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A STUDY OF COST APPROACH OF HUMAN RESOURCES ACCOUNTING

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ABSTRACT
Human resources play a vital role in the development of an organisation. Without effective human resources, survival of an organisation becomes a critical issue. Understanding the value of available resources is of primary importance for any organisation. It is difficult to compute the exact value of Human Resources compared to tangible assets, hence it is not practiced in many companies. Human Resources Accounting (HRA) is the process of identifying, and reporting the amount invested in the Human resources of an organization. It is an extension of standard accounting principles. Human Resources Accounting will aid an organisation in presenting and documenting the assets. Cost Approach of Human Resources Accounting deals with investments made in employees by the organisation. Cost approach emphasis on considering Human Resources as an Asset. An organisation should pay attention towards betterment of employees which will result in appreciation of asset value.

Keywords: Human Resources, Human Resources Accounting, Cost Approach

INTRODUCTION
Human Resources: The department of an organisation which deals with recruitment, administration, training and grooming of an individual. Human Resources are key assets and are different from physical assets. Valuation of Human Resources along with other assets is required in order to figure out the total cost of assets.

Human Resources Accounting
The American Association of Accountants (AAA) defines HRA as follows: ‘HRA is a process of identifying and measuring data about human resources and communicating this information to interested parties’.

Importance of Human Resource Accounting
1. People are an important part of an organisation, without whom no system can perform effectively.
2. In the traditional approach expenses related to employees are charged to the Profit and Loss Account instead of treating it as an investment, due to which Net profit is affected.
3. Contribution of Human Efforts are vital in productivity, if human resource are not considered as assets, Valuation of firms will be incorrect
4. Management acts on development of employees will not be perceived if valuation of Human resources is not done.
5. Cost - benefit analysis should be taken into consideration, costs incurred on improvements and training should be capitalised as per Cost approach of Human Resources Accounting

OBJECTIVES
1. Enable management to monitor the human resource
2. Computing appreciation and depreciation based on human resources evaluation
3. Developing management understanding towards human resource valuation
4. Assisting managers in planning human resources
5. Aid in Management decision making

Cost Approach Of Human Resources Accounting:
This method is also known as An Acquisition Cost Model. Investment made in Recruiting, Administrating, providing formal and informal training, Experiencing and Development is considered as cost elements for computing Acquisition Cost.

Acquisition Cost of Human Resources should be amortized and considered on the asset side of a balance sheet. In traditional scenarios where human resource accounting is not followed, all costs incurred for above said purposes are recorded on the debit side of the profit and loss account, which result in reduction of net profit.

As costs incurred on development and training of employees will have future benefits, hence human resources are assets. Writing off the cost in years of expenditure will lead to incorrect valuation of assets.

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Value of Human Resource based on Cost approach = Amortize the capitalized amount for period of recruitment to retirement of an employee

Limitation of Cost Approach

1. Cost approach method does not consider change in currency value over the period of time
2. Human Resources can not be sold.
3. Value of an employee to the organization is not taken into consideration.
4. Cost - Benefit analysis is not adopted.
5. Fully trained employees do not require incurring any additional cost.
6. Estimation of life span of human resource is not possible with certainty

To Overcome Limitations Multiple Models Were Introduced

Lev and Schwartz Compensation Model

In 1971, this model was developed by Lev and Schwartz for Valuation of Human Resources. It is also known as Present Value of Future Earning. It is used by public sector companies like SAIL and BHEL, based on the future earnings of an employee till his retirement.

Stochastic Rewards Model

This model was developed by Eric G.Flamholtz, recognized certain major variables which help to determine the value of an individual to the organization. He defined migration of an employee from one organisation to another as Stochastic Process.

E (RV) = expected realizable value

Rt= Value derived by an organization in each possible state

P (Rt) = Probability that the organization will have Rt

T= time

n=state of exit

i=1, 2, 3

r=discount rate

Replacement Cost Approach

The method is used in decision making with respect to dismissal or replacement of an employee. The approach deals with the cost of replacing an employee.

Mirvis and Mac (1976) Expenses Model

Costs are estimated for criterias like absenteeism, turnover and job performances. Behavioral aspect is considered as important element in determining value of human resource

CONCLUSION

Human Resource Accounting will assist management in adopting the correct vision towards planning and managing human resources in a more efficient and effective manner. Computing Value of Human resources with the help of appropriate methods and recording the same appropriately in books of accounts is required in order to present the correct value of an asset.

Indian companies should adopt Human Resource Accounting for accurate valuation of organisations assets.

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FORENSIC ACCOUNTING: HOW TO DEAL WITH PSYCHOLOGICAL ASPECTS OF FRAUD

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ABSTRACT
It is the surging number of white-collar crimes that have paved the way for the development of Forensic Accounting. Forensic Accounting can be described as a specialized field of Accountancy which investigates fraud & analyse financial information to be used in legal proceedings. Forensic Accounting uses Accounting, Auditing & Investigative Skills to conduct investigation into theft & fraud. Many business professionals, especially those in the financial arena, tend to discount behavioral explanations. But as the incidence of fraud continues to grow, placing the spotlight on behavioral factors, which may be an important approach not only to fraud detection but to deterrence as well. In other words, when discussing Forensic accounting, we must inevitably bring in the human factor- the Psychological factor.

Keywords: Fraud, Forensic Accounting, Criminology, Anthropology.

INTRODUCTION
It is the surging number of white-collar crimes that have paved the way for the development of Forensic Accounting. In the backdrop of highly competitive business environment, there has been a surge in commercial litigations. This has resulted in the greater demand of specialist financial skills in detecting and investigating fraudulent actions. The Enron and WorldCom debacles, as well as other accounting scandals has forced the accounting profession to undergo radical changes. Until recently, detecting fraud or white-collar crime was thought to be part of the conventional accounting function. Fraud was something the internal or external auditors were supposed to guard against through their periodic audits. Embarrassing audit failures in the past couple of decades have led the experts in the field of accounting and auditing to think beyond their traditional roles. The work of an auditor is no longer limited to ensure that financial statements are true and fair. The focus is now more on fraud risk, fraud detection, fraud prevention and investigation. Forensic Accounting has risen to prominence because of increased financial frauds, popularly known as white collar crimes.

