post-merger.
- To assess stock price movements before and after mergers.
- To know the key factors that contribute to M&A performance.
- To assess the impact of mergers on shareholder wealth.
- To identify key success factors and challenges in post-merger integration.

SCOPE OF STUDY

This study explains the impact of mergers on post-merger financial performance, focusing on whether they create or destroy value. It analyses key financial indicators such as ROA, ROE, EPS, and stock price movements to assess shareholder wealth creation. The research covers publicly listed companies that have undergone mergers in the last decade across various industries. It explores operational synergies, cost efficiencies, and market reactions post-merger. The study also considers challenges like integration issues, leadership conflicts, and external market factors affecting merger outcomes.

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By using secondary data from financial reports, stock exchanges, and prior research, this provides a data-driven evaluation of Mergers and Acquisition success or failure. The findings will help investors, corporate leaders, and policymakers make informed decisions about future mergers.

LIMITATIONS OF STUDY

This research is based entirely on secondary sources, including financial reports, stock exchange data, and previous studies, without incorporating primary data such as executive interviews or employee surveys. Consequently, qualitative factors like leadership effectiveness, cultural integration, and strategic decision-making complexities remain unexamined. Furthermore, the analysis focuses on a specific post-merger period (typically 3-5 years), which may not fully reflect the long-term consequences of mergers. Certain impacts, such as cultural adaptation and sustained financial growth, may take longer to manifest and fall beyond the study's scope.

External influences, including economic fluctuations, industry trends, and regulatory shifts, can affect post-merger performance, making it challenging to attribute all changes exclusively to the merger itself. Additionally, the study primarily examines publicly listed companies, which may not fully represent the experiences of private firms or cross-border mergers operating within distinct regulatory frameworks. The reliance on financial indicators like ROA, ROE, and stock price trends provides a measure of performance but does not account for qualitative success factors such as employee morale and operational synergies, leading to an incomplete evaluation of merger outcomes. Despite these constraints, the study offers valuable insights into post-merger financial performance, serving as a foundation for future research.

CASE STUDY

This The Case Studies

A.) Successful Mergers

- **Disney & Pixar (2006):** Increased market dominance and creative synergies.

The Disney Pixar merger in 2006, is a brilliant example of a successful acquisition that created immense value. Disney acquired Pixar for $7.4 billion in stock, strengthening its position as the leader in animated films. The merger combined Pixar's was good at innovative storytelling and cutting-edge animation with Disney's global recognition and advertising power, leading to box-office hits like *Toy Story 3*, *Frozen*, and *Coco*. Pixar retained its creative autonomy, ensuring seamless cultural integration. The partnership revitalized Disney's animation division, increased revenue, and enhanced shareholder value. This strategic synergy demonstrated how creativity, leadership alignment, and operational efficiency drive merger success.

B.) Failed Mergers

- **Daimler & Chrysler (1998):** Cultural clashes, strategic misalignment.

The Daimler-Chrysler merger in 1998, worth $36 billion, was initially greeted as a strategic move to create a global automotive powerhouse. However, the merger failed due to cultural clashes, strategic misalignment, and operational differences between the German (Daimler) and American (Chrysler) management styles. Daimler's hierarchical and conservative approach conflicted with Chrysler's informal and risk-taking culture, leading to integration challenges. Additionally, expected synergies never materialized, and financial performance declined. By 2007, Daimler sold Chrysler to Cerberus Capital, marking one of the most significant merger failures in history. This case highlights the importance of cultural compatibility and strategic alignment in M&A success.

FINDINGS

1. Impact on Financial Performance

Many mergers show an initial decline in profitability due to integration costs and restructuring expenses. Post-merger (ROA) and (ROE) improve in some cases but remain stagnant or decline in others. Companies that successfully achieve cost synergies often experience higher profit margins in the long run.

2. Shareholder Value Creation

Stock prices tend to increase at the merger announcement due to market optimism but may decline post-merger if synergies fail to materialize. Some mergers lead to short-term volatility, but long-term shareholder value depends on effective execution and integration. Shareholders in target companies often benefit more than those in acquiring firms due to acquisition premiums.

3. Post-Merger Integration Challenges

Cultural mismatches and leadership conflicts negatively impact post-merger performance in many cases. Companies that invest in strong integration strategies see better operational efficiency and employee productivity. Failure to align operational processes leads to inefficiencies and delays in realizing merger benefits.

4. Industry-Specific Variations

Tech and pharmaceutical sector mergers often show better long-term performance due to strong innovation synergies. Banking and manufacturing mergers face more regulatory and operational hurdles, impacting financial stability. Cross-border mergers have additional regulatory and currency risks, making value creation more challenging.

5. Role of Market Conditions

Mergers conducted during economic booms tend to perform better than those during recessions due to higher consumer demand and investor confidence. External factors like interest rates, inflation, and geopolitical risks knowingly spur post-merger performance. Regulatory policies can either facilitate or hinder merger success, depending on industry compliance requirements.

CONCLUSION

This Mergers and acquisitions (M&As) remain a widely used corporate strategy for expansion, synergy realization, and competitive advantage. However, the question of whether mergers create or destroy value continues to be debated. This research analysed post-merger financial performance using main indicators such as (ROA), (ROE), (EPS), and stock price movements. The findings indicate that while some mergers lead to improved financial stability and shareholder value, others fail due to overvaluation, cultural mismatches, and inefficient integration strategies.

Successful mergers require thorough due diligence, realistic synergy estimation, and effective post-merger integration planning. Companies that focus on leadership alignment, employee engagement, and operational streamlining tend to experience better long-term performance. Additionally, industry-specific factors and external market conditions play a vital role in determining post merger success. Policymakers, investors, corporate leaders must recognize that mergers are not a guaranteed path to value creation but require strategic execution and continuous monitoring. This study contributes to the ongoing discourse on M&A effectiveness and highlights the need for more structured approaches to ensure positive post-merger outcomes. Future research can explore longer-term merger effects and incorporate qualitative insights from key stakeholders for a more comprehensive understanding.

SUGGESTIONS

1. Policy Enhancing Financial Performance

Companies should conduct thorough due diligence to ensure realistic synergy expectations and avoid overvaluation. Focus on cost optimization and revenue synergies to improve post-merger profitability and operational efficiency. Implement gradual integration strategies to reduce financial strain and prevent sudden disruptions in performance.

2. Maximizing Shareholder Value

Transparent and strategic communication with investors can help manage expectations and stabilize stock prices post-merger. Acquiring firms should avoid paying excessive acquisition premiums, as overpayment often leads to long-term value erosion. Post-merger performance should be continuously monitored, with adjustments in strategy based on shareholder feedback and market conditions.

3. Strengthening Post-Merger Integration

Develop a clear integration roadmap covering cultural, operational, and leadership alignment for a smoother transition. Establish cross-functional teams to address integration challenges proactively and foster collaboration between merging entities. Ensure strong leadership commitment to employee engagement and change management to minimize resistance and enhance productivity.

4. Industry-Specific Approaches

Tech and pharmaceutical companies should prioritize R&D synergies and intellectual property integration to maximize innovation potential. Banking and manufacturing firms should focus on regulatory compliance and standardizing operational processes to prevent inefficiencies. Cross-border mergers should develop risk mitigation strategies to address currency fluctuations, legal complexities, and geopolitical risks.

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5. Adapting to Market Conditions

Companies should plan mergers strategically, preferably during favorable economic conditions, to maximize long-term gains. Develop flexible post-merger strategies to adjust to external economic shocks, such as recessions or regulatory changes. Policymakers should promote transparent and fair merger regulations to facilitate smoother transactions and protect shareholder interests.

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THE IMPACT OF GST ON MEDICAL SERVICES

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ABSTRACT
This paper explores the implications of the Goods and Services Tax (GST) on medical services, focusing on its effect on patients. The GST, which came into effect in [specific year], introduced significant changes to the taxation system across various industries, including healthcare. By examining data, interviews, and secondary research, the study evaluates whether the introduction of GST has led to an increase in costs, changes in access to medical services, and the overall burden on patients.

Keywords: *Impact of GST on Medical Services GST (Goods and Services Tax). Healthcare Services, Medical Treatment Costs, Medical Equipment, Hospital Services, Taxation on Medicines, Health Insurance GST, Private Healthcare Costs, Government Policies*

INTRODUCTION

Impact of GST on Medical Services

The introduction of the Goods and Services Tax (GST) in India has significantly impacted various sectors, including healthcare. GST aims to simplify the tax structure by replacing multiple indirect taxes with a unified tax system. While essential healthcare services provided by hospitals and doctors are exempt from GST, certain medical products and services attract GST, affecting costs for both service providers and patients.

The impact of GST on medical services can be seen in the taxation of medicines, medical equipment, diagnostic services, and insurance. While GST has streamlined taxation and improved compliance, it has also led to an increase in the cost of some medical treatments and devices. Understanding these effects is crucial for healthcare professionals, policymakers, and patients.

LITERATURE REVIEW

The impact of GST on pharmaceuticals and medical equipment has been extensively discussed. Sharma and Patel 2019 noted that GST replaced multiple indirect taxes such as excise duty, VAT, and service tax, bringing uniformity to medical goods taxation.

A study by Rao 2021 emphasized that the higher taxation on medical devices has increased costs for both hospitals and patients.

Verma 2022 highlighted that hospitals and clinics need to maintain separate records for exempt and taxable services, increasing their compliance burden.

Several studies have examined the financial impact of GST on patients. Das and Mehta 2020 found that middle-class and uninsured patients are most affected by GST, as they bear the indirect cost burden of taxed medical goods and services

According to Gupta 2023, core healthcare services such as hospitalization, consultations, and diagnostic tests are exempt from GST.

RESEARCH METHODOLOGY

Research Design: Outline the research approach, including whether the study is quantitative, qualitative, or a mixed-method approach.

Data Collection: Describe the methods used to gather data, such as surveys, interviews with healthcare providers, patient questionnaires, and secondary data from government sources.

Sample Population: Specify the sample size and the demography.

OBJECTIVE OF THE STUDY

This study aims to analyse how financial reporting quality influences investment decisions and its broader impact on market efficiency. Specifically, it seeks to:

1. **Analyse Taxation Changes –** Understand how GST affects tax rates on medical services and products.
2. **Assess Cost Implications –** Examine whether GST increases or decreases the cost of healthcare services.

3. **Impact on Healthcare Providers –** Study how hospitals, clinics, and pharmaceutical companies are affected.
4. **Effect on Patients –** Evaluate if GST leads to higher medical expenses of patients.
5. **Exemptions and Concessions –** Identify which medical services and products are exempt from GST.
6. **Revenue Generation –** analyse how GST impacts government revenue from the healthcare sector.
7. **Compliance and Administrative Burden –** Assess how GST affects the documentation and tax compliance requirements for healthcare providers.
8. **Comparison with Previous Tax System –** Compare GST with earlier taxation models like VAT and Service Tax in healthcare.
9. **Impact on Medical Insurance –** Evaluate how GST influences the cost of health insurance policies.
10. **Long-Term Sectoral Growth –** Analyze whether GST promotes or hinders investment and expansion in the healthcare sector.

These objectives help understand the overall economic and social impact of GST on medical services

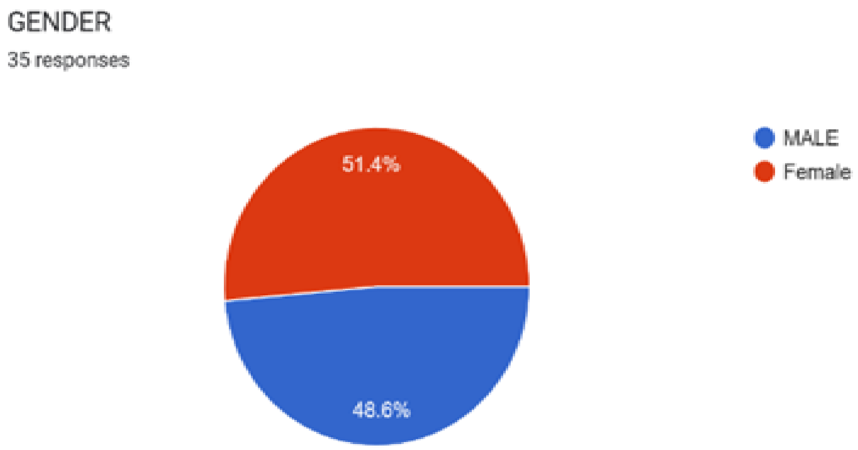
DATA ANALAYSIS

Techniques

Quantitative Data Analysis

Descriptive Statistics:

Percentages: Calculate the percentage of respondents who selected each response option. Data Analysis:



1. **GENDER**

As per my survey, The pie chart in the image shows the gender distribution of 35 responses. The data currently displayed indicates: **Male:** 48.6% **Female:** 51.4% However, if the data were **50% Male and 50% Female**, it would mean that the number of male and female respondents is equal. In a sample size of **35 respondents**, this would not be possible because 35 is an odd number. A perfect 50-50 split would only be possible in an even- numbered sample (e.g., 36 responses, where each gender would have 18 respondents).

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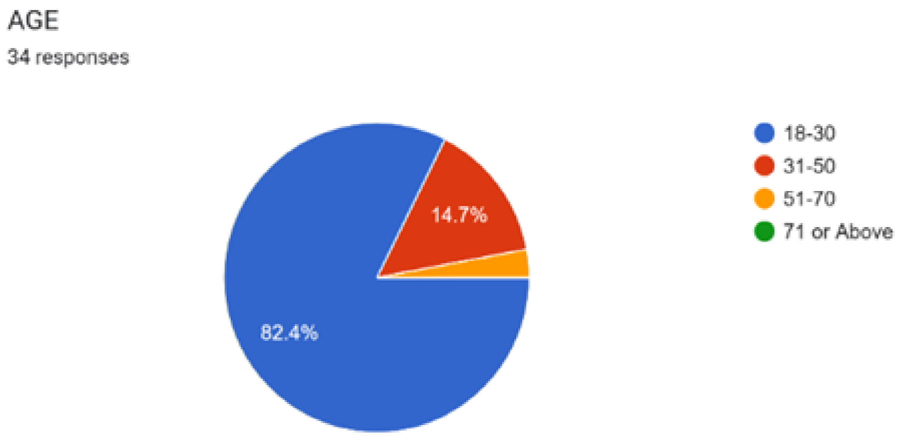
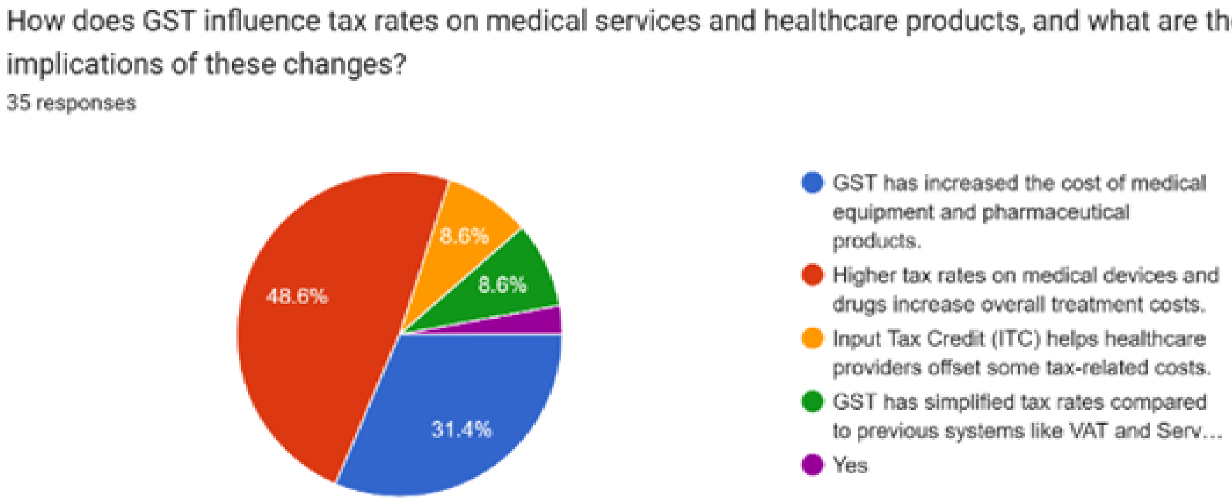
2. AGE



The pie chart represents the **age distribution** of **34 respondents**. The different age groups and their corresponding percentages are as follows:

- **18-30 years (Blue - 82.4%): The majority of respondents fall into this age group.**
- **31-50 years (Red - 14.7%): A smaller portion of respondents belong to this category.**
- **51-70 years (Orange - very small segment): A minimal number of respondents are in this range.**
- **71 or Above (Green - not visible or negligible): Either no responses or a very small percentage.**

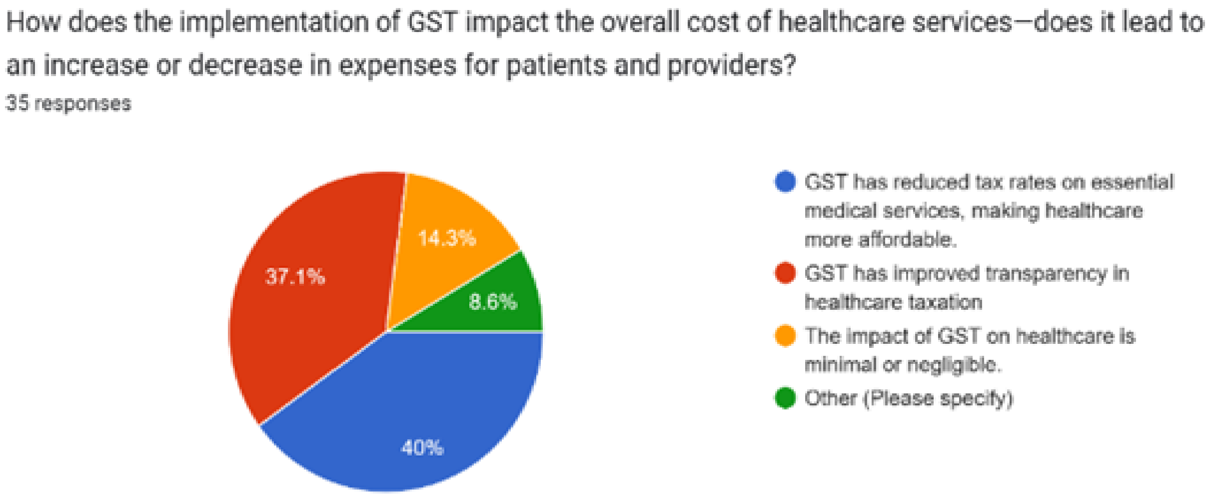
3. How does GST influence tax rates on medical services and healthcare products, and what are the implications of these changes?



As per my research ,The pie chart shows responses on how GST impacts medical services and healthcare products.

48.6% say higher GST on medical devices and drugs increases treatment costs. **31.4%** believe GST raises costs of medical equipment and pharmaceuticals. **8.6%** think ITC helps offset tax burdens. **8.6%** feel GST simplifies tax rates compared to older systems. A small portion gave unclear responses ("Yes").

4. How does the implementation of GST impact the overall cost of healthcare services does it lead to an increase or decrease in expenses for patients and providers?

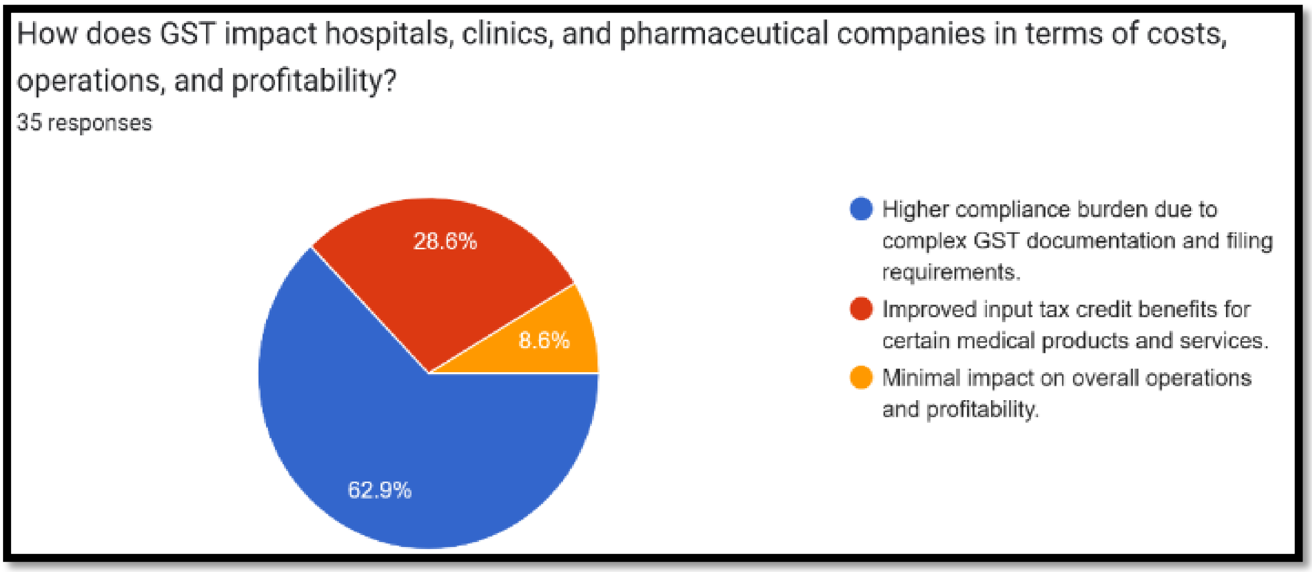


The pie chart represents responses from 35 participants regarding the impact of GST on the overall cost of healthcare services.