Fraud involves intentional acts and is perpetrated by human beings using deception, trickery, and cunning that can be broadly classified as comprising two types of misrepresentation : suggestio falsi (suggestion of falsehood) or suppressio very (suppression of truth) . It is important to understand the psychological factors that might influence the behavior of perpetrators. Many business professionals, especially those in the financial arena, tend to discount behavioral explanations. But as the incidence of fraud continues to grow, placing the spotlight on behavioral factors, which may be an important approach not only to fraud detection but to deterrence as well. In other words, when discussing Forensic accounting, we must inevitably bring in the human factor- the Psychological factor

Behavioral Root Causes of Fraud
Psychology seeks to understand, explain, predict, and control individual and group behavior. Specifically, personality psychology studies individuals; social psychology looks at group behavior; cross-cultural psychology (anthropology) analyzes the impact of culture and context on behavior; and abnormal/personality/ forensic psychology, sociology, and psychiatry focus on deviant behavior (including instance, industrial psychopaths).

Behavioral scientists have failed so far to identify a well-defined and well- understood psychological characteristic or a set of characteristics that are diagnostic about fraud perpetrator propensity. At the same time, to say that “greed and dishonesty” – a commonly heard refrain –can account for all that went on during the “irrational exuberance” of the 1990s and the early 2000s or earlier eras would be overly simplistic. After all, most people in the business world are fully law abiding market participants--- they do not necessary resort to fraud to achieve their stretch goals.

From a criminology perspective, white collar crime, like other crime, can best be explained by three factors: a supply of motivated offenders, the availability of suitable targets, and the absence of capable guardians – control systems. Criminal opportunities are presented by those vulnerable environments and opportunistically interpretable scenarios that individuals and groups see as offering attractive potential for criminal reward with little apparent risk of detection or penalty.

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In general, fluctuations in business cycles, and criminogenic cultures that conflict with accepted social, ethical, and legal norms of behavior, are correlated with increases in the rate of white collar crime. For instance, when there is a widespread belief that "everyone is getting rich" many come to believe that to pass any opportunity is to miss the boat. Similarly, after noting the illegitimate earnings management misdeeds of companies such as Enron, Nortel, and Cisco, Fuller and Jensen (2002) have commented ruefully, "Companies do not grow in a constant fashion with each quarter's results better than last. In the long run conforming to pressures to satisfy the market's desire for impossible predictability and unwise growth leads to the destruction of corporate value, shortened careers, humiliation, and damage companies." Along the way leads otherwise honest executives to turn dark side. They lie, cheat, and steal in order to relieve the immense pressure to meet analyst expectations of unattainable performance, just to keep their jobs and, thus for self-preservation. It should be noted that other countries, cultures, and languages provide a context that allows fraud to flourish in perhaps different stripes, shapes and forms. This is why it is necessary to bring in perspective from economic/cultural anthropology to understand how white collar crime might manifest itself in other contexts.

Starting with Cressey (1973), the sociology and criminology literature describes fraud perpetrators as "trust violators are people you would not normally suspect of committing fraud." Specifically, Cressey (1973) explains, "Trusted persons become trust violators when they conceive of themselves as having a financial problem which is non-shareable, are aware this problem can be secretly resolved by violation of the position of financial trust, and are able to apply to their own conduct in the situation verbalizations which enable them to adjust their conceptions of themselves as trusted persons with their conceptions of themselves as users of the entrusted funds or property". Specifically, trust violators and fraud perpetrators must be able to justify their actions to themselves and others as a psychological coping mechanism to deal with inevitable "cognitive dissonance" (that is, a lack of congruence between their own perception of being honest and the deceptive nature of their action or behavior). This explanation led to the inclusion of "rationalization" as one of the elements in the conceptual framework provided by the "Fraud Triangle".

Although the fraud triangle is a powerful conceptual tool, there are other factors such as the basic greed and acquisitiveness, a "revenge motive" to make the organisation pay for perceived inequities, or a "catch me if you can" attitude that some white collar criminals exhibit, and these personality characteristics do not easily fit within the fraud triangle framework. Similarly, the white collar criminal's assessment of the organisation's attitude toward fraud even if the perpetrator is identified get factored into the behavioral calculus but it is not obvious as a separate descriptive category. Hence, to discourage would- be fraudsters, ACFE Founder Joseph Wells advises, "Let them know you're watching!"

While collar crime is notoriously difficult to prosecute because the offenders are well connected and often are first-time offenders. Such fraud perpetrators take extreme care to conceal their activities, destroy evidence, and disrupt the audit trail. Indeed, Braithwaite (1991) has argued that white collar crime is a defining issue in criminology as it puts into sharp relief the "differentials of power and influence" as well as the dynamics of inequality in wealth, power, status, and personal reputation. Thus, even the common expression "where there's smoke, there's fire" may not quite apply, because the fraud perpetrator may introduce a smoke screen or otherwise stamp out the smoke, leaving no evidence of fire."Absence of evidence is not evidence of absence." For all these reasons, many corporate and economic crimes are not prosecuted despite their significant financial consequences, and white collar remains a largely unmanaged risk in organizations.

Industrial Psychopaths

Some "con artists" might score high enough to be classified as "industrial/organizational psychopaths." Psychopathology refers to the science of diseases of the human mind. A psychopathic personality is characterized by a mental pathology with the following traits:

1. Amoral and antisocial behavior.
2. Inability to form meaningful personal relationships, and
3. Extreme egocentricity and absence of empathy.

Several toxic elements of such personalities come to one's attention: An oversized ego frequently characterized by greed and self-aggrandizement, an obsession with material possessions , and "using" human beings to further one's own selfish goals. "Not all psychopaths end up in prison, and some of them exploit organizational chaos, and thrive in business."

Babiak (2000) described the following common pattern in the industrial psychopath's behavior:

- **Organizational entry:** Charming the interviewer; not a particularly difficult thing to do for expert manipulators.
- **Assessment:** Gauging utility of various members of organization during "honeymoon" period; begins to charm people in power and others of use to him/her; establishes a communication network.
- **Manipulation:** Psychopath spreads disinformation to enhance his/her image and disparage others; creates conflict among those who might pool negative information about himself/herself; uses full arsenal of social tools: rational persuasion, inspirational appeal, integration, and coalition to accomplish devious goals.
- **Confrontation:** Psychopath abandons the "pawns" no longer useful to him/her and takes steps to "neutralize" the detractors whom s/he has failed to take in; raises doubts about the latter's competence or honesty.
- **Ascension:** Psychopath reaches upper echelons where he abandons his "patrons," those well up in the corporate hierarchy who have facilitated his rise to power (seen in one-third of the cases).

Organizational entry, honeymoon period, manipulation, confrontation, and ascension appear to be the general routine followed by industrial psychopaths as they infiltrate and wreak havoc on corporations. Rather interestingly, Babiak and Hare (2006) have written a book in which they refer to industrial psychopaths as "snakes in suits."

CONCLUSION

While corporate governance reform legislation such as the Sarbanes-Oxley Act of 2002 can help limit the opportunity for fraud, individual ethics and integrity cannot be legislated. As such, fraud deterrence and detection should focus on how to deal with the underlying interpersonal and behavioral dynamics-the psychology of fraud perpetrators as well as the psychology of those responsible for governance, including auditors, and their interactions. The fraud triangle-consisting of opportunity, pressure, and rationalization-is a useful conceptual framework to understand the root causes of fraud and their behavioral under-pinnings. However, it is also important to look at the other fraud triangle that focuses on the act, the concealment, and the conversion (that benefits the white collar criminal directly or indirectly). Most important to note, it is human beings who commit crimes, sometimes as agents on behalf of their organizations, so we must attempt to understand their motivations and determine both the why of white collar crime. For organizations, establishing anti-fraud programs and controls is critical. To do this, understanding of behavioral factors influencing fraud perpetration is key for establishing responsive fraud deterrence and detection mechanism and proactively managing the risk of financial fraud. Interestingly, the significance of behavioral science insights increases even more when we move into the domain of fraud investigation as well as remediation.

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UNIQUE BUSINESS OPPORTUNITIES DURING COVID ERA: CASE STUDY OF PARLE PRODUCTS

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INTRODUCTION

The COVID-19 pandemic has rapidly become one of the most significant disruptive events in modern times. Its spread has left national economies and businesses counting the costs, as governments struggle with new lockdown measures to tackle the spread of the virus. The lockdowns have disrupted the production and supply of essential and non-essential products in the markets. It is simultaneously a public health crisis of unparalleled magnitude, scope, and speed that has circled the globe in a span of several months since the novel coronavirus outbreak in Wuhan, China, was officially confirmed in early January, 2020 (Medical News Today, 2020).

Since Coronavirus disease (COVID-19) has been declared a global pandemic by the WHO on March 11, 2020 as a respiratory disease, it has been acclaimed to be a biggest world health crisis of 20th Century due to its speedy spread at global level since its arrival. As the spread of Pandemic has been through community transmission, lock down was enforced Nationwide to restrict the infection amongst people.

As of 31 December 2020, COVID-19 pandemic infected approximately 82 million people and killed beyond 1.8 million globally. According to an article by Benedette Cuffari in News Medical on How has the COVID-19 Pandemic Impacted Global Health, nearly three million people have died and billions of people have been ordered to stay at home as a result of lockdowns (as of the end of March 2021). WHO Pulse survey of 135 countries in March 2021 highlighted persistent disruptions at a considerable scale over one year into the pandemic, with 90% of countries reporting one or more disruptions to essential health services.

Barriers to control the spread of COVID-19 include community resistance to outbreak mitigation efforts including travel restrictions, use of face masks in public, and social distancing, hospital transmission rates and a general lack of crucial funding and resources. Social distancing, Lockdowns and frequent sanitisation have been the suggested preventive measures against pandemic.

Considering the demand and supply situation of essential products globally & in India, mobilisation of resources by the businesses contribute towards relief measure. COVID-19 has underscored the need for cooperation amongst nations at global level for meeting the rising demand of essentials and sanitation products to prevent further spread of pandemic. Hence a lot of funds are mobilised towards production of essential items emphasising towards hygiene products like face masks, face shields, soaps, sanitizers, disinfectant sprays and liquids. The impact of this is on producers in terms of challenges faced to concentrate on production of essentials and to make them obtainable to the consumers by satisfying towards the increasing demand.

This paper reflects on the Indian company- Parle Products ltd. routing its financial resources towards a business opportunity by mobilising its funds and other assets towards supply chain in launching a hygiene product- Parle Suraksha (hand sanitizers) which assists in preventing spread of Covid 19.

OBJECTIVES OF THE STUDY

- To study the pandemic situation with reference to product crisis
- To review the demand and supply of sanitizers in Indian markets.
- To evaluate the unique opportunity created since pandemic outbreak availed by Parle products.

SCOPE OF THE STUDY

- The period of study covered is from initial stages of pandemic (January 2020) to December 2021.
- The study coverage caters around Hand Hygiene as preventive measure during Covid 19 pandemic in India.

RESEARCH METHODOLOGY

- Research plan for Data Collection
- Secondary Data: Data from Published government sources , Books, websites and magazines.
- Research Design: This study is descriptive and has a Case Study approach.

LITERATURE REVIEW

a. As per the study by Cattaneo, Gereffi, & Staritz (2010) & Gereffi (2020) on 'Global Value Chains in a Postcrisis World' and 'COVID-19 pandemic teachings on global value chains w.r.t medical supplies.'

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concluded that supply chain dynamics vary considerably as per the Industry, characteristics of specific products, the strategies of the companies and the distribution channels involved.

b. As per the research on Pandemic-proof globalization conducted by O'Neil (2020), the researcher concluded that the drivers and policy implications of supply chain disruptions during the pandemic are often unclear and hence redundancy is the key to supply-chain security in such times.

c. S Wulandari, A Irawan, M Basit (2021) in their study on knowing about the effectiveness of preventing pandemic using hand sanitizers or soap for hand hygiene concluded that use of hand sanitizer , maintaining hand hygiene and using soap is considered as an effective method to prevent spread of Covid 19 .

d. Ji, Ye, et al.(2021) in their study on 'Global COVID-19 pandemic considering Global Health Security Index as the base' stated that Lockdown measures showed a good control effect on COVID-19.

FINDINGS OF THE STUDY

A. Pandemic & Product Crisis

Coronavirus disease is caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Humans are the common transmission source of SARS-CoV-2 through human-to-human interactions (through respiratory droplets or contact). Transmission occurs when the hands contaminated with the virus touch the mucosa of a healthy person's mouth, nose, or eyes. The infected persons can transmit the virus even when they have no or few symptoms. Though the government has undertaken preventive efforts to reduce the severity of COVID 19 disease by developing and researching coronavirus vaccines, the usage of masks and hand hygiene continues to be a major precautionary step.