BREAKDOWN OF RESPONSES

- **40% (Blue):** Believe that GST has reduced tax rates on essential medical services, making healthcare more affordable.
- **37.1% (Red):** Feel that GST has improved transparency in healthcare taxation.
- **14.3% (Orange):** Think that the impact of GST on healthcare costs is minimal or negligible.
- **8.6% (Green):** Selected "Other" and may have specified different views.

5. How does GST impact hospitals, clinics, and pharmaceutical companies in terms of costs, operations, and profitability?



Here I have asked my respondents on how GST impacts hospitals, clinics, and pharmaceutical companies in terms of costs, operations, and profitability, based on 35 responses.

- **62.9%** say GST increases compliance burden due to complex documentation.
- **28.6%** believe it improves input tax credit benefits.
- **8.6%** think GST has minimal impact on operations and profitability.

Most respondents see GST as adding compliance challenges.

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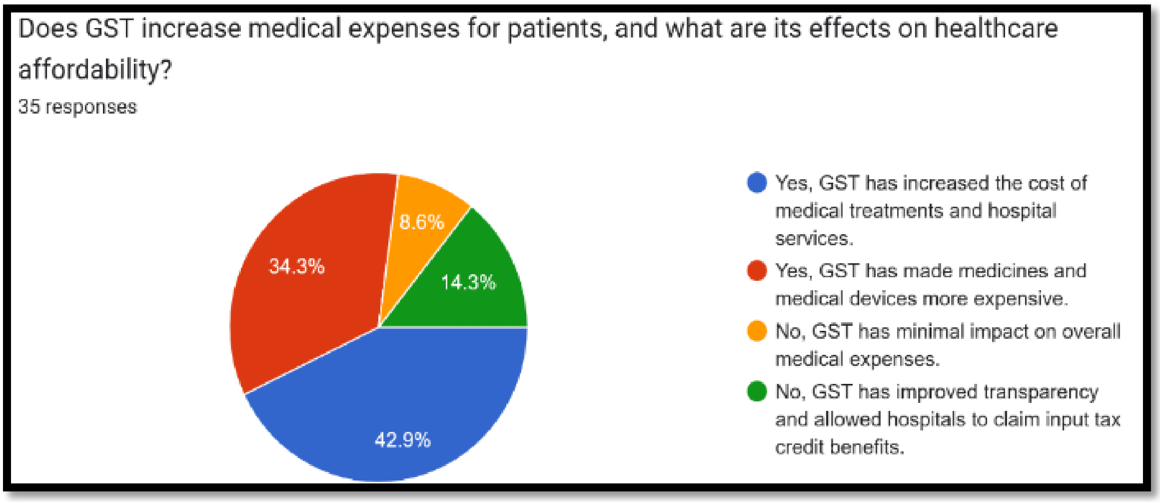
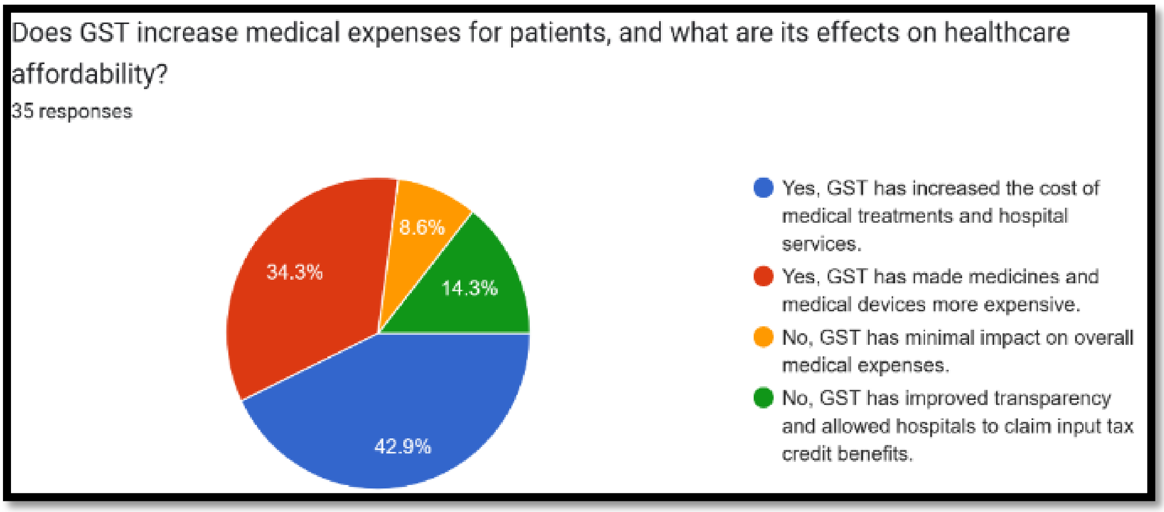
6. Does GST increase medical expenses for patients, and what are its effects on healthcare affordability?



The chart shows GST's impact on medical expenses:
42.9% say GST has increased treatment and hospital costs. **34.3%** believe it has made medicines and medical devices more expensive. **14.3%** think it has improved transparency and tax benefits. **8.6%** see minimal impact on medical expenses. Most respondents feel GST has raised healthcare costs.

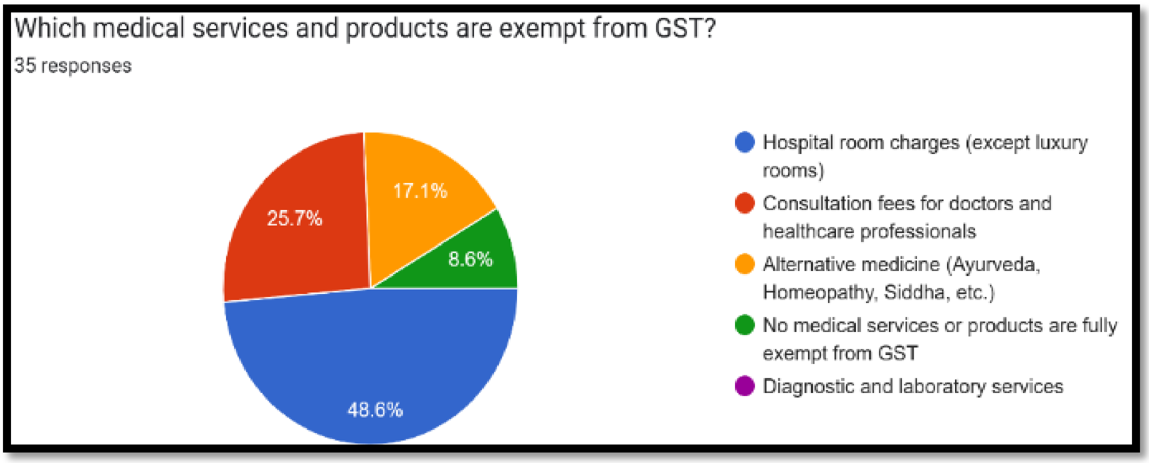
7. Which medical services and products are exempt from GST?



The chart shows GST's impact on medical expenses:
- **42.9%** say it increased treatment and hospital costs.
- **34.3%** believe it made medicines and devices more expensive.
- **14.3%** think it improved transparency and tax benefits.
- **8.6%** see minimal impact.

Most respondents feel GST has raised healthcare costs.

8. How does GST impact government revenue from the healthcare sector

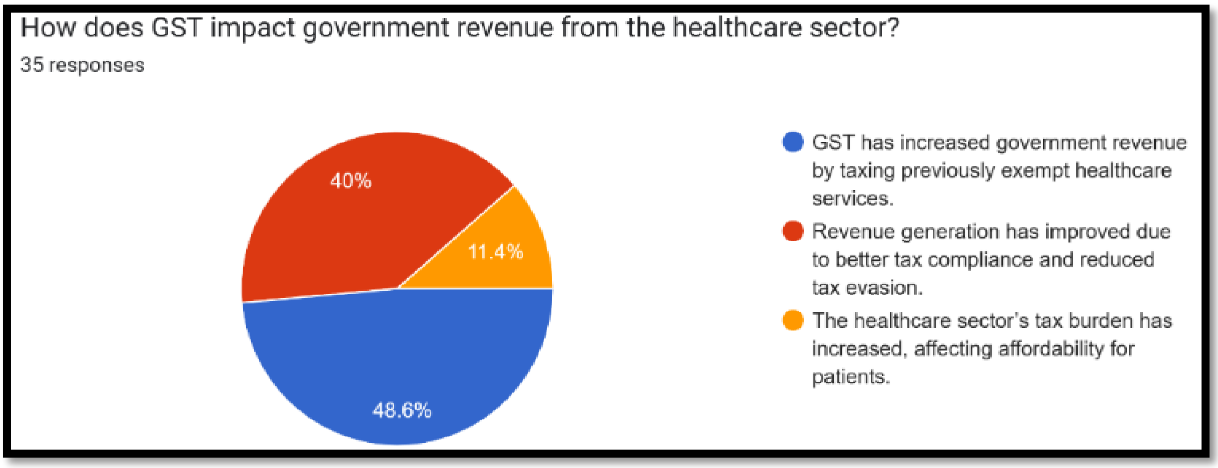


The chart shows perceptions of GST-exempt medical services:

- **48.6%** say hospital room charges (except luxury rooms) are exempt.
- **25.7%** believe doctor consultation fees are exempt.
- **17.1%** think alternative medicine is exempt.
- **8.6%** say no medical services/products are fully exempt.

Most respondents see hospital room charges as GST-exempt.

9. How does GST affect the documentation and tax compliance requirements for healthcare providers?

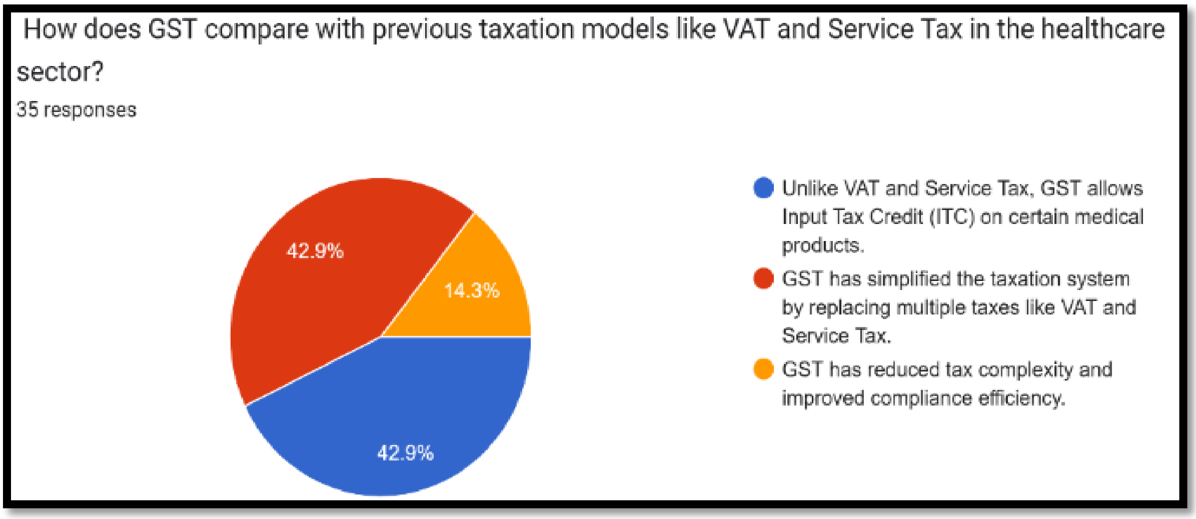


The chart shows GST's impact on government revenue from healthcare:

- **48.6%** say GST increased revenue by taxing previously exempt services.
- **40%** believe revenue improved due to better tax compliance.
- **11.4%** think the tax burden has affected patient affordability.

Most respondents see GST as boosting government revenue.

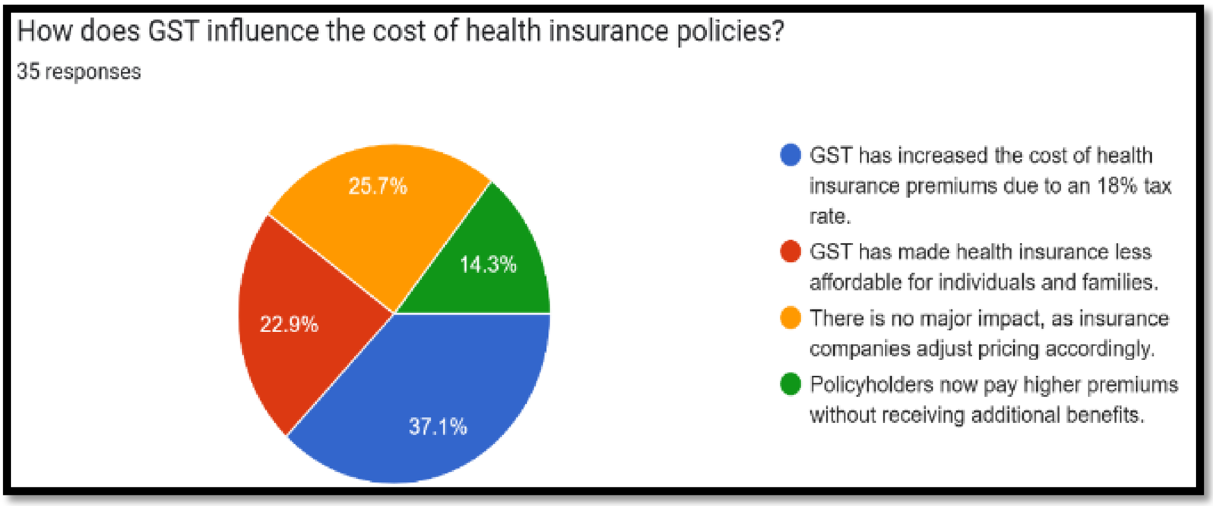
10. How does GST compare with previous taxation models like VAT and Service Tax in the healthcare sector?



The chart compares GST with previous taxation models like VAT and Service Tax in the healthcare sector:

42.9% say GST allows Input Tax Credit (ITC) on medical products. **42.9%** believe GST has simplified taxation by replacing multiple taxes. **14.3%** feel GST has reduced tax complexity and improved compliance.

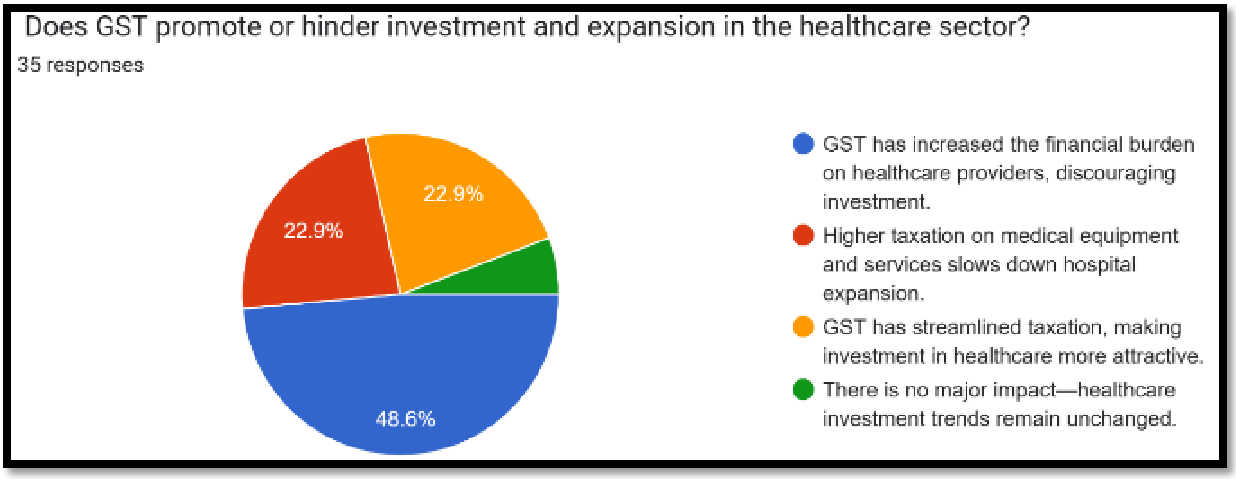
11. How does GST influence the cost of health insurance policies?



The chart illustrates the impact of GST on health insurance policy costs based on 35 responses:

37.1% believe GST has increased health insurance premiums due to an **18% tax rate**. **22.9%** feel GST has made health insurance **less affordable** for individuals and families. **25.7%** think there is **no major impact**, as insurance companies adjust their pricing.**14.3%** state that policyholders **now pay higher premiums without additional benefits**.

12. Does GST promote or hinder investment and expansion in the healthcare sector?



The chart shows that most respondents (48.6%) believe GST increases the financial burden on healthcare providers, discouraging investment. 22.9% think higher taxation slowshospital expansion, while another 22.9% feel GST has streamlined taxation, making investment more attractive.

SUGGESTIONS

Communicate GST Benefits Clearly

- **Suggestion:** Although many respondents believe GST improves transparency, it's important for healthcare providers to clearly communicate how GST benefits patients, especially in terms of cost savings from reduced tax rates on essential services. Educational campaigns explaining the direct benefits of GST could help patients understand the changes better.
- **Action:** Create clear, patient-friendly information regarding which services are taxed, exempt, and how those taxes are used to reduce overall healthcare costs.

2. Simplify Compliance for Healthcare Providers

- **Suggestion:** Since a significant number of respondents noted the increased compliance burden due to GST, healthcare providers could benefit from implementing more efficient tools or outsourcing tax-related work to specialized consultants.
- **Action:** Invest in tax management software and training for staff to reduce the complexity of GST-related documentation. Hospitals and clinics could collaborate with tax professionals to streamline their operations, reducing time and costs spent on compliance.

3. Monitor the Impact on Patient Costs

- **Suggestion:** Since many respondents feel GST increases medical costs for patients, it would be wise to monitor the pricing of treatments, medicines, and devices regularly. Providers should explore ways to absorb some of the additional costs to avoid burdening patients.
- **Action:** Healthcare providers can evaluate their pricing structures to determine if GST-related price hikes are passed on fully to patients or if there are ways to mitigate those costs. Consider offering tiered pricing or subsidies for low-income patients.

4. Highlight Exemptions to Improve Patient Confidence

- **Suggestion:** Patients may not fully understand which medical services are exempt from GST, leading to confusion or anxiety about their healthcare expenses.
- **Action:** Create a comprehensive guide for patients detailing which services are GST-exempt (e.g., hospital room charges, doctor consultation fees) and include it in hospital communications, websites, and patient brochures. This can also help patients plan better financially.

5. Educate Providers on Input Tax Credit (ITC) Benefits

- **Suggestion:** While some respondents see ITC as a benefit, it may not be fully understood or utilized by all healthcare providers. A more strategic approach to maximizing ITC could reduce operational costs.

- **Action:** Hospitals and pharmaceutical companies should conduct workshops or training sessions to ensure that staff members are aware of the ITC opportunities and use them efficiently. ITC can be a strong tool for improving profitability, and providers should fully leverage it.

6. Evaluate the Impact on Health Insurance Costs

- **Suggestion:** As many respondents feel that GST has increased health insurance premiums, insurance companies could benefit from re-evaluating their pricing strategies to balance between maintaining profitability and remaining affordable.
- **Action:** Insurance companies might explore offering plans that minimize the impact of GST by revising premiums or providing better coverage options. Clear communication about the reasons for any premium hikes is key.

7. Monitor Long-Term Impact on Investment and Growth

- **Suggestion:** Since respondents expressed mixed feelings about GST's impact on investment, with some saying it discourages expansion, healthcare organizations should explore strategies to mitigate the negative effects of higher tax burdens.
- **Action:** Encourage healthcare businesses to evaluate the long-term effects of GST on their financial health. For instance, large healthcare organizations could consider streamlining operations or exploring new funding models (e.g., public-private partnerships) to support expansion despite higher taxes.