The COVID-19 pandemic has caused a dramatic shortage in the medical supplies needed to treat the virus due to a massive surge in demand as the disease circled the globe during the first half of 2020. Covid 19 pandemic has reflected a high menace to human health. With the sudden outbreak of the COVID-19 pandemic, the World Health Organization (WHO) has recommended the use of hand sanitizers for self-preservation and minimizing the spread of the coronavirus. The increasing number of deaths caused by the virus has further triggered an alarming response from consumers, thereby increasing the emphasis on hand hygiene as a preventive measure from contracting the infection. Moreover, the implementation of the Swachh Bharat Mission by the Government of India and various other campaigns by the private organizations that involve providing hand sanitizers at railway stations, hospitals, shopping malls and educational institutes has also created a positive impact on the product demand.

Since there was an immediate imposition of nation-wide lock down, a huge impact on product crisis was observed in essential items including medical supplies. The novel coronavirus global pandemic of 2020 has focused attention on supply chain shortages of personal protective equipment (PPE) and the testing kits used in the treatment and diagnosis of mushrooming numbers of COVID-19 patients around the world. Scarcity of masks, hand sanitizers, gloves, hand wash, soaps, face shields and disinfectants was also observed to a huge extent. After the COVID-19 outbreak, global shortages of these products emerged as many affected countries imposed export controls and sought ways to boost domestic output.

A case study of the face mask value chain in the United States shows misalignments between the priorities of U.S. federal government officials and the strategies of leading U.S. multinational producers of face masks, which resulted in exceptionally costly policy delays in terms of health outcomes. World Health Organisation recommends physical distances, appropriate use of all personal protective equipment (such as masks, goggles, etc), and hand hygiene (HH) practices to reduce the spread. The same was reflected in research conducted by Chu DK, Akl EA, Duda S, Solo K, Yaacoub S, Schünemann HJ.

As a measure to prevent the spread of Corona Virus, a letter was issued on March 19,2020 by Ministry of Consumer affairs, Govt of India to all Chief secretariats of State Government to ensure the production and availability of hand sanitizers to the consumers.

B. Need Of Hand Hygiene During Covid 19 Pandemic Era

Hand hygiene is the process of removing dirt from the hands. Hands are one of the transmission media for Covid-19 because hand contact is more frequent besides almost all activities that require hands so hand hygiene is very important, the strategy in dealing with Covid-19 is the main increase in infectious diseases in the problem of breaking the chain of spread of Covid-19 by perform hand hygiene. Hand sanitizer/ hand antiseptic is a foam, gel or liquid-based sanitizing agent that is applied on hands for removing various disease-causing pathogens. It includes both products which are exclusively sold in pharmacies and products which can be

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purchased elsewhere. Hand sanitizers are available in gel form, sprays, foam, disinfectant wipes or disinfectants specifically for hands.

Desta A, Tsegaye M, Bodena B,and Sintayehu A (2021) in their study reflected that 66% of the health workers reflected non availability of Alcohol based sanitizers whose usage is anticipated to be done frequently while treatment of patients. Also, 96% of the health workers considered alcohol based sanitizers emphasized on usage of Alchohol based sanitizers as a preventive measure to prevent spread of Covid 19 pandemic.

Indian hygiene market size in Covid Era is mainly segregated into 3 products, namely Soaps, Handwash & Hand sanitizers. Hand sanitizer used for domestic purpose had a market demand Rs. 60 crores in size prior to pandemic which rose to Rs 300 crores which grew 500% of the actual market size post first wave of Covid 19 during September 2020. Indian market demand for soaps rose to Rs. 20,000 crores and for handwash to Rs. 1500 crores. Revenue in the Hand Sanitizer segment amounts to Rs. 42,439.89 millions in 2021. The market is expected to grow annually in next 5 years by 13.40% considering the Compound Annual growth rate from 2021-2025. Indian markets ranked second in comparison of Sales revenue ($566 million) amongst global markets of hand sanitizers in 2021.

Revenue generated from Hand sanitizer market in India

Year	2019	2020	Expected annual revenue in 2021
Revenue (in million USD)	$ 352.05	$611.81	$566.49
Average per capita revenue (in USD)	$0.26	$0.44	$0.41

Source: www.statista.com/outlook/cmo/otc-pharmaceuticals/hand-sanitizer.

C. Unique Business Opportunity & Financial Mobilisation

- The global value chain framework highlights strategic options that could lead to more resilient supply chains and diversified sourcing patterns.
- As per the WHO Guidelines on Hand hygiene in Health care, Local Production method recommended in 2009 has following aspects:
- ▪ Volume of production, containers to be of 10-litre preparations in glass or plastic bottles with screw threaded stoppers or 50-litre preparations in large plastic (preferably polypropylene, translucent enough to see the liquid level) or stainless-steel tanks with an 80 to100 liters capacity to allow for mixing without overflowing.
- ▪ The tanks need to be regulated for the ethanol/isopropyl alcohol volumes and for the final volumes of either 10 or 50 litres.

World Health Organisation does not acclaim usage of pure alcohol or household disinfectant under the ambit of ‘hand sanitizer’ to maintain hand hygiene.

Diversion of Financial resources and other assets for catering to the market demand and availability of Hand antiseptics during Pandemic:

a. As per the WHO guidelines, there was an urgent need by Fast Moving Consumer Goods (FMCG) companies to comply and develop hand hygiene products so that it assists in prevention of the spread of the pandemic.

b. Parle Products pvt ltd is one of the oldest FMCG company serving its consumers in Indian & Global markets since 1929. During the Pre covid situation, the products they deal in include Biscuits, Confectioneries, Snacks, Cakes. The Parle brands have found their way into the hearts and homes of people all over India and abroad. It was a deliberate strategic government policy aimed at boosting local capacity, creating jobs, enhancing skill acquisition. An upstream movement in the supply chain was used by the company by boosting its local capacity towards utilization of resources in launching Hand sanitizers.

c. Parle Products ltd. used vertical integration wherein its supply chain produced hand antiseptic (sanitizers) and launched it during pandemic to satisfy urgent market requirement. Biscuit major Parle Products entered into manufacturing of hygiene product and produced hand sanitizers under its flagship named Parle Suraksha during the Covid 19 era.