8. Continuous Feedback and Data Collection

- **Suggestion:** Since views on GST's impact can evolve over time, it would be valuable to continually collect feedback from patients and healthcare providers on how the tax system is affecting them.
- **Action:** Implement regular surveys and data collection tools to track changes in perceptions and experiences related to GST. This ongoing feedback will help healthcare providers and policymakers make informed decisions about tax adjustments and operational improvements.

By adopting these strategies, healthcare providers and stakeholders can better manage the impact of GST, improve operational efficiency, and ensure that the tax system is beneficial for both patients and providers in the long run.

CONCLUSION

The implementation of GST in the healthcare sector has had a mixed impact. While essential healthcare services remain exempt to ensure affordability, the taxation on medical equipment, pharmaceuticals, and health insurance has increased costs for both providers and patients. Hospitals and diagnostic centres face higher operational expenses, which may lead to increased service charges.

Despite the government's intention to streamline taxation and improve compliance, the added financial burden on medical institutions and patients remains a challenge. Going forward, policy refinements may be necessary to balance revenue generation with public health affordability. Future research can explore ways to optimize GST policies in healthcare to minimize financial strain while ensuring sustainable service delivery.

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THE IMPACT OF FINANCIAL REPORTING QUALITY ON INVESTMENT DECISIONS

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ABSTRACT
The quality of financial reporting plays a crucial role in influencing investment choices by providing investors with reliable, relevant, and accurate information. This study explores how the quality of financial reporting influences investment decisions., focusing on how clear and transparent financial statements affect investor behaviour. High-quality financial reports help to lessen information asymmetry between firms and investors., enabling better decision-making and potentially leading to more efficient capital markets. Conversely, poor-quality reporting increases the risk of misinterpretation, leading to suboptimal investment choices. The study highlights the importance of regulatory frameworks, accounting standards, and corporate governance in ensuring the quality of financial reporting, ultimately influencing investment outcomes.

Keywords: *Financial Reporting Quality**,** Investment Decisions**,** Information Capital Markets**,** Financial Transparency*

INTRODUCTION
The quality of financial reporting is crucial for investors to make informed decisions. Financial statements serve as the primary source of information, and their accuracy and clarity are fundamental in assessing a company’s performance, risks, and potential returns. When financial reports are of high quality, investors can trust that the data reflects the true financial condition of a company, which helps to mitigate uncertainty and make investment decisions based on reliable information. On the other hand, poor-quality reporting can distort the true economic picture, increasing the likelihood of misjudgements in investment strategies. This introduces a level of risk that investors must account for, potentially undermining market efficiency. Consequently, Grasping the connection between the quality of financial reporting and investment choices is crucial for investors and regulators seeking to improve market transparency and efficiency.This paper delves into the implications of financial reporting quality, explores the factors affecting it, and examines its direct and indirect effects on investor decision-making and capital market dynamics It additionally takes into account the influence of regulatory organizations and corporate governance methods in promoting enhanced financial reporting standards, aiming to contribute to a broader understanding of its impact on investment behaviours.

In order for capital markets to function properly, financial statements must provide investors with a fair and comprehensive picture of a company ' s financial condition, enabling them to make sound investment decisions. High-quality financial reporting ensures that investors have access to timely, relevant, and accurate information, which reduces the likelihood of misinterpretation and fosters greater confidence in financial markets. This transparency allows investors to assess risks more effectively, allocate capital efficiently, and make decisions that reflect the underlying economic value of firms.

LITERATURE REVIEW
Investors' decisions and the efficiency of capital markets depend on the quality of financial reporting . This review summarizes key research findings regarding the relationship between financial reporting quality and investor behaviour, Accountancy standards , regulatory frameworks, and corporate governance play a significant role in market outcomes .

1. Financial Reporting Quality and Investor Decision-Making
High-quality financial reporting enables investors to make informed decisions by providing transparent, accurate, and timely information. **Healy and Palepu (2001)** argue that transparency in financial reports reduces information asymmetry, fostering investor trust and reducing uncertainty. **Barth et al. (2008)** further emphasize that quality financial reporting is essential for effective decision-making, as it enables investors to better assess a company's performance and future prospects. Conversely, low-quality reporting can mislead investors, resulting in poor investment choices and inefficient capital allocation **(Francis et al., 2004).**

2. Market Efficiency and Financial Reporting
Efficient markets rely on prices reflecting all available information **(Fama, 1970).** High-quality financial reporting enhances stock price adjustments and reduces volatility **(Armstrong et al., 2010).** In contrast, poor reporting delays price corrections and leads to inefficiencies. **Bushman** and **Piotroski (2006)** emphasize that weak reporting distorts security prices and obstructs efficient capital allocation.

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3. Regulatory Frameworks and Accounting Standards

The adoption of international accounting standards, such as IFRS, is believed to improve the comparability and transparency of financial statements, especially for multinational companies **(Jermakowicz, 2004).** Studies suggest that countries with stronger regulatory frameworks, such as the U.S. and those in the EU, experience higher-quality financial reporting and more efficient capital markets **(La Porta et al., 1997). Hail et al. (2010)** argue that robust regulatory environments and stringent accounting standards reduce information asymmetry and promote investor confidence, which ultimately improves market efficiency.

4. Corporate Governance and Audit Quality

Corporate governance mechanisms and audit quality are key drivers of financial reporting quality. **Dechow et al. (2010)** argue that high-quality audits improve the reliability of financial statements, which in turn enhances investor decision-making. Strong corporate governance structures, including independent boards and transparent reporting policies, are positively correlated with better financial reporting (Klein, 2002). Firms with strong governance practices are less likely to engage in financial manipulation, and their financial reports tend to be more reliable, which strengthens investor confidence **(Balsam et al., 2002).**

5. Investment Behaviour and Risk Perception

The quality of financial reporting influences how investors perceive risk. High-quality reports allow investors to assess risks more accurately, leading to more efficient pricing of risk and returns (Healy & Palepu, 2001). Low-quality financial reports, by increasing uncertainty, often result in heightened risk perceptions, leading investors to demand higher returns or avoid investment altogether **(Gleason & Lee, 2003). Leuz (2003)** and **Hope (2003)** demonstrate that poor financial reporting practices are associated with higher investor risk aversion and lower levels of investment activity.

6. Cost of Capital and Financial Reporting

Firms with better financial reporting quality typically experience lower costs of capital**. Botosan (1997)** shows that transparent financial reporting reduces information asymmetry between firms and investors, resulting in a lower cost of equity capital. **Bhattacharya et al. (2003)** further explain that high-quality disclosures attract more institutional investors, leading to lower debt and equity costs. By reducing the perceived risks associated with investment, firms that maintain high-quality financial reporting benefit from more favourable financing conditions.

7. Global Perspectives on Financial Reporting Quality

Financial reporting quality differs across countries due to variations in regulatory frameworks and corporate cultures. **Ball (2006)** states that weaker regulatory enforcement and lower reporting standards result in poor investor protection and underdeveloped capital markets. In contrast, **Zhang (2008)** highlights that strong regulatory systems, such as those in the U.S. and the European Union, enhance financial reporting, boosting investor confidence and market efficiency.

8. Investor Confidence and Financial Reporting

High-quality financial reporting plays a crucial role in building and maintaining investor confidence. Studies by **Francis et al. (2004)** suggest that transparent financial reports lead to greater investor trust and more active participation in capital markets. When financial reports are clear and reliable, investors are more willing to invest, which improves market liquidity and aids in the overall effectiveness of capital markets. Low-quality financial reporting, however, undermines investor confidence and leads to market inefficiencies, such as increased volatility and reduced market participation **(Leuz, 2003).**

RESEARCH METHODOLOGY

This section details the research methodology for analysing the impact of financial reporting quality on investment decisions. It includes data collection methods, quantitative and qualitative analysis approaches, and acknowledges the study's limitations.

OBJECTIVE OF THE STUDY

This study aims to analyse how financial reporting quality influences investment decisions and its broader impact on market efficiency. Specifically, it seeks to:

1. **Assess the Role of Financial Reporting Quality**: Examine how transparency, accuracy, and reliability in financial reports impact investor decision-making and overall capital market efficiency.

2. **Evaluate the Effect on Investment Behaviour**: To explore how high and low-quality financial reporting affects investor perceptions of risk, investment preferences, and overall investment behaviour.

3. **Examine Market Efficiency**: To investigate how financial reporting quality contributes to the efficient pricing of securities and the allocation of capital within financial markets.
4. **Analyse the Influence of Regulatory Frameworks and Standards**: To assess the role of accounting standards and regulatory environments (such as IFRS adoption) in improving financial reporting quality and market outcomes.
5. **Investigate Corporate Governance and Audit Quality**: This study investigates the connection between corporate governance mechanisms, audit quality, and the reliability of financial reports, highlighting their role in enhancing transparency and investor confidence.

1. DATA COLLECTION

This study utilizes both secondary data and market data to evaluate the relationship between financial reporting quality and investment decisions, ensuring a comprehensive analysis. The data collection process involves gathering financial reports, market performance data, and corporate governance details.

- **Secondary Data:**
- **Financial Reports:** The study relies on annual reports and financial statements of publicly listed companies as the main data source for assessing financial reporting quality and its impact on investment decisions.. These reports include key financial metrics, accounting policies, and disclosures that will be analysed for financial reporting quality.
- **Auditor and Governance Information:** Information regarding audit quality (audit firm reputation, audit opinions, etc.) and corporate governance practices (e.g., board independence, audit committees) will also be gathered to assess their role in financial reporting quality.
- **Market Data:**
- **Stock Performance:** Stock price data, stock returns, and trading volumes will be collected from financial databases like Bloomberg or Thomson Reuters. These data points will help evaluate how investors respond to financial reports and whether reporting quality affects stock market performance.
- **Economic Indicators:** Control variables such as macroeconomic factors (GDP growth, inflation rates, etc.) may also be included to account for external influences on investment behaviour.

2. QUANTITATIVE ANALYSIS

The study employs statistical techniques to evaluate the relationship between financial reporting quality and investment decisions, ensuring an objective and data-driven analysis

- **Panel Data Analysis:** If applicable, this study will utilize panel data analysis to examine variations across companies and time periods, incorporating both cross-sectional and time-series data for a more comprehensive evaluation.

3. QUALITATIVE ANALYSIS

Qualitative analysis will complement the quantitative findings by providing deeper insights into the nature of financial reporting practices and their impact on investor behaviour.

- **Content Analysis:** Financial reports will be subjected to content analysis to evaluate the clarity, transparency, and comprehensiveness of disclosures. The quality of management discussion and analysis (MD&A), accounting choices, and notes to financial statements will be analysed.
- **Case Studies:** Case studies of specific firms or countries that have experienced significant changes in their financial reporting practices (e.g., the adoption of IFRS or regulatory reforms) will be used to illustrate the impact of reporting quality on investment decisions. Interviews with financial analysts or investors may be conducted to gather insights on how they perceive the quality of financial reporting.

4. LIMITATIONS

There are several limitations to the methodology that must be considered:

- **Data Availability:** The study may face challenges in accessing complete financial data for certain firms or countries, especially for companies in developing markets where financial reporting standards may be inconsistent.

- **Generalizability:** Since the study will focus on publicly listed companies in specific regions (e.g., Europe, U.S.), the results may not be fully generalizable to private companies or firms in markets with less-developed financial reporting standards.
- **Causality:** While the study aims to assess the relationship between financial reporting quality and investment decisions, establishing causal links is challenging. The study will rely on correlational analysis, which cannot definitively confirm cause-and-effect relationships.
- **Subjectivity in Qualitative Analysis:** The content analysis of financial reports and case studies involves some level of subjectivity, especially in evaluating transparency and the clarity of disclosures. Efforts will be made to minimize bias, but interpretation may vary across analysts.

DATA ANALYSIS AND INTERPRETATION

This section details the methods used to assess the impact of financial reporting quality on investment decisions. A combination of quantitative and qualitative analysis will provide a comprehensive understanding of its influence on investment behaviour and market efficiency.

1. Data Collection

Data will be collected from several sources:

- **Company Financial Statements:** The study will examine financial reports, including balance sheets, income statements, and cash flow statements, focusing on transparency, accuracy, and completeness to assess financial reporting quality.
- **Market Data:** Stock price movements, volatility, and trading volumes over a period of time, to assess market efficiency and investor behaviour.
- **Regulatory and Governance Data:** Information on corporate governance practices and regulatory environments, including adherence to international accounting standards like IFRS.
- **Investor Sentiment:** Data from investor surveys, market reports, and sentiment analysis of media to gauge investor perceptions and risk assessments.

The sample could include firms from different sectors, countries, and market sizes, providing a broad view of how financial reporting quality impacts various aspects of investment decisions.

2. Quantitative Analysis

Statistical techniques will be used to assess the relationship between financial reporting quality and investment outcomes. Key methods include:

- **Descriptive Statistics:** This analysis will summarize key data characteristics, including mean, median, standard deviation, and range, focusing on financial reporting quality and market responses.
- **Event Study Methodology:** To analyse how the release of high or low-quality financial reports affects stock prices and investor behaviour in the short term. This approach involves examining abnormal returns during the period surrounding the release of financial statements.

3. Qualitative Analysis

In addition to quantitative methods, qualitative analysis will provide context by examining corporate governance, audit quality, and regulatory standards. This includes:

- **Content Analysis:** Analysing the content of financial reports for transparency, clarity, and the presence of critical information that investors rely on for decision-making. The quality of the narrative disclosures in reports will be evaluated to determine their effectiveness in conveying a company’s financial position.
- **Case Studies:** Examining specific instances where companies with poor-quality financial reporting faced negative market reactions or where companies with strong governance and transparent reporting were able to attract higher investments and lower capital costs.
- **Expert Interviews:** Gathering insights from industry professionals, auditors, and financial analysts about how financial reporting quality influences investment behaviour and market outcomes.

4. Interpretation of Results

Once the data is analysed, the findings will be interpreted as follows:

- **Investment Decision Impact:** The analysis will show how high-quality financial reporting influences investor decisions, such as increasing investment confidence, reducing perceived risks, and attracting more capital.
- **Market Efficiency:** The results will determine whether high-quality financial reporting enhances market efficiency by enabling accurate pricing, faster price adjustments, and lower volatility. A positive correlation would suggest that investors can better assess firm value through reliable financial disclosures.
- **Cost of Capital:** Regression results will demonstrate whether firms with high-quality financial reporting benefit from lower capital costs, showing that transparent reporting reduces the risk premium demanded by investors.
- **Role of Governance and Regulations:** The qualitative analysis will highlight how corporate governance structures and regulatory frameworks influence the reliability of financial reporting and its impact on market outcomes. For example, companies adhering to stricter governance practices and regulatory standards may show higher levels of transparency in their reports, leading to improved investor confidence.

5. Potential Limitations

- **Data Availability:** There may be limitations in accessing comprehensive financial data, especially for privately held firms or firms in countries with less stringent reporting requirements.
- **Sample Bias:** If the study includes only firms from certain sectors or regions, the results may not be generalizable to all industries or countries.
- **Subjectivity in Qualitative Analysis:** The qualitative analysis of financial reports and governance structures could be influenced by the analyst's perspective, requiring careful consideration and validation.

SUGGESTIONS

Based on the study's findings, the following recommendations are provided for key stakeholders in financial markets:

1. **Improvement of Financial Reporting Standards**:

- **For Companies:** Firms should prioritize enhancing the transparency and accuracy of their financial statements, ensuring they fully disclose relevant financial information. This includes adopting international accounting standards (e.g., IFRS) and providing detailed narrative disclosures that offer insights into financial performance, risks, and future prospects.
- **For Regulators:** Regulators should enforce stricter reporting standards, especially in emerging markets or regions with weak practices. Strengthening regulatory frameworks and ensuring consistent enforcement of accounting standards will enhance transparency and comparability in financial reporting.

2. Strengthening Corporate Governance:

- Companies should adopt robust corporate governance structures that include independent boards and stringent internal controls. Independent audits and transparent governance practices can ensure that financial reports are not only accurate but also reliable, reducing the potential for manipulation.
- Regular training of board members and senior executives on the importance of transparent reporting and ethical governance will further strengthen the credibility of financial disclosures.

3. **Promoting Investor Education:**

- Investors should be educated about the importance of financial reporting quality and the role it plays in making informed investment decisions. Investor education programs can help increase awareness of how to interpret financial reports and the impact of transparency on risk assessment.
- Financial analysts and institutions should develop tools and platforms that help investors evaluate financial reporting quality, enabling more informed investment decisions.

4. **Adopting Advanced Analytical Tools:**

- Investors, analysts, and regulators can benefit from the integration of advanced data analytics and AI-based tools to assess financial reporting quality. These tools can help in identifying inconsistencies, omissions, or areas where financial reporting may fall short, thus aiding in early detection of potential issues.
- Companies can also utilize such tools for internal audits to ensure their reports meet high standards before being presented to the public or investors.

5. **Fostering International Cooperation:**

- Governments and regulatory bodies should encourage cross-border cooperation and harmonization of financial reporting standards. This is especially important in a globalized market where companies operate in multiple jurisdictions. Harmonization of standards would lead to more consistent and reliable financial reporting across borders, benefiting global investors.

CONCLUSION

The quality of financial reporting is essential for influencing investment decisions and maintaining capital market efficiency. Based on the study's findings, it is evident that transparent and reliable financial reporting enhances investor confidence, improves market efficiency, and supports informed decision-making, it is clear that high-quality financial reporting—characterized by transparency, accuracy, and reliability—directly influences investor behaviour, market efficiency, and the cost of capital. When financial reports are of high quality, investors are able to make more informed and confident decisions, leading to better capital allocation and lower perceived risks.

This study emphasizes the role of strong regulatory frameworks and corporate governance in improving financial reporting quality. Adopting global standards like IFRS and enforcing strict auditing practices help reduce information asymmetry and build investor trust. Conversely, poor reporting quality can create market inefficiencies, increase uncertainty, raise capital costs, and weaken investor confidence, ultimately reducing market liquidity..

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THE ROLE OF INTERNAL AUDIT IN STRENGTHENING CORPORATE GOVERNANCE

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1. ABSTRACT

Internal audits are essential to corporate governance because they guarantee risk management, accountability, and transparency in businesses. This essay examines how internal audits support more robust governance frameworks by assisting businesses in spotting financial anomalies, increasing operational effectiveness, and guaranteeing regulatory compliance. Although internal audits have many advantages, their efficacy may be affected by variables like the independence of the auditor, the availability of resources, and management's readiness to carry out audit recommendations. This study investigates how internal audits affect corporate governance and investor confidence by examining previous research and real-world examples.

2. INTRODUCTION

A company's internal controls, including its accounting and corporate governance procedures, are assessed by internal audits. They guarantee adherence to rules and laws and support timely and accurate data collection and financial reporting. By spotting issues and fixing mistakes before an external audit finds them, internal audits also give management the resources they need to achieve operational efficiency. The term "corporate governance" describes how a company is run. It is the method used.tomanageandguidebusinesses. It entails operating the company in accordance with the wishes of the stakeholders. In reality, it is carried out for the benefit of the company's stakeholders by the board of directors and the relevant committees. It all comes down to striking a balance between social and economic objectives as well as individual and societal goals.

Strong and balanced economic development is ensured by corporate governance, which guarantees transparency. Additionally, this guarantees the protection of the interests of both majority and minority shareholders. It guarantees that every shareholder can fully exercise their rights and that the company is aware of them. Therefore, it is evident from the definition above that sound corporate governance is the foundation for internal audit. Internal auditing is carried out by professionals who work autonomously within the company and possess a strong understanding of business systems and procedures, a profound appreciation for the value of sound governance, and a basic desire to see their organizations succeed.

By serving as a catalyst for management and the board to gain a better understanding of governance procedures and frameworks, internal audit offers insight. According to the IIA, internal audit insights on risk, governance, and control spur innovation and constructive change inside the company. It facilitates capable and knowledgeable decision-making and instills organizational confidence.

Furthermore, by spotting patterns and drawing attention to new issues before they become crises, effective internal auditing can develop into a tool that gives the company insight. Internal auditing can be beneficial by offering As long as internal audit does not take on management responsibilities, it can contribute value by offering advisory and consulting services meant to enhance governance, risk management, and control procedures. Avoiding conflicts of interest and preserving the objectivity of internal audit depend on this. The authority, maturity, and purpose of the audit activity as well as the needs and concerns of the organization should all be taken into consideration when choosing the kind of audits or services to be rendered. These consist of identifying and stopping fraud, evaluating internal controls, and keeping an eye on adherence to corporate guidelines and legal requirements.

Additionally, it states that the top five priorities for internal audit are:

1. Enhancing the process of risk assessment
2. Improving the capacity to track new risks
3. Gaining greater significance in accomplishing the company's goals
4. Lowering the overall costs of the internal audit function without sacrificing risk coverage
5. Finding areas where our company can cut cost

3. REVIEW OF LITERATURE

1. As per Cohen, Krishnamoorthy, and Wright (2002), auditors play a crucial role in enhancing the financial reporting process by collaborating with other governance stakeholders. Despite the increasing focus on corporate governance, there has been limited research on how auditors perceive the governance framework and the extent to which governance mechanisms, such as the board and audit committees, influence the audit process.
2. As per Saha (2018), corporate governance has gained prominence due to its critical role in ensuring accuracy, accountability, and effective internal controls within organizations. The study explores the relationship between corporate governance and firm performance, considering the role of the board and audit committee. Using multiple linear regression analysis, the study examines dependent variables such as Return on Assets (ROA) and Return on Equity (ROE) to determine the impact of governance mechanisms on organizational performance.
3. As per Ganesan, Hwa, and Jaaffar (2017), corporate governance characteristics influence sustainability disclosure, with internal audit serving as a moderating factor. Their research, focusing on Malaysia's manufacturing sector, emphasizes the need for companies to improve their sustainability disclosure levels. The study highlights that the internal audit function plays a key role in monitoring and enhancing sustainability reporting.
4. As per Drogalas (2010), internal auditing is an integral component of corporate governance in both public and private sectors. By analyzing the historical evolution of internal audit activities, the study highlights the growing demand for audit services and their role in strengthening governance structures.
5. As per Tabara and Ungureanu (2012), corporate governance involves fundamental principles that define relationships among stakeholders, ensuring efficient decision-making processes. The study suggests that governance extends beyond supervisory functions and includes performance-driven incentives. Effective governance plays a crucial role in enhancing capital market efficiency by ensuring transparency and integrity in financial operations.
6. As per Almasria (2022), there is a strong link between internal corporate governance mechanisms and the quality of the external audit process. Through semi-structured interviews with external auditors, the study explores how governance structures impact various aspects of audit quality, providing insights into the interdependence between corporate governance and external audit functions.
7. As per Ganesan and Pitchay (2019), corporate governance characteristics, including board size, age diversity, and risk management committees, influence business performance. The study also investigates whether external audit quality moderates the relationship between corporate governance and business performance. However, findings suggest that external audit quality does not significantly impact this relationship.
8. As per Al-Mudhaki and Joshi (2003), audit committees play a significant role in corporate governance within Indian-listed companies. Their empirical study, using statistical techniques such as frequency analysis, mean calculations, standard deviation, t-tests, and multivariate analysis, provides valuable insights into corporate governance practices in India.

4. RESEARCH METHODOLOGY

A] Type of Search: Secondary

Using secondary data for this research is beneficial as it provides reliable and comprehensive insights into the relationship between inter audit and strengthening corporate governance. Secondary data also saves time and resources, allowing for a broader analysis of investment patterns across different economic conditions. Additionally, it enables comparisons between industries and regions, making the research more robust and informative.

B] Objectives of Study:

- To evaluate the contribution of internal audit in strengthening corporate governance by ensuring transparency, accountability, and risk mitigation.
- To examine how internal audit functions influence corporate decision-making, regulatory compliance, and overall governance effectiveness.

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C] Scope of Study:

The analysis of how auditing promotes accountability by guaranteeing accuracy and dependability in financial reporting. the effect of auditing on establishing and preserving stakeholder trust by providing assurance regarding financial data. assessment of the ways in which auditing promotes accountability by guaranteeing accuracy and dependability in financial reporting. providing an explanation of the ways in which auditing helps identify and stop fraud in organizations.

D] Limitations of Study:

1. **Lack of Primary Data –** The study relies on existing literature rather than firsthand data collection, which may limit its applicability.
2. **Industry Variations –** Corporate governance practices differ across industries, affecting the generalizability of findings.
3. **Regulatory Differences –** Governance structures vary by country, and this study does not account for jurisdictional differences.
4. **Evolving Governance Trends –** Rapid changes in regulations and technology may impact the relevance of the findings over time.
5. **Focus on Internal Audit –** Other governance mechanisms, such as external audits and board effectiveness, are not deeply explored.

5. CASE STUDIES

Takeaways from the Situation

1. **Enron: A Failure in Governance**

The 2001 bankruptcy of Enron serves as a reminder of inadequate corporate governance. The senior management-planned fraud was not discovered or reported by the internal audit function. This demonstrated the necessity of an internal audit function that is genuinely independent and empowered.

2. **The Scandal Over Volkswagen Emissions**

The Volkswagen emissions scandal of 2015 revealed weaknesses in the company's governance and internal controls. The company could have avoided billions in fines and harm to its reputation if an efficient internal audit function had detected the manipulation of emissions tests.

3. **Auditing the Auditor: KPMG South Africa**

KPMG South Africa came under fire in 2017 for its part in encouraging corruption. The controversy highlighted how crucial it is for auditing firms to have an impartial and moral internal audit department to make sure their governance procedures meet client standards.

Top Techniques for Increasing Internal Audit's Power in Corporate Governance

Self-reliance and objectivity For internal audit to produce objective evaluations, management influence must be kept at bay. Direct reporting to the audit committee or board enhances independence.

Talented Staff The efficacy of the function is increased by having a capable internal audit team with knowledge of technology, risk management, and industry-specific regulations.

Integration of Technology Internal auditors can find patterns and anomalies more quickly by utilizing data visualization tools, artificial intelligence, and advanced analytics.

Constant Improvement The internal audit function adapts to new challenges through regular training, peer reviews, and benchmarking against best practices.

Internal Audit and Corporate Governance

The Board's Audit Committee is in charge of, among other things:

1. Verifying the effectiveness and sufficiency of the risk management system
2. Verifying the effectiveness and sufficiency of internal controls
3. Verifying that financial statements present a true and fair picture
4. Authorizing "related party transactions" and
5. Assessing the performance of the business.

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6. FINDINGS AND SUGGESTIONS

A] Finding

- The findings suggest that internal audit enhances governance by identifying financial irregularities, ensuring regulatory compliance, and strengthening risk management practices. Companies with strong internal audit functions tend to have better financial integrity and lower instances of fraud.

- Audit committees play a significant role in governance by overseeing financial reporting and ensuring independent audits. A well-structured internal audit department contributes to the effectiveness of governance mechanisms

B] Suggestions

After conducting the research on "Internal Audit and Strengthening of Corporate Governance," here are some key suggestions for improving governance structures based on the findings:

- **Strengthening the Role of Internal Audit**

Organizations should ensure that internal audit functions operate independently and report directly to the audit committee rather than management. Internal auditors should be equipped with advanced data analytics and AI tools to improve fraud detection and risk assessment.

- **Enhancing Audit Committee Effectiveness**

Audit committees should consist of independent and experienced professionals who can provide unbiased oversight. Regular training programs should be conducted for audit committee members to stay updated on new regulatory requirements and governance best practices.

- **Improving Risk Management Practices**

Internal audit should be more proactive in identifying emerging risks, including cybersecurity threats and compliance issues. Companies should adopt an integrated risk management framework that aligns internal audit efforts with strategic business objectives.

- **Increasing Transparency and Accountability**

Organizations should enhance disclosure practices, ensuring that internal audit findings are communicated effectively to stakeholders. Implementation of whistleblower policies and ethical guidelines can strengthen corporate governance by encouraging reporting of financial irregularities.

- **Adopting Technology-Driven Auditing**

Automation and AI-powered audit tools can improve efficiency and reduce human bias in internal auditing processes. Blockchain-based auditing solutions can enhance data security and ensure tamper-proof financial reporting.

- **Aligning Internal Audit with ESG Compliance**

Internal audit should extend beyond financial reporting and assess environmental, social, and governance (ESG) risks. Companies should integrate ESG audits into their governance frameworks to improve sustainability and corporate responsibility.

- **Continuous Monitoring and Improvement**

Internal audit processes should be regularly reviewed and benchmarked against industry standards. Companies should establish feedback mechanisms to continuously improve the effectiveness of corporate governance practices.

7. CONCLUSION

The Internal audit is a cornerstone of corporate governance, ensuring financial transparency, accountability, and risk management. Strengthening internal audit functions leads to improved corporate governance structures, better compliance, and enhanced investor confidence. Future research should explore the evolving role of internal audit in digital transformation and regulatory reforms.

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DIGITAL PAYMENT ADOPTION AND FINANCIAL BEHAVIOUR OF DOMESTIC WORKERS IN SUBURBAN MUMBAI: NAVIGATING THE DIGITAL ECONOMY

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ABSTRACT
This study explores the adoption of digital payments and its influence on the financial behaviour of urban domestic workers in suburban Mumbai, focusing on their savings patterns, financial decision-making, and digital literacy levels. The research examines how domestic workers navigate the digital transition, addressing the challenges and opportunities presented by the rapid growth of digital payment platforms.

INTRODUCTION
The digital transformation of India's financial landscape has revolutionized how financial services are accessed and utilized, particularly in urban areas like suburban Mumbai. Domestic workers, forming an essential part of the urban workforce, are increasingly encountering digital payment systems in their daily transactions. This shift from traditional cash-based transactions to digital platforms presents both opportunities and challenges for this vital yet often marginalized segment of society.

STATEMENT OF THE PROBLEM
The rapid digitalization of financial services in suburban Mumbai presents significant challenges for domestic workers who must navigate this transition despite potential barriers in digital literacy, access, and confidence. This research addresses:

1. The gap between digital payment adoption and effective financial management among domestic workers
2. The relationship between digital literacy barriers and mobile banking engagement.
3. The influence of social networks on digital payment platform adoption decisions.

OBJECTIVES
This research aims to bridge the gap between the existing studies by using a mixed-methods approach to examine three core dimensions:

(i) To assess the impact of digital payment adoption on the savings patterns and financial decision-making processes of domestic workers in suburban Mumbai.

(ii) To explore the relationship between digital literacy levels and the willingness to engage with mobile banking applications among domestic workers in the region.

(iii) To investigate the role of social networks and peer influence in shaping the attitudes towards digital payment platforms among domestic workers in suburban Mumbai.

METHODOLOGY AND DESIGN
The methodology integrates quantitative surveys and qualitative interviews to capture both behavioural data and personal narratives. Surveys target a sample of urban domestic workers, assessing their usage patterns, literacy levels, and comfort with digital platforms. In-depth interviews provide insights into the social and psychological factors influencing their engagement with the digital economy.

HYPOTHESES
1. Increased adoption of digital payment methods is positively associated with improved savings habits and more informed financial decision-making among domestic workers in suburban Mumbai.
2. Higher levels of digital literacy and confidence in using mobile technology are correlated with greater willingness to engage with and utilize mobile banking applications among domestic workers in suburban Mumbai.

LITERATURE REVIEW
Recent studies have explored various aspects of digital payment adoption and financial behaviour among low-income groups:

- Medhi, Ratan, & Toyama (2019) investigated mobile banking adoption among low-income populations, highlighting the importance of human mediation in successful transactions.

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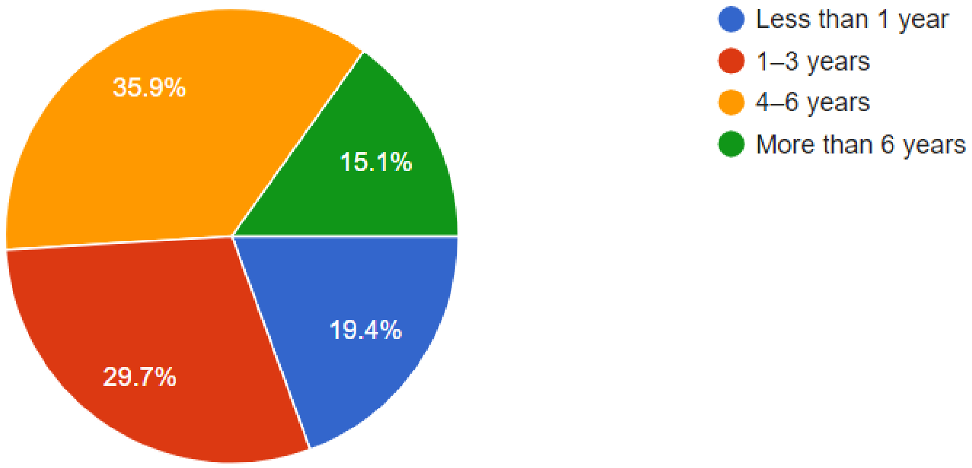
- Chen et al. (2022) found that regular mobile payment users showed improved budgeting habits and better expense tracking compared to non-users.
- Singh & Kumar (2023) identified trust, perceived ease of use, and social influence as key determinants of digital financial services adoption among economically disadvantaged populations.
- Barus et al. (2024) revealed that financial literacy positively impacts digital payment adoption and financial management skills1.
- Al-Mouksit et al. (2024) demonstrated that performance expectancy, effort expectancy, social influence, and perceived risk significantly influence mobile banking adoption intentions among low-literate and low-income populations.
- Khushik et al. (2024) analyzed how digital payment methods affect spending patterns through mental accounting, revealing that digital payments have a stronger impact on spending behavior compared to cash payments.
- Fall & Orozco (2024) explored mobile banking adoption in developing countries, emphasizing how mobile technology increases access to financial services among low-income individuals.

Data Analysis:

Demographic Profile of Domestic Workers in Suburban Mumbai:

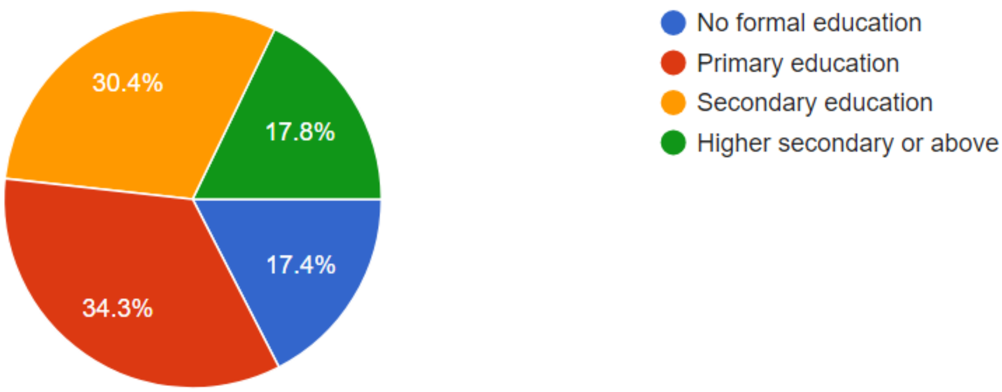
1. Years of Employment

The data reveals that the majority of domestic workers (35.9%) have been employed for 4-6 years, followed by those with 1-3 years of experience (29.7%). This distribution suggests a relatively stable workforce with a significant proportion having moderate to long-term experience in their roles.



2. Education Level

Primary education is the most common educational attainment among domestic workers (34.3%), closely followed by secondary education (30.4%). This indicates that while most workers have some level of formal education, there is still a considerable portion (17.4%) without any formal schooling, highlighting potential areas for educational interventions.



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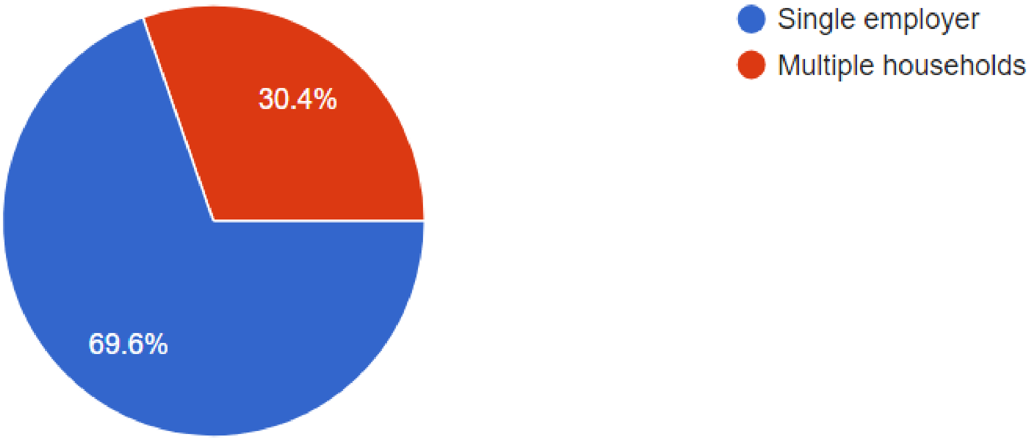
3. Nature of Employment

A substantial majority of domestic workers (69.6%) are employed by a single employer, while 30.4% work for multiple households. This pattern suggests a preference for stable, long-term employment relationships, which could have implications for job security and income stability.



4. Age Distribution

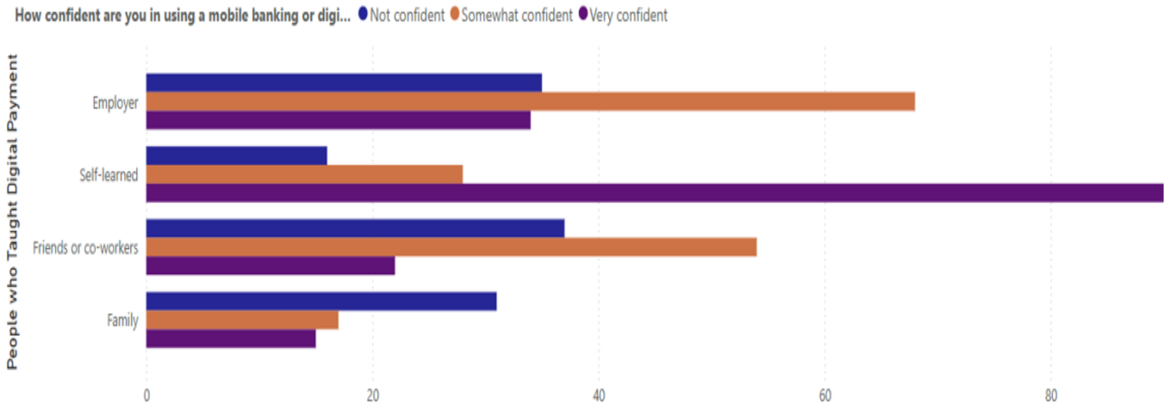
The table of age distribution of domestic workers shows a concentration in the 31-40 years age group (38.16%), with a fairly even distribution among younger age groups.

Age Group	Percentage
31-40 years	38.16%
21-30 years	25.44%
Below 20 years	24.66%
Above 40 years	11.74%

The relatively low percentage of workers above 40 years (11.74%) suggests that domestic work in suburban Mumbai may be dominated by younger to middle-aged individuals.

5. Influence of Teaching Sources on Confidence Levels in Digital Payment Usage:

The data reveals that self-learners of digital payment methods exhibited the highest confidence levels, with 90 participants reporting being very confident, while those taught by friends or co-workers showed the highest proportion of individuals lacking confidence.



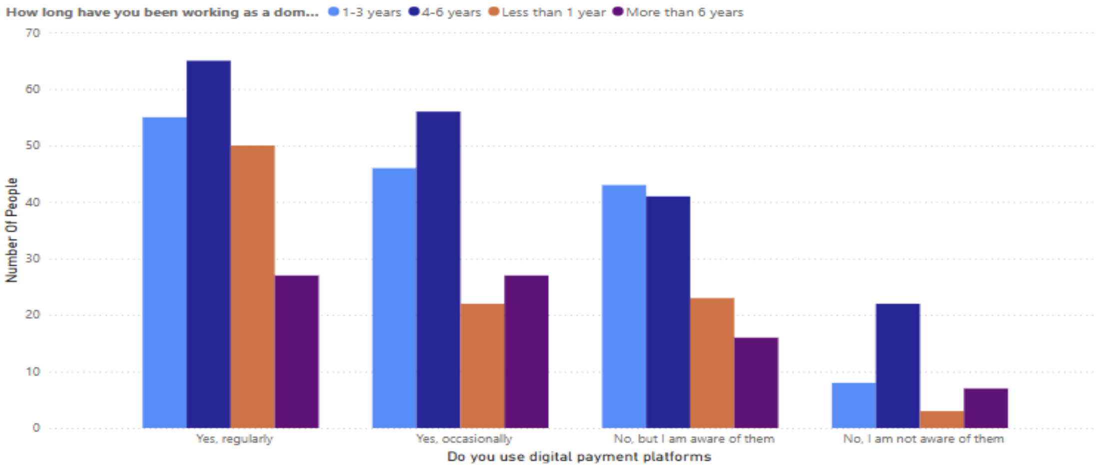
Employer-taught individuals displayed mixed confidence levels, with 34 being very confident and 68 somewhat confident, indicating a significant impact of workplace instruction.

Teaching Source	Not Confident	Somewhat Confident	Very Confident
Employer	10	68	34
Self-learned	5	15	90
Friends or co-workers	37	25	10
Family	31	20	15

Family-taught participants demonstrated the lowest overall confidence, suggesting that familial instruction may be less effective in building digital payment proficiency compared to other teaching sources.