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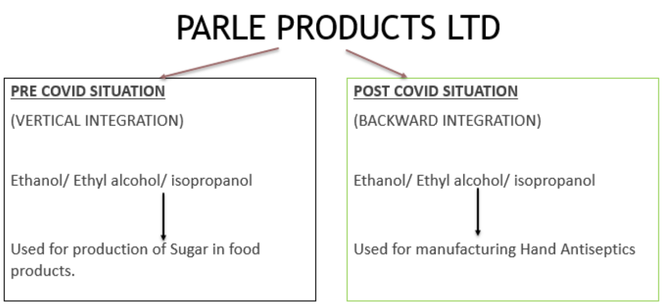
d. Ingredients for production of sanitizers include alcohol-based hand antiseptics comprising of either ethanol, isopropanol or n-propanol, or a combination of two of these products. Sanitizers functions by instantly denaturing the proteins and destroying the lipid-based coatings of certain bacteria's and viruses. Further skin protecting ingredients like moisturizers and lotions are added in small quantities. These assists in safeguarding from dryness caused by the alcohol, neutralize the acidic impact of contents and adds fragrance to sanitizers.

e. Accounting of Parle Sanitizer: Suraksha Brand:

The product is accounted for considering the Replacement cost/ Opportunity cost method. Since the by-product of a section (sugar manufacturing) is used as a raw material in the same undertaking, product arrived at is considered using opportunity cost. Parle products produced ethanol was used to obtain sanitizers as a by-product. This was used as a main ingredient in the industry to produce hand hygiene product instead of buying from outside. The cost of raw material so saved to manufacture sanitizer tends to be replacement cost of the by-product used for internal purposes.

f. Market strategy for Product Launch:

Parle Products ltd. considered an analysis of Covid 19 outbreak and its impact wrt scarcity and non-availability of hygiene products in Indian markets. Parle Products pvt ltd. being leader in FMCG products in Indian markets, evaluated the possible situation globally arrived at a decision of producing hand sanitizers from its available resources to fight against the spread of pandemic. It mobilized its financial resources from manufacturing of sugar to hand antiseptics production using backward integration. The company got its product certified by Department of Ayush and International Organisation of Standardization and got it clinically tested.



Product specification: The product- Parle Suraksha Instant Hand Sanitizer claimed to be Made in India product which can kill 99.9% of germs without water. It has been positioned as a non-sticky formula and reflected as effective & safe sanitizer for kids and adults. The product is launched in 5 litres can, a 500-ml bottle and a 200-ml bottle pack ensuring higher market consumption. It positions its product as safe product for family and is self-drying hand gel with high effectiveness against bacteria, fungi or harmful pathogens.

Market competition: The Indian markets are flooded with natural and organic ingredients in sanitizers which are non toxic in nature and not cause allergies catering to the needs of individual, institutional and health care staff.

Prospective markets: The prospective buyers for hand antiseptic include Health care providers, Institutional segments, dispensing machine for retail outlets or individual users.

SCOPE FOR FURTHER RESEARCH

- This study can be used for further analysis by the scientific community for other business opportunities created during pandemic period.
- Further studies can also be extended to role of corporates w.r.t other scarce essential products whose demand rose during pandemic.

CONCLUSION

Parle Products ltd. seize the opportunity created due to the pandemic by analysis of the situation and reviewing the demand in Indian markets. Officials are looking at the possibility of redesigning some welfare and other government schemes to suit the post-lockdown situation. During the pandemic we have come across pharma and medical industry whose businesses were aggressive as well as other industries which saw a recession.

During the Covid pandemic era, in order to mitigate the risks while providing service to mankind, Parle products ltd. performed market swot analysis and came up with the idea of manufacture & sale of sanitizers and play an important role in meeting the sky rising demand of sanitizers. This has been a significant contribution to the society in such crucial times by Parle Products. The company has hence mitigated its risks of other (non-essential) products by launching and ensuring the supply of hand antiseptic at reasonable rate in the markets. This lays an example for other corporates to analyze their resources w.r.t the demand and introduce products taking an immediate decision of product launch. Detailed situational analysis and prompt decision is key factor for the companies to avail consumer satisfaction and corporate social responsibility giving positive image in markets.

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BLOCKCHAIN TECHNOLOGY: IMPLICATIONS FOR ACCOUNTING AND AUDITING

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ABSTRACT
Blockchain is the technology of the 21st century. Decentralized and distributed ledger, immutability, faster settlement and better security features make blockchain a unique technology. This research paper is trying to study the impact of blockchain technology on accounting and auditing. The most recent concept of triple entry accounting is also discussed in this paper.

Keywords: Blockchain, Triple Entry Accounting, Smart Contracts, Blocks, Miners, Nodes etc.

INTRODUCTION
Blockchain technology is one of the revolutionary technologies of the 21st century. It can share data among an infinite number of users through a universally decentralized ledger system. This technology cannot be interfered with as it can simultaneously record real-time transactions on every single computer connected in network. In case of interference or hacking, the culprit is identified and eliminated from the chain. It is a technology that can cost effectively and easily transfers ownership of an asset with immediate settlement. There is no need of third party for the settlement of transactions.

The blockchain technology first came into the focus through Bitcoin. This technology works as a backup network for cryptocurrencies. It is having a number of applications. Accounting and auditing is one of them. The accounting profession is mainly concerned with the collection and recording of financial and accounting information. Use blockchain could dramatically improve efficiency of accountants and auditors. A blockchain network can track accounts, payments, orders and one can see all details of a transaction.

What Is Blockchain?
Blockchain is a decentralized, distributed, shared and immutable ledger that focuses on the process of recording transactions and tracking assets in a business network.[1] Anything of value can be tracked and traded virtually on a blockchain network. It reduces both risk and costs.[2] It records transactional data in such a way that is almost immutable.

Genesis of Blockchain
The brief genesis of blockchain is as follows:

1982	**David Chaum**, a well-known cryptographer, first proposed a blockchain-like protocol in his research work**.**
1991	A cryptographically secured chain of blocks was described for the first time by W. Scott Stornetta and Stuart Haber.
1992	Dave Bayer, Haber and Stornetta worked on how several document certificates can be collected into one block.
1998	Computer scientist Nick Szabo worked on a decentralized digital currency known as ‘Bit Gold’.
2000	Stefan Konst published his theory of cryptographic secured chains and ideas for implementation.
2008	Satoshi Nakamoto released a white paper on the model for a blockchain. He started to use a **Hashcash**-like method to **timestamp** blocks.
2009	Nakamoto implemented the first blockchain as the public ledger for transacting Bitcoin.
2014	Blockchain technology is separated from the currency and its potential for other financial, inter-organisational transactions is explored.
2016	As per an initiative of the Chamber of Digital Commerce, Industry trade groups joined to create the Global Blockchain Forum in 2016.
2018	IBM develops a blockchain-based banking platform with large banks like Citi and Barclays.
2019	The New York Stock Exchange (NYSE) announces the creation of Bakkt - a digital wallet company that includes crypto trading.
2020	PayPal announces it will allow users to buy, sell and hold cryptocurrencies. The Bahamas becomes the world’s first country to launch its central bank digital currency.