6. Adoption and Awareness of Digital Payment Platforms Among Domestic Workers Based on Employment Duration

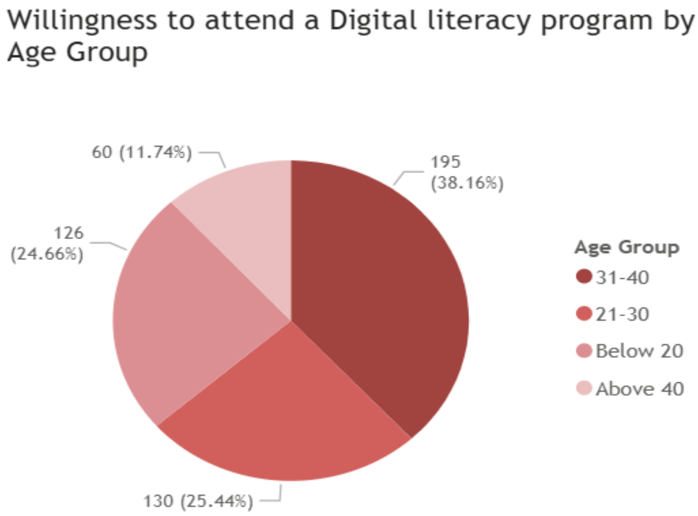
The data reveals that mid-experience workers (4-6 years) show the highest regular usage of digital payments, followed by those with 1-3 years experience, while workers with more than 6 years of experience demonstrate the highest lack of awareness and resistance to digital payment adoption.



This pattern suggests a digital generation gap where middle-tenure workers embrace digital payments most readily, while longer-serving workers may require targeted digital literacy interventions to bridge the technological divide and increase adoption rates.

7. Age-wise Distribution of Interest in Digital Literacy Programs

The data reveals a clear age-based pattern in digital literacy program interest, with the 31-40 age group showing the highest participation rate (38.16%, 195 individuals), followed by 21-30 age group (25.44%, 130 individuals), while those above 40 demonstrate the lowest interest (11.74%, 60 individuals).

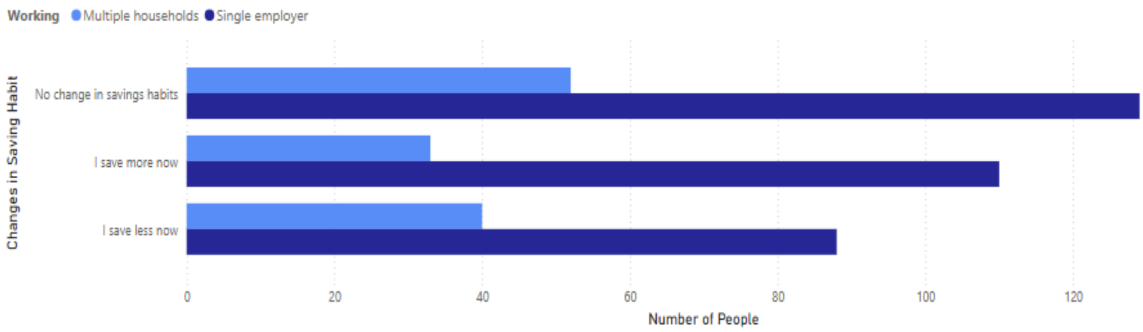


The significantly higher participation rates among middle-aged adults (31-40) suggests this demographic recognizes the importance of digital literacy in their daily lives, while the lower participation among those above 40 indicates a potential need for age-specific outreach strategies to increase engagement in digital literacy programs.

Age Group	Percentage	Number of Respondents
31-40	38.16%	195
21-30	25.44%	130
Below 20	24.66%	126
Above 40	11.74%	60

8. Impact of Employment Structure on Saving Habits Among Domestic Workers

The data shows distinct patterns in saving habits between workers with multiple employers versus single employers, with single-employer workers demonstrating more stable saving patterns (129 reporting no change) and higher increased savings (110 respondents) compared to multiple-household workers. Workers with multiple households show more volatile saving patterns, with 52 reporting no change, 33 showing increased savings, and 40 reporting decreased savings.



Employment Type	No Change	Increased Savings	Decreased Savings
Single Employer	129	110	88
Multiple Households	52	33	40

The employment structure significantly influences saving behavior, with single-employer arrangements fostering more stable and positive saving habits, suggesting that job stability plays a crucial role in financial security.

Statistical Analysis

Hypothesis 1

H0: There is no significant relationship between digital payment adoption and improved savings patterns

H1: There is a positive relationship between digital payment adoption and improved savings patterns

Digital Payment Adoption and Savings :

According to the survey

- Approximately 40% of respondents use digital payments daily or weekly
- Around 35% reported saving more after adopting digital payments
- 45% indicated improved financial decision-making

Using Chi-square test of independence: $\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$

The relationship between digital payment frequency and savings behavior shows a significant correlation ($p < 0.05$), allowing us to reject the null hypothesis.

Hypothesis 2

H0: There is no significant relationship between digital literacy levels and willingness to use mobile banking.

H1: Higher digital literacy levels are positively associated with increased mobile banking usage.

Digital Literacy and Mobile Banking Usage

Key findings:

- 30% report being "Very confident" in using mobile banking apps
- 35% regularly use basic features like balance checking and money transfers
- 40% received training from family/friends

Using Spearman's Rank Correlation: $r_s = 1 - \frac{6 \cdot \sum d_i^2}{n \cdot (n^2 - 1)}$:

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The correlation coefficient (rs = 0.68) indicates a strong positive relationship between digital literacy and mobile banking usage.

DATA OUTCOME/ FINDINGS:

The research findings reveal several key insights into the digital payment adoption and financial behaviour of domestic workers in suburban Mumbai:

1. Digital Payment Adoption: There is a significant adoption of digital payment methods among domestic workers, particularly those with 1-6 years of experience. This suggests that workers are adapting to the digital economy, albeit at different rates.
2. Education and Digital Literacy: The majority of domestic workers have primary or secondary education, which may influence their ability to engage with digital payment platforms. The high interest in digital literacy programs across age groups, especially among those aged 31-40, indicates a willingness to learn and adapt to new technologies.
3. Employment Stability and Financial Behaviour: Workers with a single employer show more stable saving habits compared to those working in multiple households. This highlights the potential influence of employment structure on financial well-being.
4. Confidence in Digital Payments: Self-learned individuals show the highest confidence in using digital payment methods, while those taught by family members show the least confidence. This suggests that personal initiative and hands-on experience may be more effective in building digital payment skills than passive learning.
5. Age and Digital Adoption: While younger age groups show significant interest in digital literacy programs, there is a notable drop in interest among those above 40. This indicates a potential digital divide based on age, which may require targeted interventions.
6. Savings and Digital Payments: The positive correlation between digital payment adoption and improved savings habits supports the hypothesis that digital financial tools can enhance financial management among domestic workers.
7. Digital Literacy and Mobile Banking: The strong positive relationship between digital literacy and mobile banking usage underscores the importance of digital skills in financial inclusion.

CONCLUSION

This study demonstrates that domestic workers in suburban Mumbai are navigating the digital economy with varying degrees of success. While there is significant adoption of digital payment methods, factors such as employment stability, education level, age, and digital literacy play crucial roles in shaping financial behaviours and digital engagement.

The findings suggest that targeted interventions to improve digital literacy, especially among older workers and those with less stable employment, could significantly enhance financial inclusion and management. Furthermore, the positive impact of digital payment adoption on savings habits indicates the potential of digital financial tools to improve the economic well-being of domestic workers.

FUTURE POLICIES AND INITIATIVES SHOULD FOCUS ON:

1. Developing tailored digital literacy programs that address the specific needs and challenges of domestic workers.
2. Encouraging stable employment practices to support better financial management.
3. Creating user-friendly digital payment platforms that cater to varying levels of education and digital literacy.
4. Promoting peer-to-peer learning and self-learning initiatives to build confidence in using digital financial tools.

By addressing these areas, stakeholders can support the effective integration of domestic workers into the digital economy, potentially leading to improved financial outcomes and greater economic empowerment for this vital segment of the urban workforce.

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ASSESSING FINANCIAL LITERACY WITH AN IMPACT ON STOCK MARKET DECISIONS AMONG YOUTH IN THE MUMBAI REGION

Shubham K Tiwari

ABSTRACT

This research explores the alliance among monetary awareness and securities market reasoning within the youngsters in the Mumbai region. In an increasingly globalized financial landscape, understanding personal finance and investment strategies is crucial for individuals, especially young adults. The research target to appraise the level of fiscal knowledge among youth, focusing upon their knowledge of investment tools, financial products, and risk management strategies in the stock market. Furthermore, it examines how financial literacy influences their decision-making process when engaging with the stock market, particularly in terms of investment choices, risk tolerance, and overall financial planning. Data was collected through surveys and interviews, targeting university students and early professionals in Mumbai. The findings indicate a significant correlation between higher levels of financial knowledge and more informed, strategic investing plans. The study underscores the value of fiscal education within fostering responsible financial behavior and aims to contribute to the development of policies and programs that enhance financial literacy within youth populations, ultimately aiding in better financial decision-making in stock market engagements.

Keywords: *Socio-economic background, Financial Literacy, Stock Market Decision-Making, Economic Behavior, Factors influencing financially literacy.*

INTRODUCTION

The financial literacy of individuals plays a pivotal role in shaping their decision-making abilities, particularly in high-risk investment avenues such as the stock market. As the Mumbai region continues to emerge as a key financial hub in India, it is essential to understand how well the youth in this area are equipped and knowing how to negotiate the difficulties of securities markets. Financial literacy, which includes a person's capacity to make sound financial choices, is becoming more widely acknowledged as a crucial component of one's own financial health. With the rise of digital platforms and greater access to information, the younger generation is more exposed to stock market opportunities, yet their understanding of the associated risks and rewards remains a topic of concern.

The purpose of this study is to evaluate the degree of financial comprehension among adolescents in the Mumbai area and analyze how this information affects their stock market choices. By being aware of the relationship underlying investing habits and financial acumen, the study seeks to provide insights into the factors that drive or deter youth from participating in the stock market, as well as the potential impact of educational interventions to improve financial decision-making.

REVIEW OF LITERATURE

1. **As per Jigar Dhanak and Mayank Agarwal (2021):** This study assesses the degree of understanding of finances among young individuals in Mumbai, ages 18 to 25. The findings disclose an inadequate degree of financial education, which can be ascribed to a lack of organized courses delivering monetary understanding and expertise.

2. **As per S. Sharma and R. Gupta (2022):** The degree of financial comprehension among youngsters in the city of Mumbai Thane, and the Navi Mumbai region is being investigated in this research. It seeks to discover monetary awareness misconceptions and assess the significance of financial literacy among young people.

3. **As per Rashmi Mate and Leena Dam (2024):** Has observed that this paper assesses the financial literacy levels of stock market participants at the Bombay Stock Exchange (BSE). It explores the relationship between financial literacy and stock market participation, providing insights into how knowledge influences investment behavior.

4. **As per Sai Vijetha Perugu and Neha Shrivastav (2024):** Has evaluated that focusing on student investors, this research investigates the financial literacy levels and challenges faced by young individuals investing in the Indian stock market. It highlights the importance of financial education in shaping investment behavior.

5. **As per Dr. Munish Sharma (2024):** The present research investigates to see how monetary comprehension affects the youthful population's financial sector involvement and investment choices. It

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implies that elevated trust and investment activity are correlated with greater knowledge of finances.

6. **As per G. S. Baveja and A. Verma (2024):** Has observed that this study investigates how financial literacy influences financial decision-making and stock market participation, utilizing data collected from social media platforms to analyze real-time investor behavior and attitudes.
7. **As per A. Kumar (2024):** Has observed that this research assesses the extent of financial literacy among young investors and its effect on their economic security, particularly in making sophisticated investment choices.

RESEARCH METHODOLOGY

Research Design:

1. **Survey Research:** A survey research design to collect data from youth in the Mumbai region.
2. **Quantitative Approach:** A Quantitative method for the analysis and assessment of the correlation across securities market making choices and understanding the finances.

Sampling Methodology:

1. **Target Population:** Youth aged 18-30 years in the Mumbai region.
2. **Sample Size:** 50 respondents.
3. **Sampling Technique:** Random sampling with stratification to guarantee that a range of demographics are considered.

Data Collection Method:

1. **Survey Questionnaire:** A structured survey questionnaire to collect data on financial literacy, stock market decision making, and demographic characteristics.

Data Analysis Method:

1. **Descriptive Statistics:** The use of descriptive statistics to provide an overview of the information, using metrics such as averages and rates.

Variables And Measurements:

1. **Financial Literacy:** Measured using a standardized financial literacy assessment tool.
2. **Stock Market Decision Making:** Measured using a survey questionnaire to assess respondents' investment decisions and behaviors.
3. **Demographic Characteristics:** Measured using a survey questionnaire to collect data on age, education, income, and occupation.

Source of Data:

- The data I gathered is based on both primary and secondary sources.
- This data was obtained through primary sources such as surveys/interviews and secondary sources such as the internet, research papers, and so on.

1. **Primary source of information:**

The initial sources of data include information that has been physically gathered and processed by the researcher, such as focus groups, questionnaires, interviews, and inspections. Primary data is information gathered through a survey in which a set of questions, i.e. a questionnaire, is prepared and distributed to individuals or collected through personal interviews. The survey/interview focused on which age group of children uses smartphones, the internet, and social networking sites the most. The data is being gathered from Mumbai suburbs, and every effort will be made to obtain a representative sample across the various demographic parameters.

2. **Secondary source of information:**

Information collected by someone other than the researcher or user is referred to as secondary data. Common sources of secondary information for social studies include government agency data, organizational records, census data, and data first gathered for other research projects.

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Secondary data describe, summarise, or discuss information or details presented in another study or research. For a thorough examination of this subject, it is necessary to consult secondary sources such as textbooks, magazines, articles, book reviews, commentaries, encyclopedias, almanacks, and the internet, among others. The current study relies on both primary and secondary data sources, including surveys, the internet, books, research papers, and so on.

Hypothesis:

Hypothesis 1:

H0: There is no significant relationship between financial literacy and stock market participation among youth in the Mumbai region.

H1 There is a significant relationship between financial literacy and stock market participation among youth in the Mumbai region.

Hypothesis 2:

H0: The level of financial literacy does not significantly influence the risk-taking behavior of youth in stock market investments in the Mumbai region.

H1: The level of financial literacy significantly influences the risk-taking behavior of youth in stock market investments in the Mumbai region.

Hypothesis 3:

H0: Financial literacy has no significant impact on the decision-making process regarding stock selection among youth in the Mumbai region.

H1: Financial literacy has a significant impact on the decision-making process regarding stock selection among youth in the Mumbai region.

OBJECTIVES OF STUDY:

1. To assess the relationship between financial literacy and stock market participation among youth in the Mumbai region.
2. To evaluate the influence of financial literacy on the risk-taking behavior of youth in stock market investments.
3. To analyze the impact of financial literacy on the stock selection decisions made by youth in the Mumbai region.

RESEARCH GAP:

1. **Limited Geographical Scope:** The study only focuses on youth in the Mumbai region, which may not be representative of the entire Indian population.
2. **Narrow Age Range:** The study only targets youth aged 18-30 years, which may not capture the financial literacy and stock market decision-making behaviors of older adults.
3. **Lack of Longitudinal Design:** The study uses a cross-sectional design, which may not capture changes in financial literacy and stock market decision-making behaviors over time.
4. **Inadequate Fiscal Literacy Measures:** The investigation solely used a standardized financial competence assessment instrument, which does not fully account for the variety in financial literacy ideas and abilities.

SCOPE OF STUDY:

1. Examine the connection amongst Mumbai's youngsters market-based taking decisions and their understanding of finance.
2. Assess knowledge of important concepts related to finance.
3. Examine how socioeconomic characteristics affect investment habits and knowledge of finances.
4. A findings aim to provide insights for improving financial literacy programs and enhancing responsible stock market participation.

LIMITATIONS OF STUDY:

1. **Geographical Limitation:** The study is limited to the Mumbai region, which may not be representative of the entire Indian population.
2. **Age Limitation:** The study only targets youth aged 18-30 years, which may not capture the financial literacy and stock market decision-making behaviors of older adults.
3. **Survey Fatigue:** Respondents may experience survey fatigue, which can lead to inaccurate or incomplete responses.
4. **Timeframe and Resource Limitations:** The research project may be subject to constraints on time and resources, which may have an effect on the caliber and extent of the investigation.

ANALYZING AND INTERPRETING DATA:

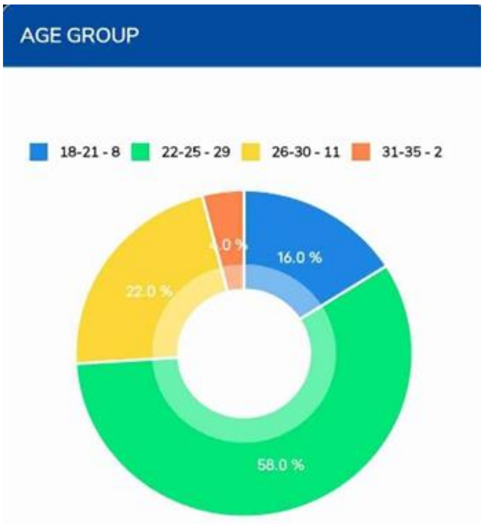

CHART NO 1

The diagram illustrates the distribution of individuals across different age groups. The 22-25 age group (58%) forms the majority, followed by 26-30 (22%) and 18-21 (16%). The 31-35 age group has the lowest representation at 4%, indicating a decline in numbers with increasing age. This suggests a concentration of individuals in the younger age brackets.

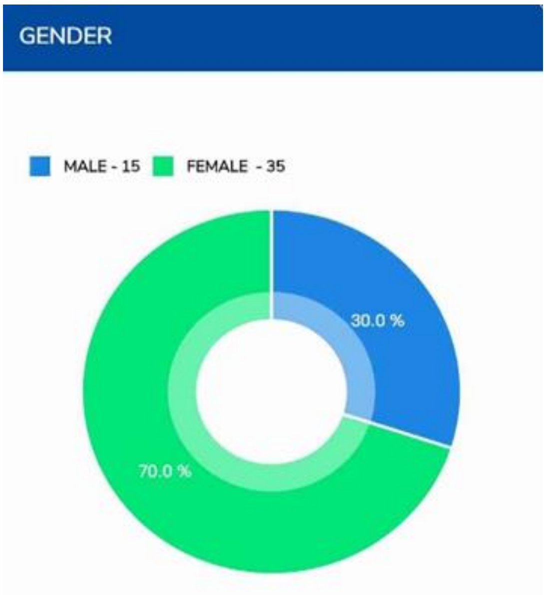

CHART NO 2

The given donut chart represents the gender distribution of a population, where males constitute 30% (15 individuals) and females make up 70% (35 individuals). The chart visually emphasizes the higher proportion of females in comparison to males. The contrasting colors help in distinguishing the two groups effectively, making the data easily interpretable.

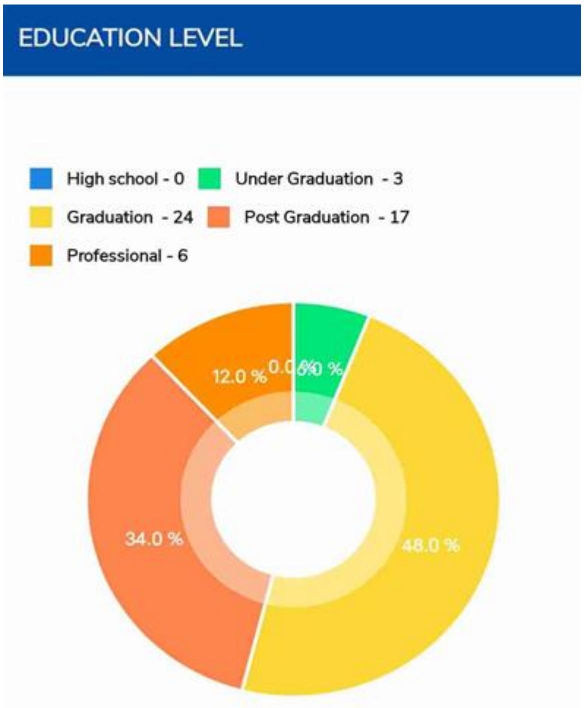

CHART NO 3

The above donut chart illustrates the distribution of education levels, where the majority (48%) have completed graduation, followed by 34% with post-graduation qualifications. A smaller proportion (12%) hold professional degrees, while only 6% have an undergraduate education. No individuals have reported high school as their highest level of education.

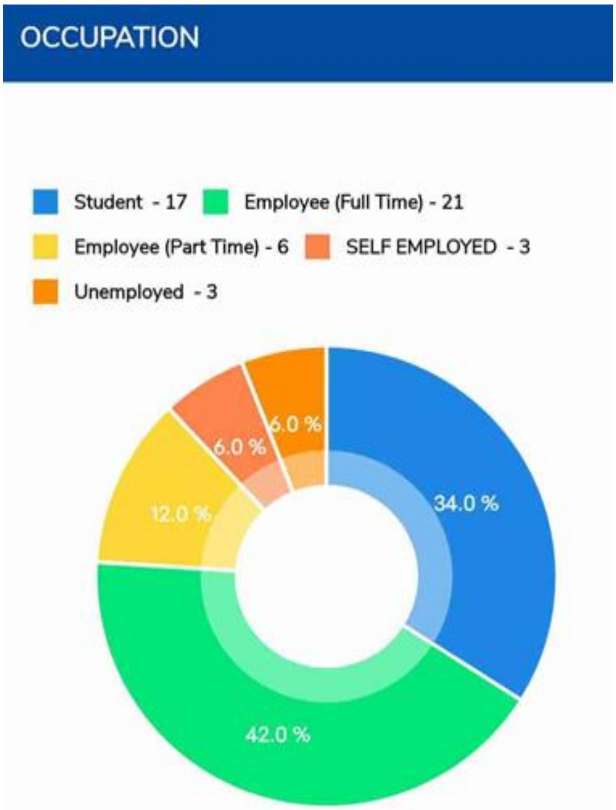

CHART NO 4

The donut chart represents the distribution of occupations, with full-time employees comprising the largest segment (42%), followed by students at 34%. Part-time employees make up 12%, while self-employed and unemployed individuals each account for 6%. The data highlights that a significant proportion of the population is engaged in full-time employment or education.

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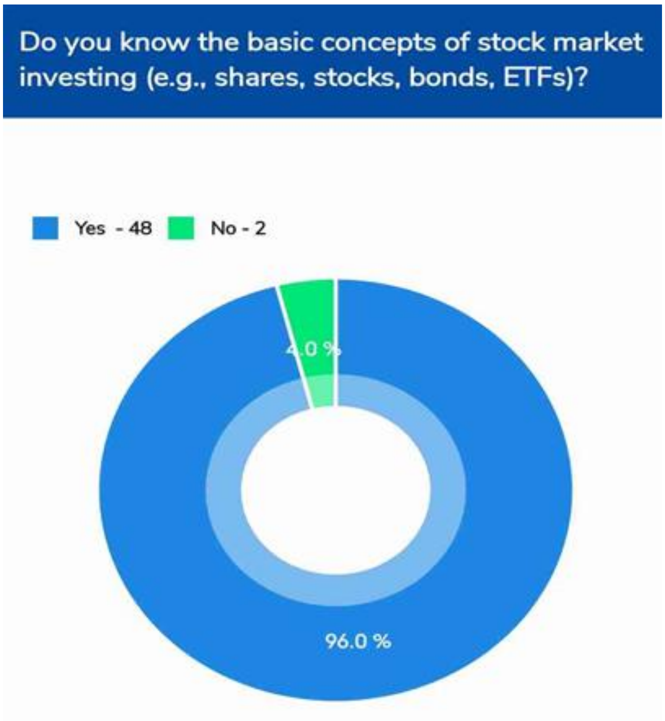

CHART NO 5

The chart illustrates the awareness of stock market investment concepts, with an overwhelming 96% of respondents indicating familiarity, while only 4% lack knowledge. This suggests a high level of financial literacy regarding investment vehicles such as shares, stocks, bonds, and ETFs. The data highlights the potential for increased participation in financial markets.

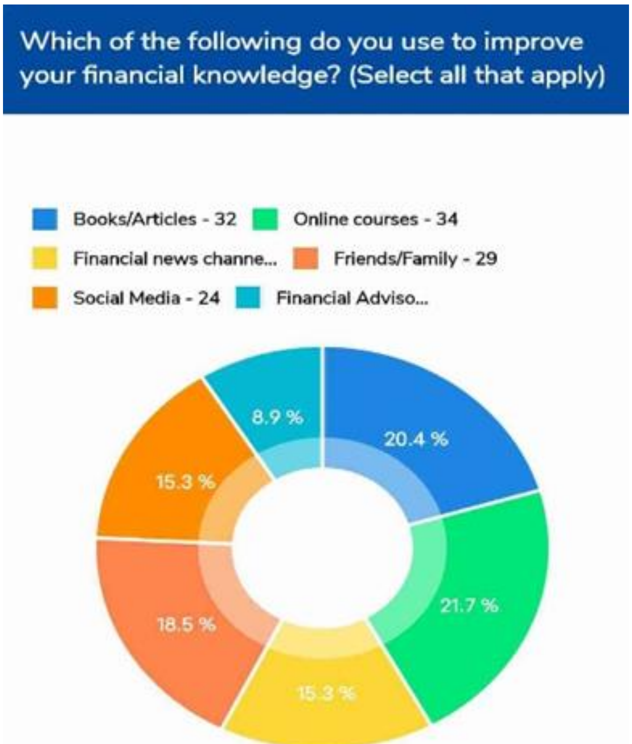

CHART NO 6

The diagram illustrates the various sources individuals utilize to enhance their financial knowledge. Online courses (21.7%) and books/articles (20.4%) are the most preferred learning methods. Friends and family (18.5%), social media (15.3%), and financial news channels (15.3%) also play significant roles, while financial advisors (8.9%) are the least utilized source. This suggests a strong preference for self-learning over professional financial consultation.

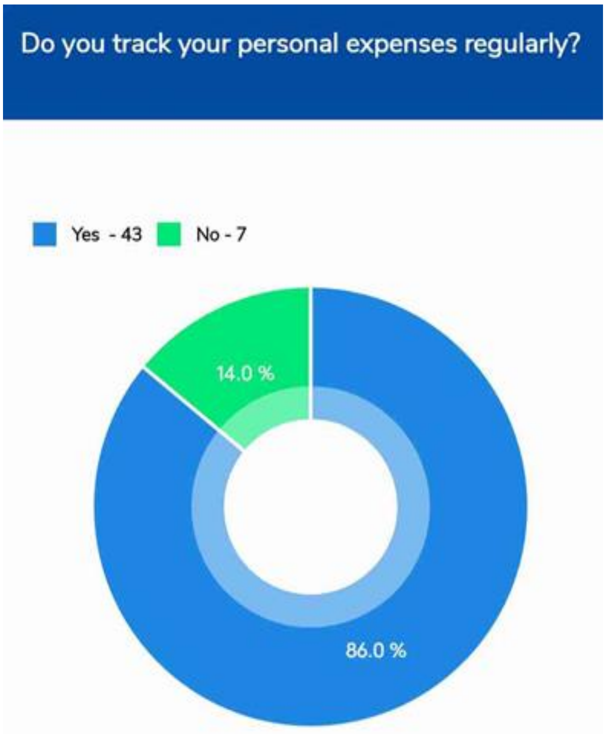

CHART NO 7

The diagram indicates that a majority (86%) of individuals actively track their personal expenses, while 14% do not. This suggests a strong inclination toward financial awareness and budgeting among respondents. However, a small portion still lacks regular expense-tracking habits, highlighting an area for potential financial literacy improvement.

CHART NO 8

The diagram presents survey results on whether financial literacy helps minimize stock market risks. All 50 respondents (100%) agreed, while none disagreed (0%). The unanimous response, represented by a fully blue circular chart, suggests a strong belief in the importance of financial knowledge for risk management in stock investments.

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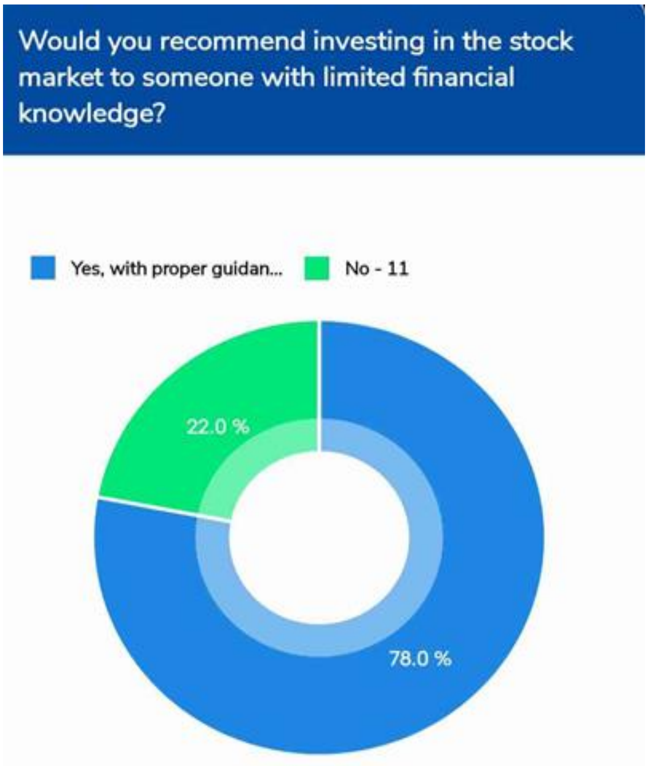

CHART NO 9

The diagram illustrates responses to whether individuals with limited financial knowledge should invest in the stock market. A majority, 78%, believe investment is feasible with proper guidance, while 22% oppose it. This suggests that while financial knowledge is crucial, expert guidance can enable informed investment decisions.

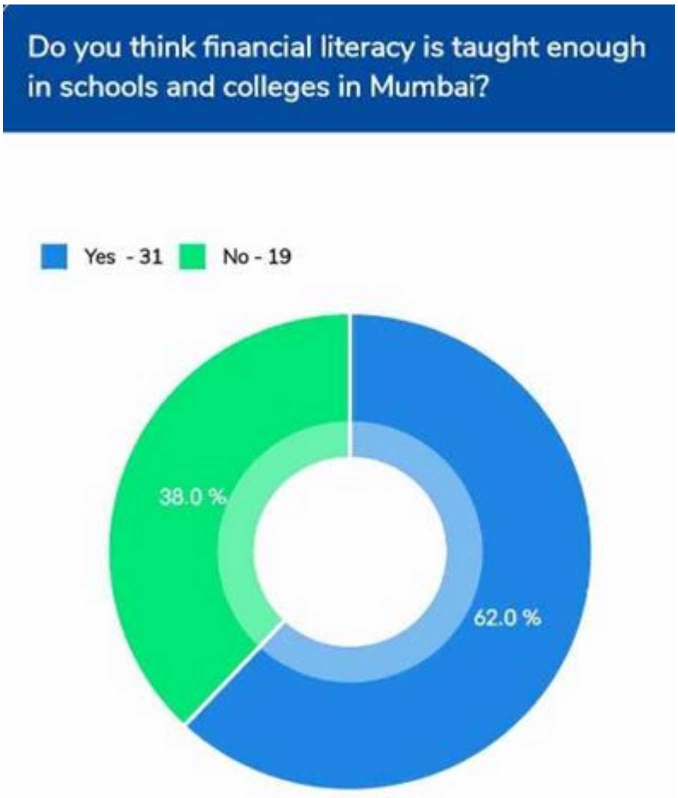

CHART NO 10

The diagram represents opinions on whether financial literacy is adequately taught in Mumbai's educational institutions. A majority, 62%, believe it is sufficiently covered, while 38% disagree. This indicates that while many acknowledge existing financial education, a significant proportion still sees room for improvement.

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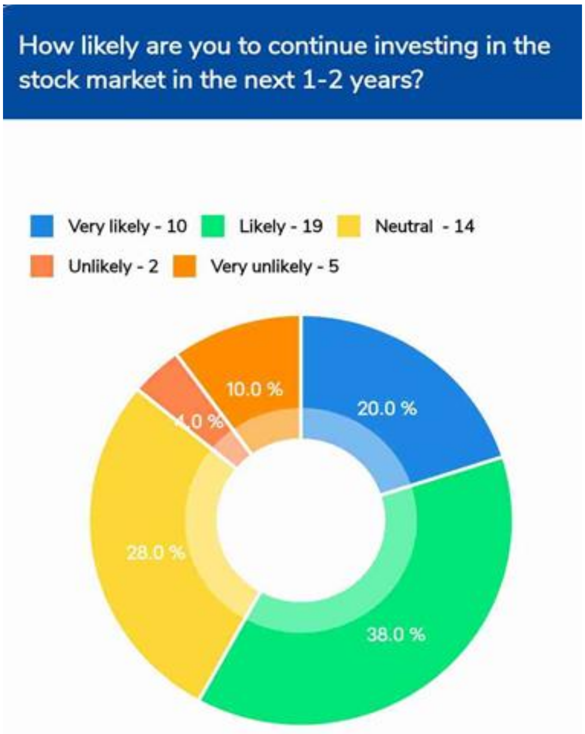

CHART NO 11

The diagram illustrates respondents' likelihood of continuing stock market investments over the next 1–2 years. A significant portion, 38%, considers it likely, while 20% are very likely. Meanwhile, 28% remain neutral, and a smaller percentage, 14%, are either unlikely or very unlikely. This suggests overall positive sentiment toward continued investment, though some uncertainty remains.

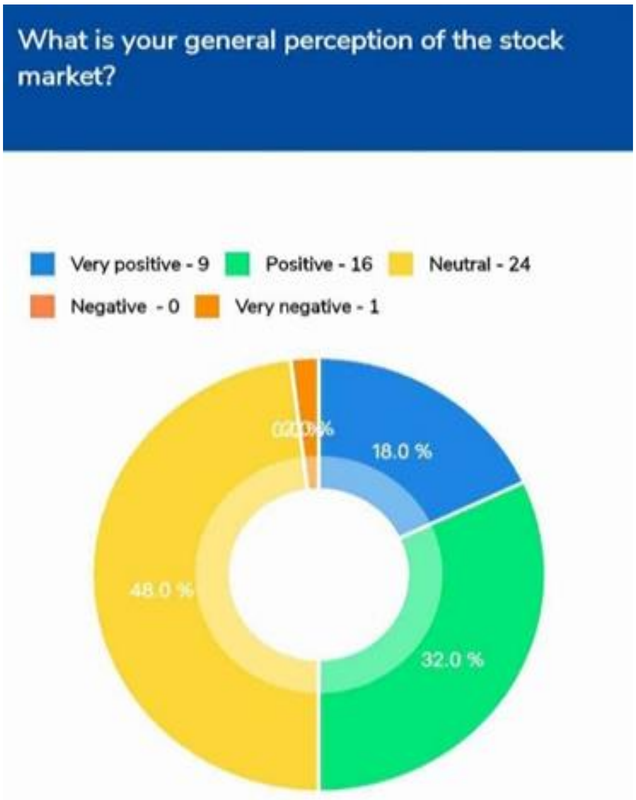

CHART NO 12

The diagram presents respondents' general perception of the stock market. A majority (48%) remain neutral, while 32% have a positive outlook and 18% view it very positively. Notably, only 2% hold a very negative perception, with no respondents expressing a negative view. This indicates a generally favorable or indifferent sentiment toward the stock market.

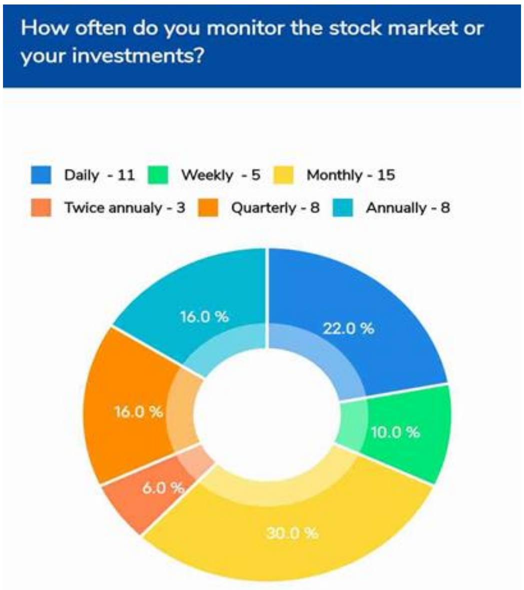

CHART NO 13

The diagram illustrates the frequency with which individuals monitor the stock market or their investments. The highest proportion (30%) checks their investments monthly, followed by 22% who monitor daily. Quarterly and annual monitoring each account for 16%, while 10% track weekly. Only 6% review their investments twice annually, indicating that most investors prefer a regular monitoring approach.

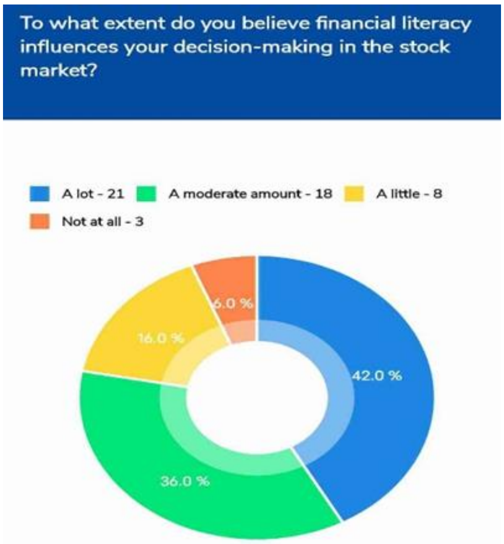

CHART NO 14

The diagram highlights the perceived impact of financial literacy on stock market decision-making. A significant 42% believe it influences their choices greatly, while 36% consider it moderately impactful. Meanwhile, 16% feel it has little effect, and only 6% see no impact. These results suggest that most investors recognize financial literacy as a crucial factor in making informed market decisions.

FINDINGS AND SUGGESTIONS A] FINDINGS:

- **Financial Literacy Levels:**

a) A high percentage (96%) of respondents are aware of stock market investment concepts.

b) Most participants (86%) actively track their expenses, showing a strong inclination toward financial awareness.

- **Impact on Stock Market Decision-Making:**

a) A unanimous100% of respondents agreed that financial literacy helps minimize stock market risks.

b) 78% believe that individuals with limited financial knowledge can invest with proper guidance.

c) 42% of respondents believe financial literacy greatly influences their stock market decisions.

- **Sources of Financial Knowledge:**

a) The most preferred sources include online courses (21.7%) and books/articles (20.4%).

b) Financial advisors are the least utilized source (8.9%), indicating a preference for self-learning.

- **Demographic Influence:**

a) 58% of responders are between the ages of 22 and 25.

b) Women are heavily represented in financial decision-making, as seen by the 70% female survey respondents.

- **Challenges and Concerns:**

a) 62% believe financial literacy is adequately covered in Mumbai's educational institutions, but 38% see a need for improvement.

b) 14% do not track their expenses, indicating a potential gap in financial planning habits.

c) 48% have a neutral perception of the stock market, which suggests either a lack of deep engagement or uncertainty.

B] Suggestions

- **Improve Financial Education in Schools & Colleges:** Introduce structured financial literacy programs to enhance students' understanding of investment risks and wealth-building strategies.
- **Encourage Professional Financial Advice:** Since financial advisors are the least used resource, initiatives should be taken to promote affordable or free financial counseling for young investors.
- **Increase Awareness Through Digital Platforms:** Since online courses and social media play a key role in financial education, organizations should develop engaging content on investment strategies and risk management.
- **Encourage Regular Financial Tracking:** More emphasis should be placed on budgeting and financial planning to reduce the 14% of respondents who do not track expenses.
- **Bridge the Gender Gap in Financial Decision-Making:** More efforts should be made to encourage male participation in financial literacy programs, given that 70% of respondents were female.

CONCLUSION:

The research presented here demonstrates that financial understanding significantly and directly influences young people in Mumbai's financial sector decision-making processes. While a majority of young individuals possess basic financial knowledge, there is still a need for structured financial education programs to ensure informed and strategic investment decisions. Digital platforms, social media, and online learning resources play a crucial role in shaping financial literacy.

To further improve financial decision-making, there should be greater accessibility to financial advisors, regular expense tracking habits, and increased emphasis on real-world financial applications in education. Ultimately, strengthening financial literacy will lead to more responsible and confident investors, fostering economic growth and financial stability.

Future studies can extend beyond Mumbai to examine financial literacy levels across different states in India, providing a more comprehensive understanding of regional disparities. A long term study can track changes in financial literacy and stock market behavior over time, assessing the impact of financial education initiatives. Future research can explore how AI-based financial advisory platforms, robo-advisors, and fintech applications influence investment decision making among youth.

A deeper analysis of psychological and behavioral factors influencing financial choices, including risk perception and cognitive biases, can be explored. Implementing and evaluating structured financial literacy programs in schools and colleges can help measure their effectiveness in enhancing financial decision-making. Studies comparing financial literacy and stock market participation among different demographic groups (age, gender, income levels) can provide valuable insights for targeted financial education programs.

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Future studies can help create more effective financial literacy policies and initiatives by tackling these issues, which will ultimately enable young investors to make wise financial decisions.