Source: https://techworld18.com/blockchain-technology-the-new-era-for-crypto.

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OBJECTIVES OF THE STUDY

1) To study the genesis, working and applications of blockchain technology.
2) To study the use of blockchain in accounting in the form of triple entry accounting.
3) To study the blockchain technology implications for accounting and auditing.

RESEARCH METHODOLOGY

This study is based on secondary data which is collected from various journals and websites. The main aim of this research paper is to study the implications of blockchain technology for accounting and auditing. This research paper is trying to add in the existing literature on blockchain technology and triple entry accounting.

How Blockchain Works

Blockchain consists of three important elements: blocks, miners and nodes.[3]

1) **Blocks:** Blockchain stores information in blocks. These blocks are connected together in a sequential manner. Each block is like a page of a record book. Every chain consists of multiple blocks and each block has three basic elements:

a) **Data:** Data is the information to be stored in the block.

b) **Hash:** A hash in blockchain is something like a signature or fingerprint. Each block has its unique hash.

c) **Hash of Earlier Block:** Each block carries the information of the earlier block and so the chain becomes very secure.

2) **Miners:** Miners create new blocks on the chain through a process called mining. Mining a block isn't easy, especially on large chains. Miners use special software to solve the complex math problem of finding a nonce that generates an accepted hash and only after that their block is added to the chain. When a block is successfully mined, the change is accepted by all of the nodes on the network and the miner is rewarded financially.

3) **Nodes:** Nodes can be any kind of electronic device that maintains copies of the blockchain and keeps the network functioning. Every node has its own copy of the blockchain.

The following figure explains how blockchain technology works:

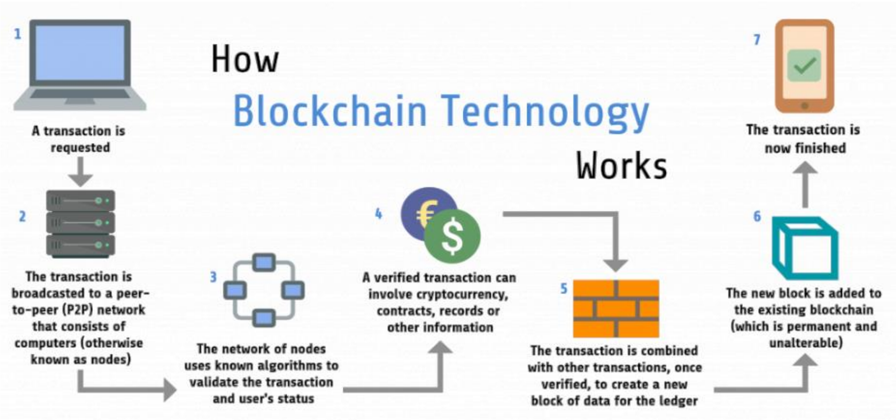

Figure 1: How Blockchain Technology Works.

Blockchain Applications Beyond Cryptocurrencies

Blockchain technology creates efficiencies that potentially extend far beyond digital currencies. While cryptocurrencies like Bitcoin are on a public blockchain, many applications for business can be created on private blockchain networks:

1) **Blockchain Supply Chain:** Companies like IBM Blockchain are already providing private network solutions using blockchain technology to more accurately track product supply chains.

2) **Health Care Records:** Deloitte Consulting suggests a nationwide blockchain network for electronic medical records. It may improve efficiencies and support better health outcomes for patients.

3) **Smart Contracts:** With blockchain technology, contract terms can automatically be changed or updated based on hitting a predetermined set of conditions.

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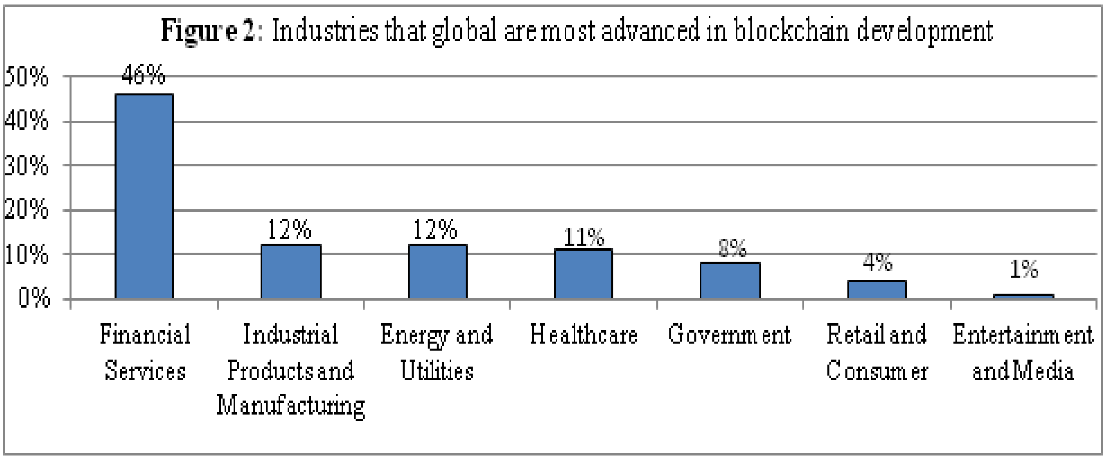
4) **Digital Elections:** Start-ups like FollowMyVote are developing blockchain technology to be applied to elections.

5) **Property Transactions:** Proponents say blockchain technology can be applied to a wide range of asset sales, be it real estate or investment portfolios.

Apart from these blockchain technology is having applications in international payments, capital market, insurance, accounting, auditing and cyber security. The following figure shows the results of PwC Global Blockchain Survey. Financial services sector is ranking I with 46%.



Source: PwC Global Blockchain Survey, 2018.

Blockchain and Triple Entry Accounting

Ian Grigg was the first who associated accounting with blockchain technology. Triple entry accounting system is emerged as a result of application of blockchain technology in accounting. In triple entry accounting, a third component is added to the debit and credit system. According to Kapil Rana[4], "Blockchain works as a common thread that links the books together and helps in linking two separate double entries and can potentially be viewed for external auditing purposes. In the triple entry accounting system, all accounting entries are cryptographically sealed by a third entry and thus, it works as a deterrent towards manipulations and financial fraud. In traditional double entry accounting, a company's ledger can be compromised by any of the weak human links, may be an employee or a bookkeeper or even an auditor. But this unique system of triple entry accounting leaves no space for any corrupt, weak human link as it is immutable. The transactions recorded on the blockchain using triple entry simplifies the entire double entry accounting process as once a transaction is recorded on the blockchain by one of the two accountants, the other party can also view the particular double entry, easily review it and have it recorded automatically in its own books. Thus, triple entry accounting is set to potentially revolutionize the future of bookkeeping. This will assist the bookkeepers greatly by saving their time and providing them the opportunity to focus more on value-added roles within the profession."

Let us consider the example, Mr. X provides a loan of Rs. 1000 to Mr. Y. The journal entries will be as follows:

In the Books of Mr. X			In the Books of Mr. Y		
Mr. Y A/C	Dr.	1000	Bank A/C	Dr.	1000
To Bank A/C		1000	To Mr. X A/C		1000

However, since Mr. X and Mr. Y are two separate entities there is no guarantee that both would have accounted exactly like the above. What if Mr. Y has an ill intend and accounts for only Rs. 100. The system, as it is today, expects auditors to be the watchdogs and ensure that such inconsistencies do not happen.

Triple entry accounting ensures consistency and introduces a pubic ledger/common ledger to be a mandatory place to host all accounting entries from all participating entities and thereby establish a self-regulated and shared environment amongst all. It ensures that the larger purpose of book keeping and auditing doesn't suffer because of errors or omissions either caused intentionally or unintentionally.[5] Extending the above example to a triple entry accounting, entries will be as follows:

In the Books of Mr. X			In the Books of Mr. Y			In Public/Common Ledger
Mr. Y A/C	Dr.	1000	Bank A/C	Dr.	1000	Both these entries will be recorded.
To Bank A/C		1000	To Mr. X A/C		1000	

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In addition to the entries of double entry system, in the public ledger, both of the above entries will be recorded so that at any time if there is reconciliation by parties, auditors or regulators, any discrepancy can be spotted immediately.

Implications of Blockchain Technology For Accounting

Blockchain has been evolved over the past few years as a potential game-changer for the accounting profession. Accountants should understand the basic role of blockchain in maintaining a ledger of financial information and transferring the ownership of assets in a safe and verifiable manner. For accountants, the benefits of this technology are as follows: [6]

1) Automating transactions with less error in data on both sides of the transaction.

2) Less fraud and more trust in transactions.

3) Increase in transaction security and less bad data.

4) Due to distributed ledger technology, there is near to real time settlement of transactions and their recording.

5) Introduction of triple entry accounting system, which ensures that all transactions are written to a blockchain.

There are three key aspects of blockchain that can affect the accounting industry - smart contracts, decentralized and distributed ledger technology and easily verifiable financial records. A smart contract is one of many blockchain applications that can streamline tedious tasks in today’s accounting. With smart contracts, transactions automatically go through when certain conditions are met. This helps accounting professionals and organizations automate jobs like payroll and reconciliations. This would save organizations on costs linked to manual entry errors such as administrative expenses. Blockchain accounting doesn’t seek to replace traditional accounting nor accountants. Instead, it aims to impact accounting workflows associated with the traditional accounting profession and record keeping. Blockchain in accounting will help accountancy firms and accounting professionals.[7]

Implications of Blockchain Technology For Auditing

Due to blockchain technology, auditing applications could be far more efficient due to eliminating the need for paper trail documents.[8] It will have a lot of applications in external auditing which are as follows:[9]

1) As mentioned earlier, blockchain transactions are stored in a shared ledger and made accessible to all authorized personnel. It becomes practically impossible to destroy or manipulate information.

2) Auditors can obtain data in real-time and in a consistent, recurring format. Monitoring what happens in real time rather than testing selectively and reconciling what happened in retrospect is a substantial departure from contemporary audit techniques.

3) Blockchain technology eliminates the need for entering accounting information into multiple databases and potentially removes the need for auditors to reconcile different ledgers. This could save substantial amounts of time and the risk of human error may be considerably reduced.

4) Blockchain technology will reduce the need to follow paper trails as the blockchain would be enough to prove many parts of a traditional audit.[10]

For auditors, it will be important to understand how transactions are recorded in the blockchain and to keep in mind that recording a transaction in a blockchain may or may not provide sufficient audit evidence related to the nature of the transaction.[11] The auditor of the future may need additional certifications in the field of blockchain. It is likely the auditor of the future will not even be an accountant but a blockchain expert trained to identify and report ways in which blockchain technology can be abused.

CONCLUSION

Blockchain technology will not replace the accounting and audit professional. Blockchain technology is really an opportunity to the accountants and auditors to work as a consultant and to provide advisory services. The accounting and the auditing profession are going to become more important. At its core, blockchain technology is a ledger system and its immutability and decentralized nature make it unique. Accountants and auditors must be future ready by understanding applications of this emerging technology. Blockchain technology is emerging with new and different applications. The accountancy profession must ensure transparency and accountability with the help of this revolutionary technology.

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AN EMPIRICAL STUDY OF IMPACT OF GST ON SMALL AND MEDIUM BUSINESSES: A CASE OF INDUSTRIAL AREA OF AURANGABAD FROM MAHARASHTRA STATE

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ABSTRACT
Integrating goods and services taxation is a world class tax system as it increases tax revenue in major economies like India. It is a significant breakthrough towards comprehensive indirect tax reform in India. The MSME sector contributes significantly to the national economy and is the largest employment provider besides being a breeding ground for entrepreneurship and skill development. The number of MSME is more than 30 million employing around 100 million people. This paper focuses on the opinion of SMEs toward the impact on business practices post launch period of Goods and Services Act (GST).

Keywords: Goods & Services Tax, MSME etc.

I. BACKGROUND OF THE STUDY

Basically, GST is a tax on goods and services with continuous and comprehensive set-off benefits from the producer's point to the service provider's point, all the way to the retailer. It is a tax on the value added at each stage. Therefore, the final consumer bears only the GST charged by the last dealer in the supply chain, with set-off benefits at all previous stages.

As GST has merged all indirect forms of tax, people with small to medium sized businesses or manufacturers have to handle a variety of taxes and have to visit different departments to complete all necessary tax-related paperwork. Some file different taxes biannually, annually, half-yearly, etc. Before the introduction of GST, the total tax was being levied by the central and the state governments at a higher rate but with the implementation of GST, reliefs have been provided to the MSME Sectors by reducing tax rate. Additionally, they do not have to pay multiple taxes to various departmental authorities. This makes the job for every business owner much easier.