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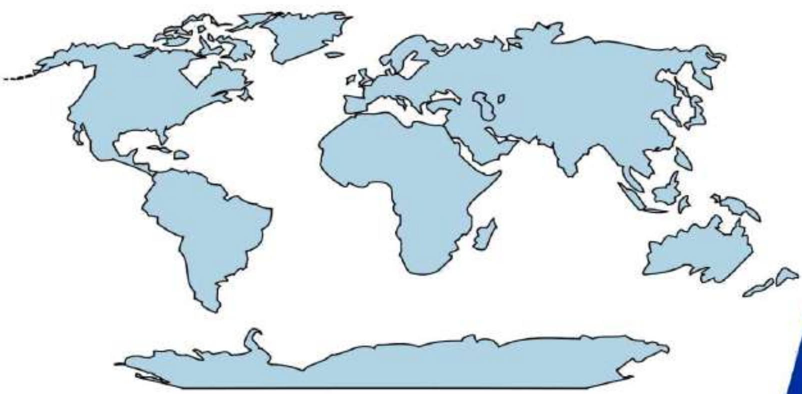

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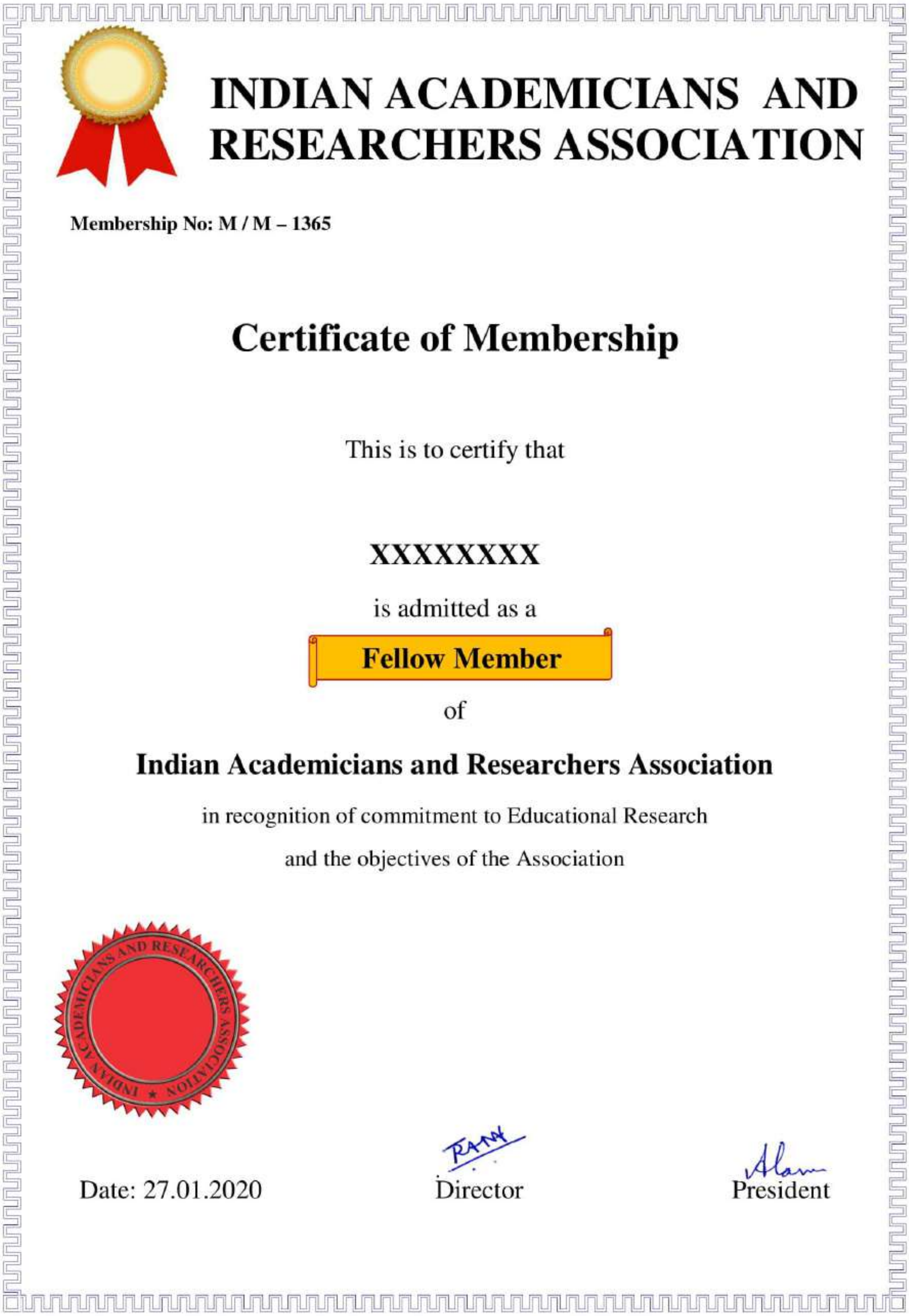

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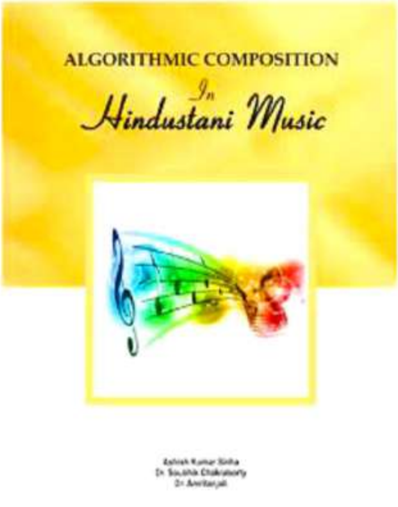

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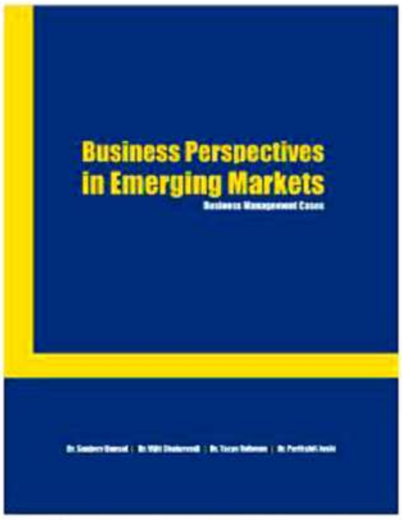

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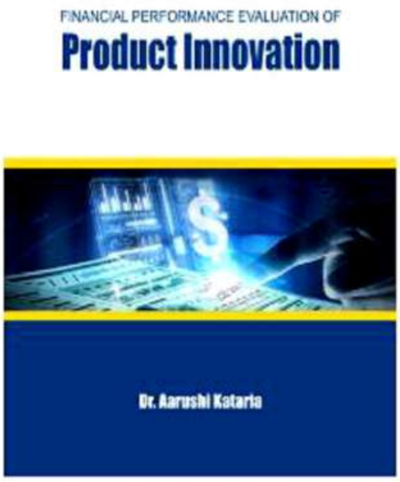

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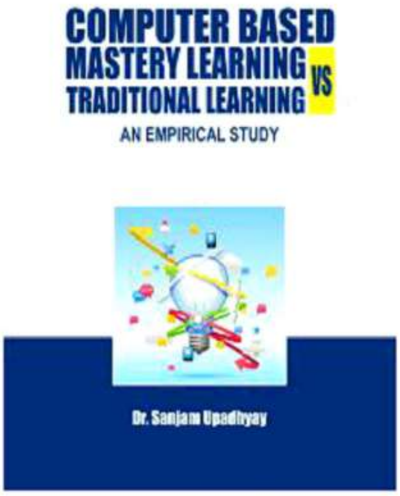

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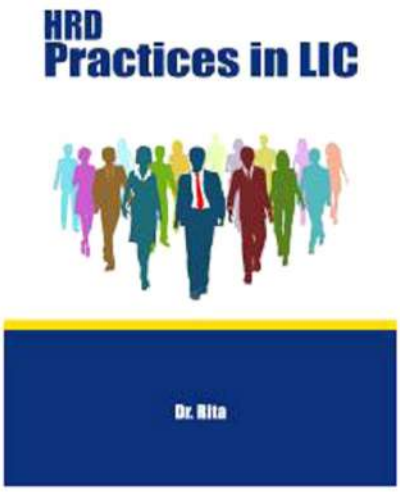

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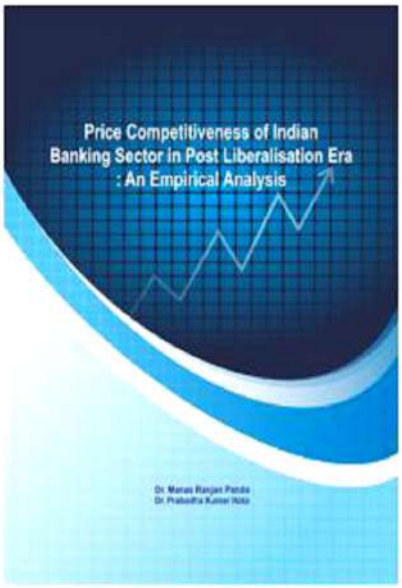

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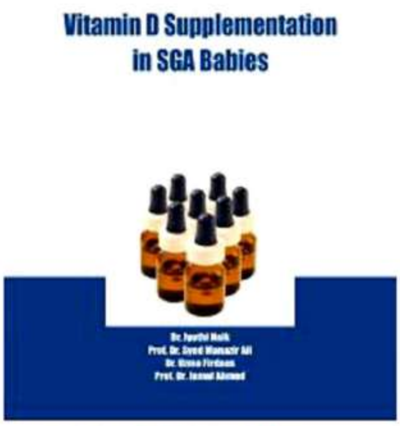

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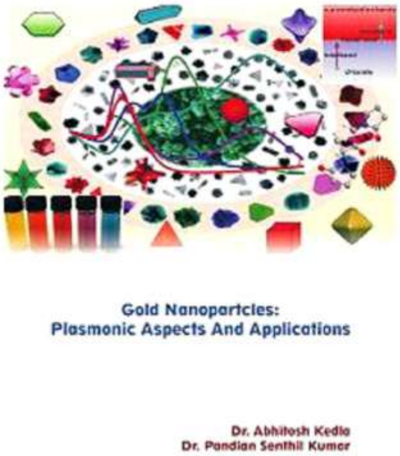

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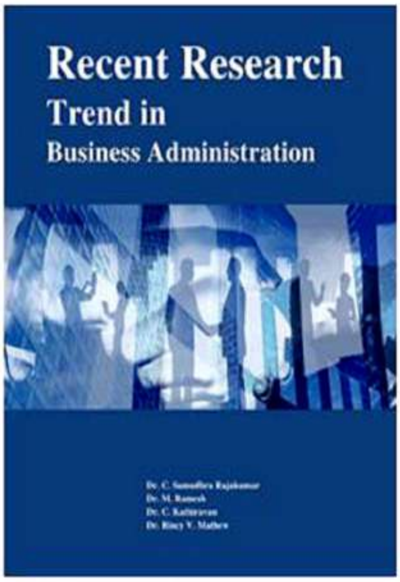

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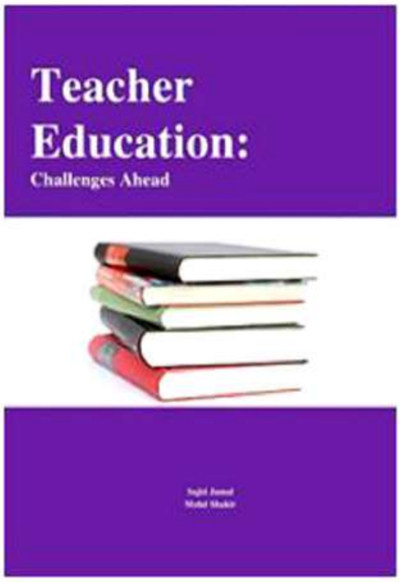

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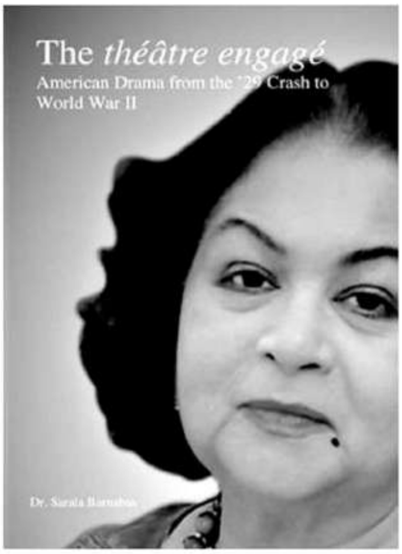

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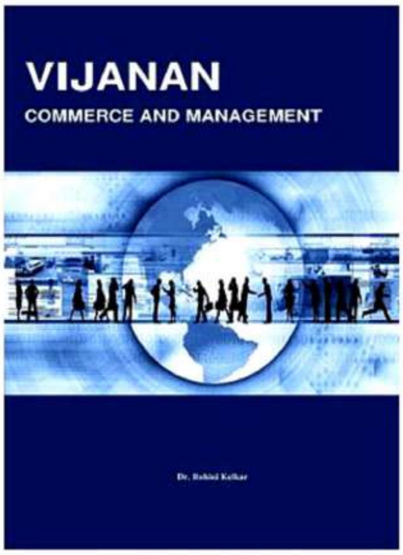

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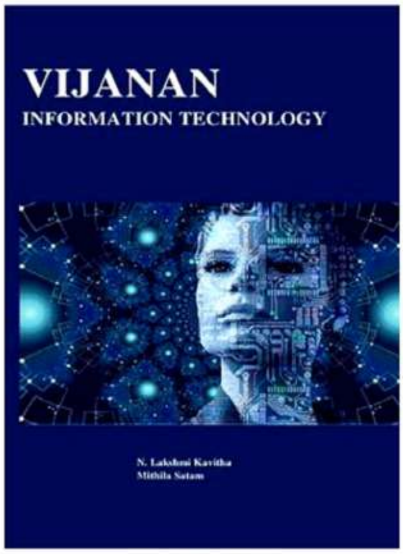

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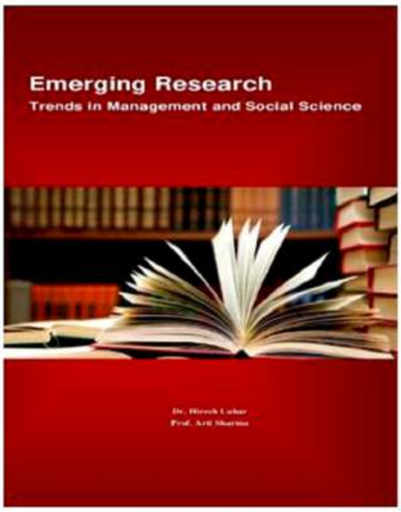

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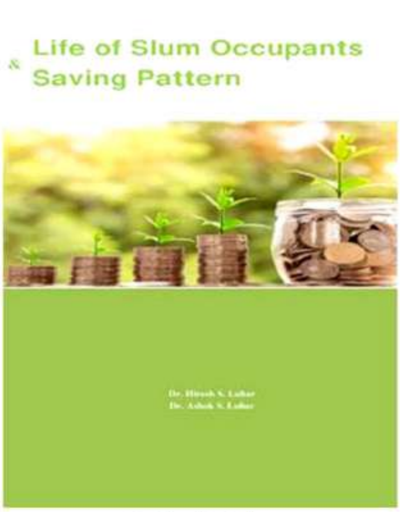

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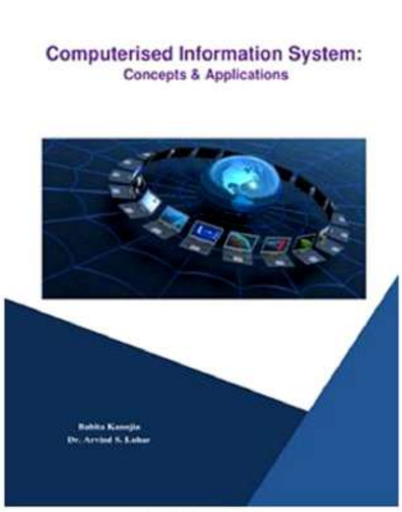

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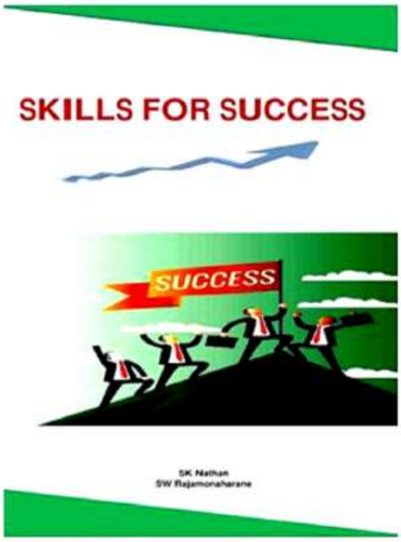

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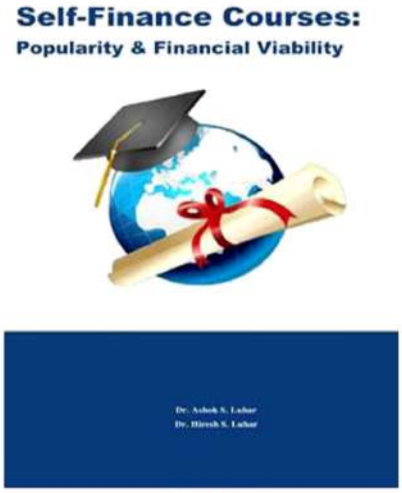

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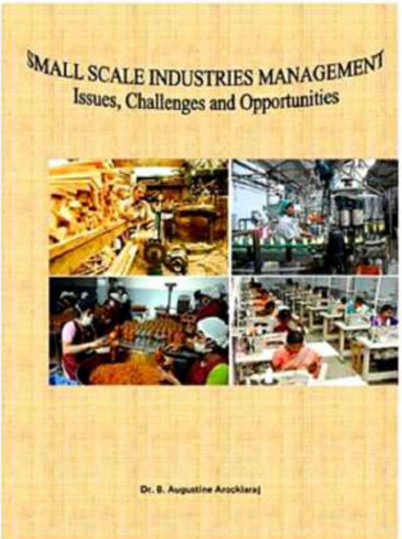

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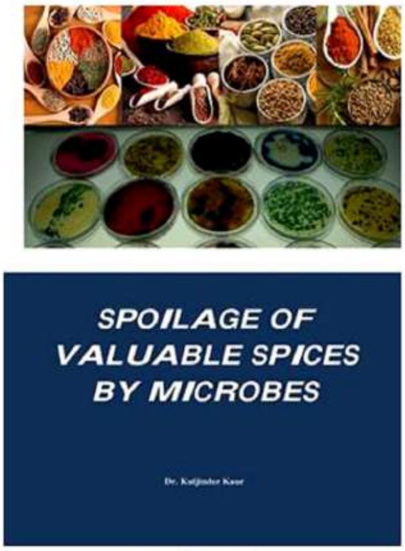

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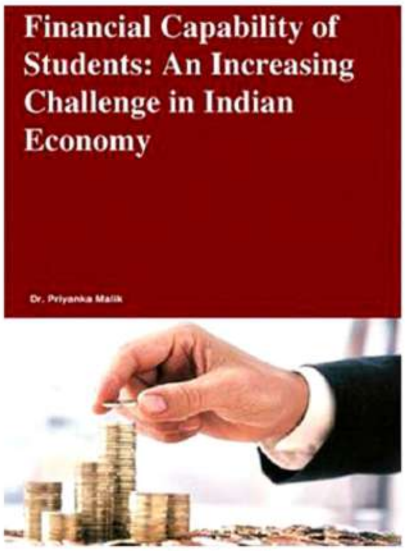

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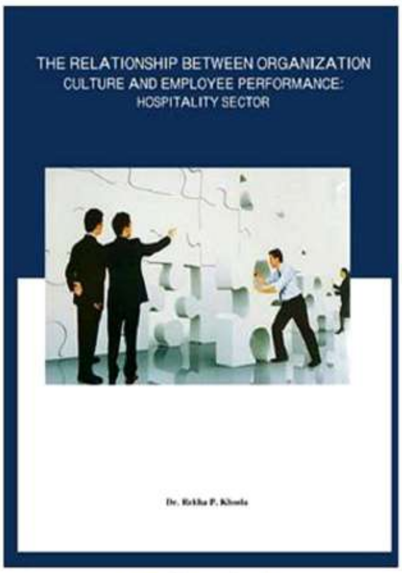

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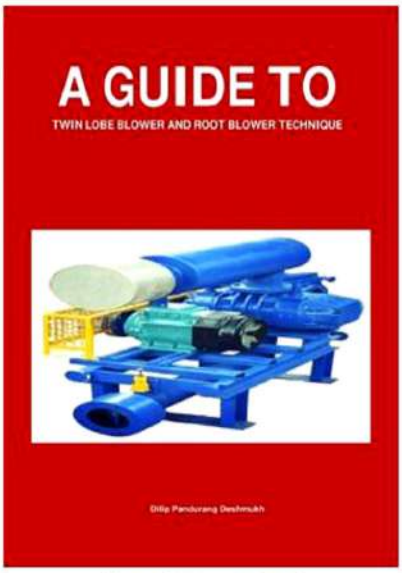

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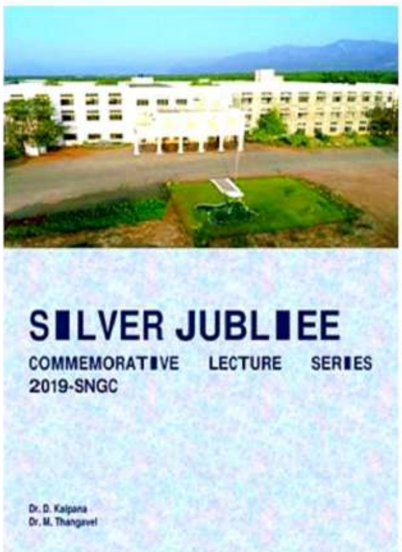

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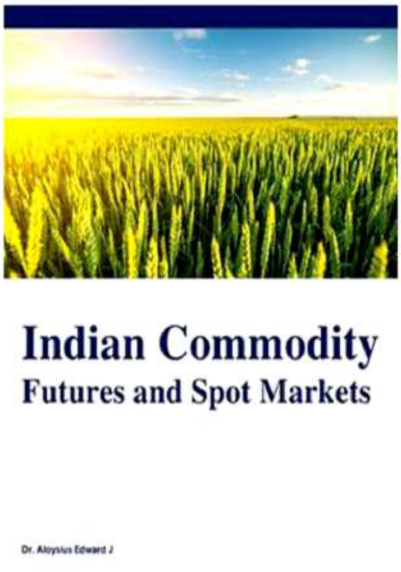

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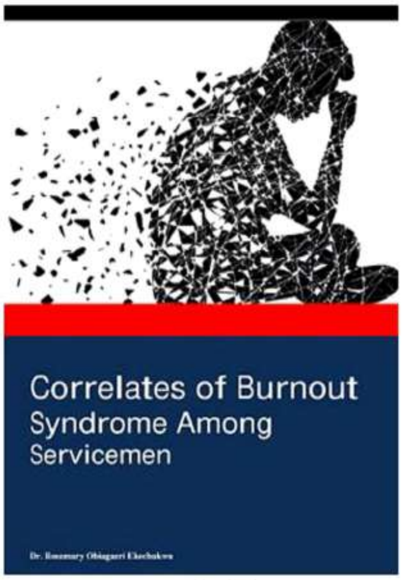

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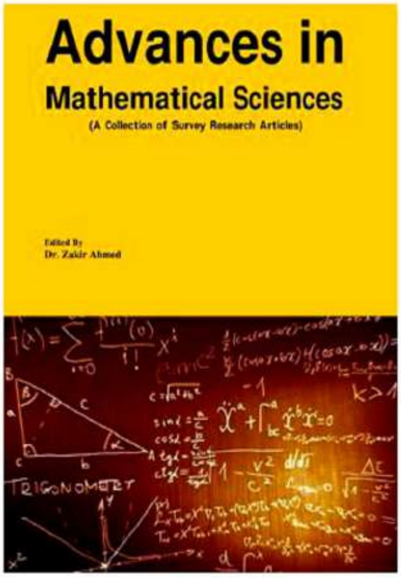

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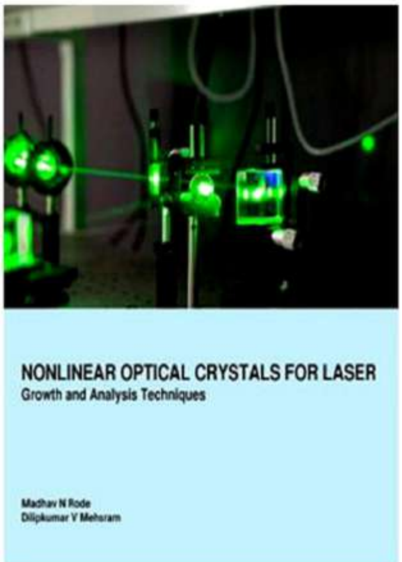

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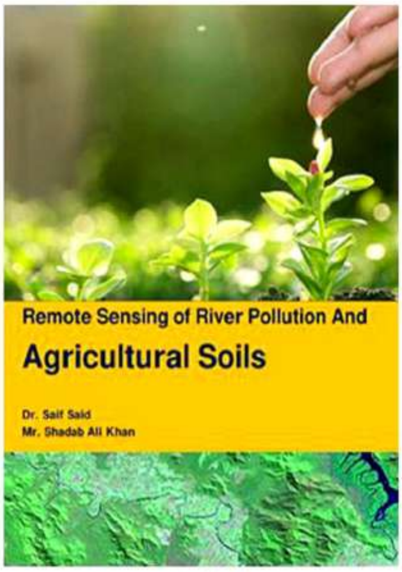

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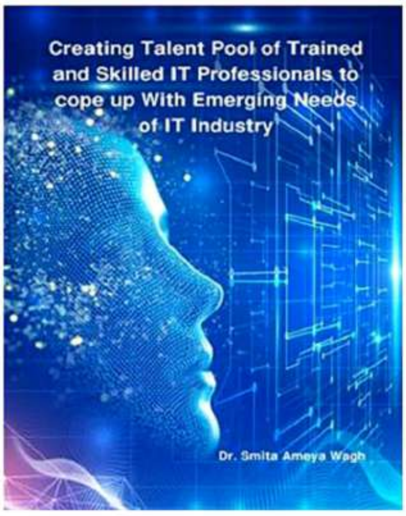

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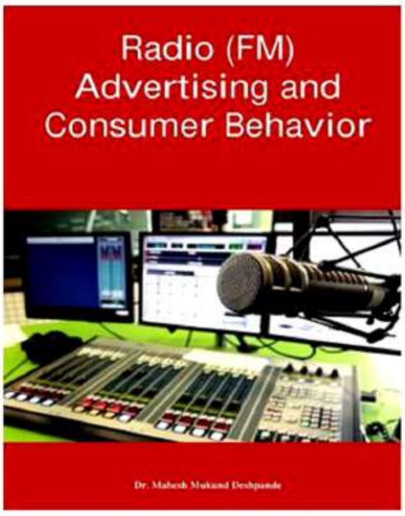

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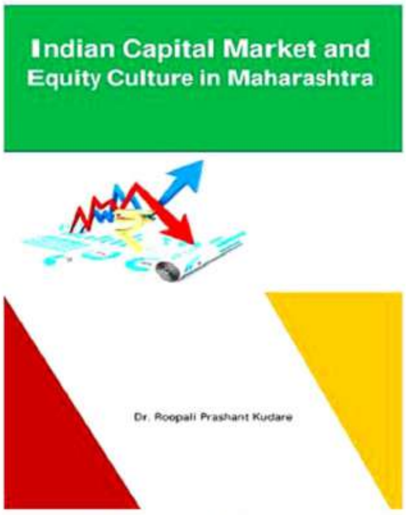

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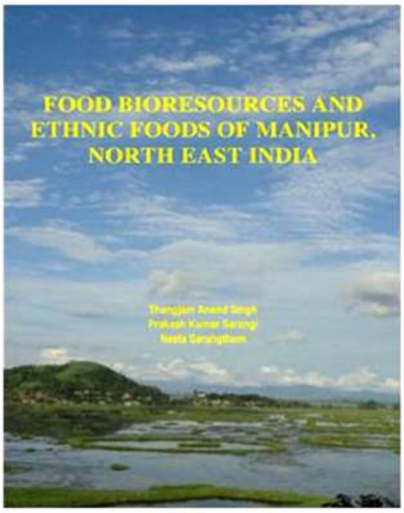

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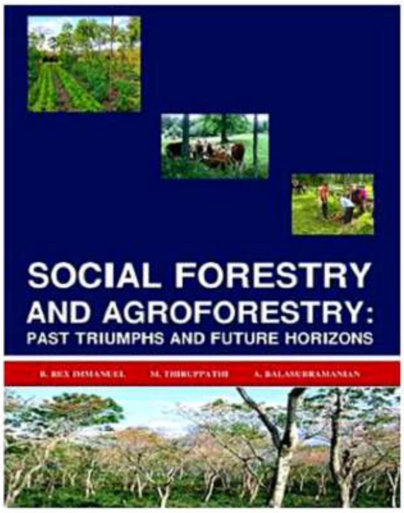

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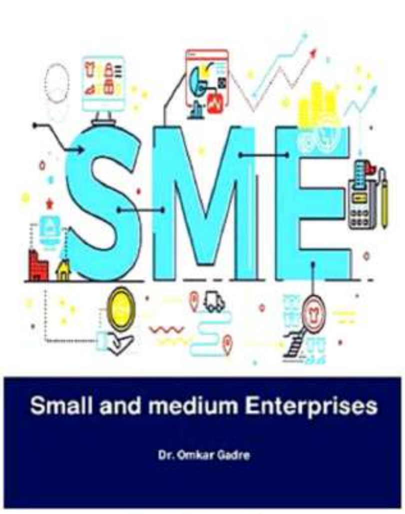

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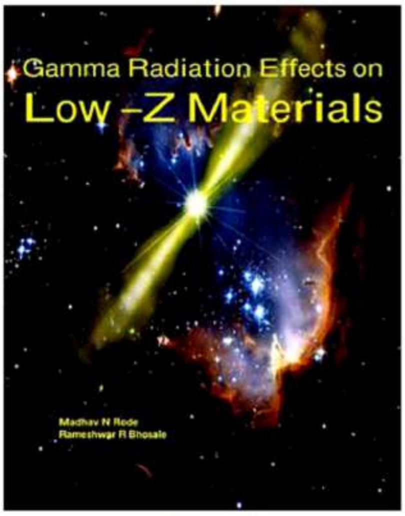

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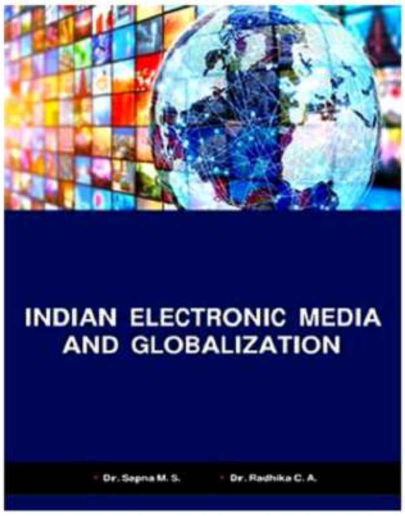

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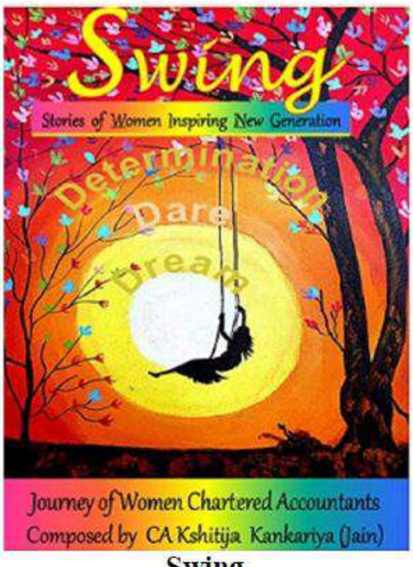

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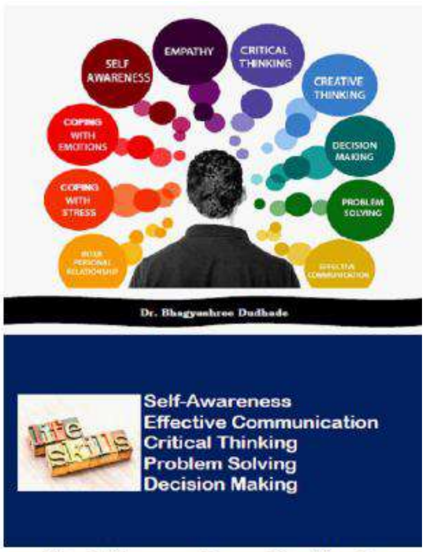

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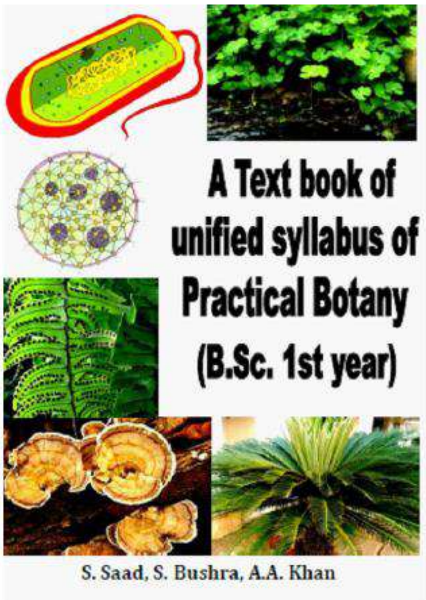

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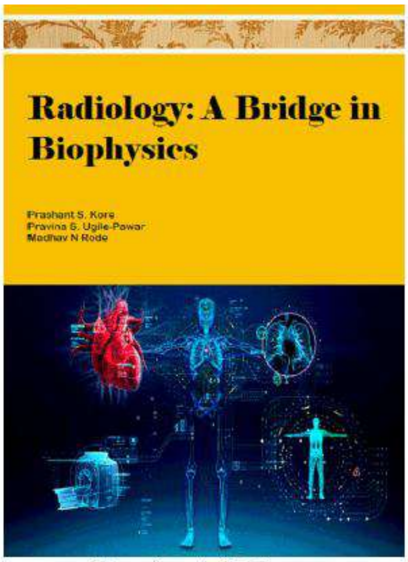

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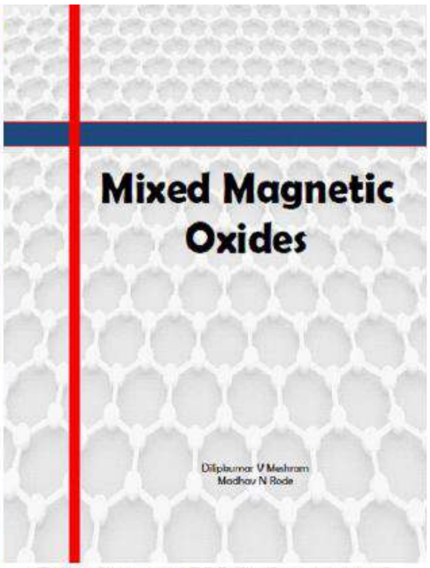

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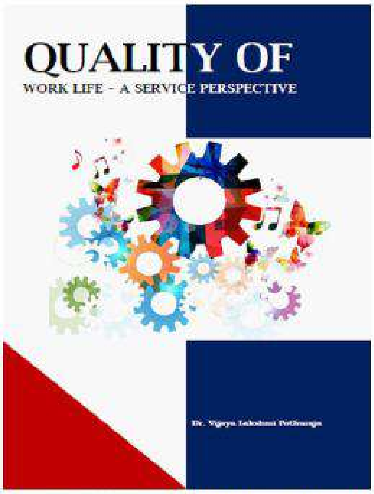

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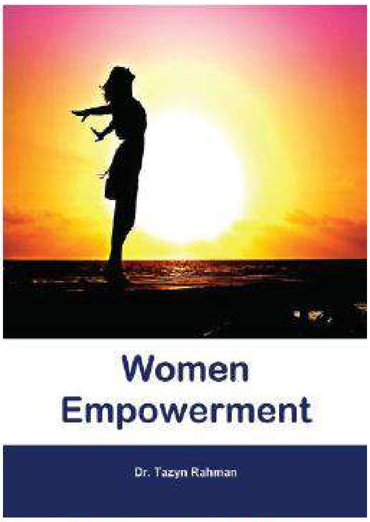

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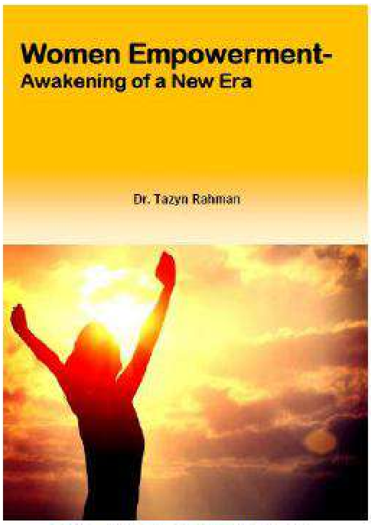

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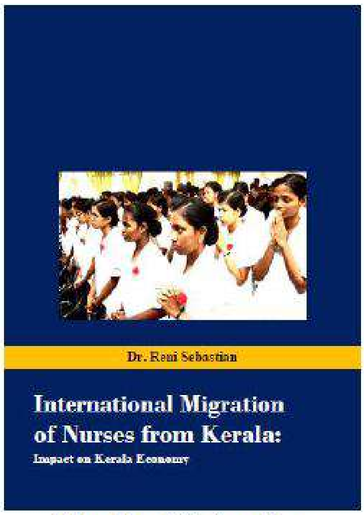

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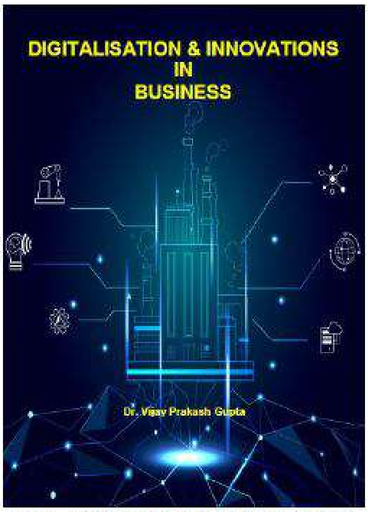

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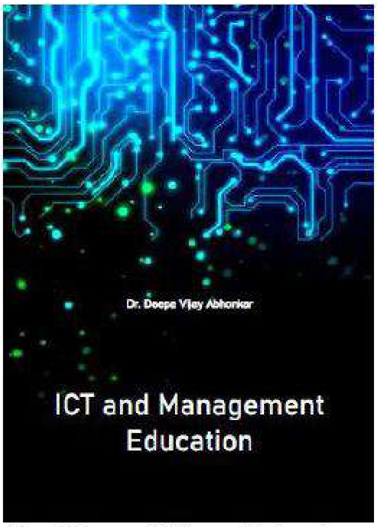

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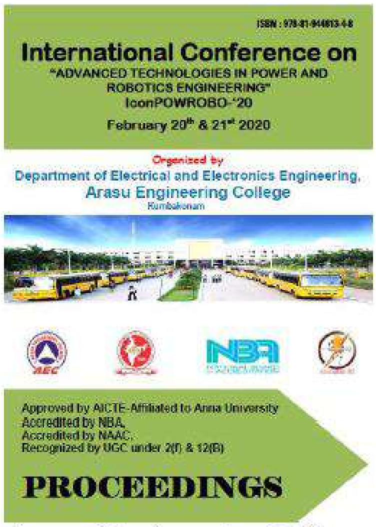

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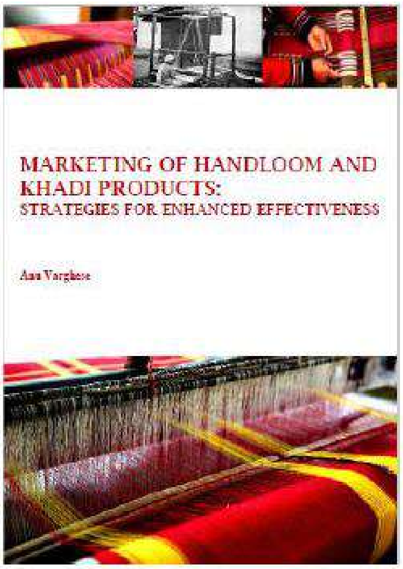

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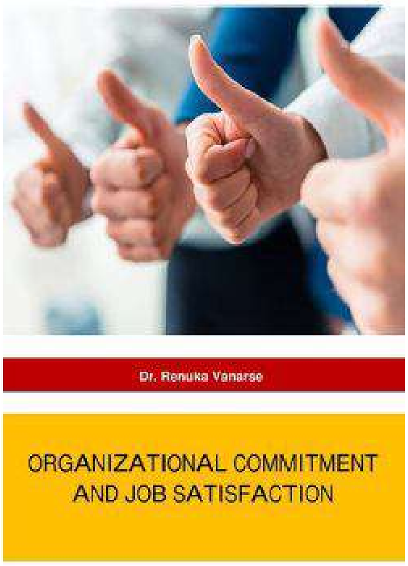

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