In India, GST facilitates and eases the process of starting a business. The jurisdictions and regulations for businesses that exceed the threshold limit in India differ from state to state. Before, every company that exceeded the threshold limit was required to register for VAT or Service Tax. There was thus much confusion during this process. However, under GST, the businesses have to only register for GST which will have a centralized process, similar to service tax. Previously, for any business, it was mandatory to make a VAT payment if the annual turnover is more than 5 lakh in few states and 10 lakhs in few other states. This difference in various states creates confusion. Under GST a business does not have to register or collect GST if the annual turnover is 20 lakh. This will allow many small businesses which have a turnover below 20 lakh to avoid applying for the GST return. GST allows small and medium business to do business with ease in India, due to the less complexity. The distinction between the services and goods will be gone, and this will make compliance easier.

The MSME sector is an important pillar of Indian economy as it contributes greatly to growth of Indian economy with a vast network of around 30 million units, creating employment of about 70 million, manufacturing more than 6000 products, contributing about 45% to manufacturing output and about 40% of exports, directly and indirectly. This sector even assumes greater importance now as the country moves towards a faster and inclusive growth agenda. Moreover, it is the MSME sector which can help realize the target of proposed National Manufacturing Policy of raising the share of manufacturing sector in GDP from 16% at present to 25% by the end of 2022.

For small businesses, GST compliance involves greater time, costs and energy as compared to larger companies. This impacts them much more as compared to the bigger companies. Therefore, some relaxation benefits are necessary in order to help them cope with sudden increase / change in compliance challenges. Accordingly, with GST in place, the Small and Medium Enterprises have been accorded with a lot of benefits in terms of compliance reliefs given in the form of threshold exemptions, Composition levy schemes, the Quarterly .ling of the GST returns to mention a few. While doing so, it has also been kept in mind that they do not become uncompetitive and are also given all the benefits of GST like uninterrupted ITC in the supply chain etc.

II. REVIEW OF LITERATURE

(Pankaj Goel, Sandhya Mehta, 2020)1 in their study has observed that, 'most entrepreneurs are little unaware of GST legislation as a whole and its implementation on their own. Lack of access to information related to GST has created a negative attitude toward GST'.

(Shetty Deepa Thangam Geeth, Sp Mathiraj Subramian , Thivya Sundar, 2019)2 in their study determined that 'there is a need improvising the GST network. They concluded that the people rate the impact of GST as a balance and there is potential scope for improvement in the processes.

(Smt. Usha C, 2020)3 in her study found that 'the GST has both positive and negative impact on MSME sector. Positive impacts such as a removal of Composition burden, ITC etc. and negative impact like burden of more working capital requirements and more compliance cost'.

III. THE OBJECTIVE OF THE STUDY

1. To examine the impacts of GST on Small and Medium businesses in the Aurangabad Industrial Area from Maharashtra State.
2. To understand the satisfaction level of Small and Medium entrepreneurs towards implementation of GST in India.

IV. HYPOTHESIS

In Pursuance of the above stated objective following hypothesis was formed,

H_0 There is no significant Positive impact on the business practices after the GST Rollout.

H_1 There is a significant Positive impact on the business practices after the GST Rollout.

V. RESEARCH METHODOLOGY

Table No. 1.1 No of Small and Medium Industries in the Selected Area

Sr. No.	Name of Industrial Area	No. of Units
1	Walunj	645
2	Chikalthana	779
Total		**1424**

Source: MSEDCL Industrial Data

This research is based on the quantitative and exploratory research in which data is collected from both primary and secondary data.

Primary data are collected by means of a structured questionnaire from accounting managers, supervisors or the owner of the small and medium-sized unit. through industry visits and using Google form. The questionnaires were distributed randomly to 100 companies from Walunj and Chikalthana Industrial area.

Out of the 100 samples distributed, only 82 samples are collected and finalized based on the availability of information. Secondary data are collected form the various published and unpublished sources like annual report of MSMEs, journals, articles, newspaper reports, etc.

The data collected for the study is tabulated and analyzed using statistical package like MS Excel.

VI. Data Analysis and Interpretation

A. Descriptive Analysis

Table No.1.2 Descriptive Analysis of Data

Socio-Economic Characteristics	Number of Respondents	% of Total
Gender:		
Male	63	76.83
Female	19	23.17
Age (in years):		
Between 18 years to 25 Years	14	17.07
Between 25 years to 40 Years	40	48.78
Between 40 years to 50 Years	21	25.61
Above 50 Years	07	8.54

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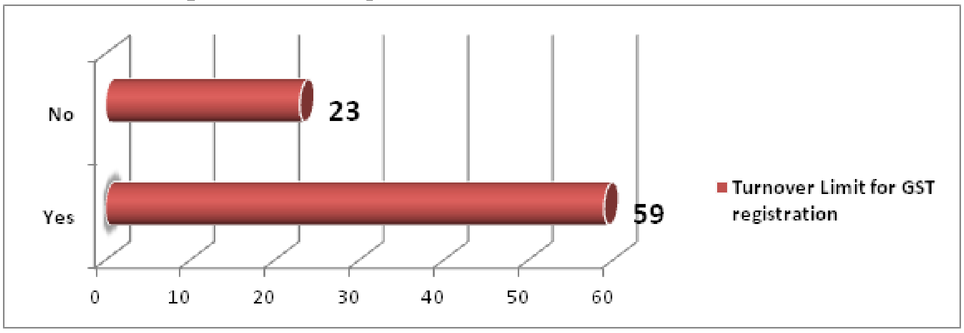
Education:		
High School	17	20.73
Graduates	36	43.90
ITI /Diploma	09	10.98
Engineering	20	24.39
Business Category		
Service	23	28.05
Trading	28	34.15
Service & Trading Both	13	15.85
Manufacturing/Job work	18	21.95

Source: Primary Data

Male accounted for the majority of respondents (76.83%).It is also observed that most of the respondents were from the age group of 25 years to 40 Year (48.78%) followed by the Age group 40 years to 50 years. Respondents who completed their degree accounted for 43.90% of respondents, while 24.39% were in engineering. Out of 82 respondents 34.15% respondents were from trading business, 28.05% was service providers, 15.85% respondents were engaged in both trading and services and 21.95% respondents were manufacturers.

B. Do you feel that Current GST Turnover Limit is fair?

Graph No. 1.1 Respondents view on GST Turnover Limit



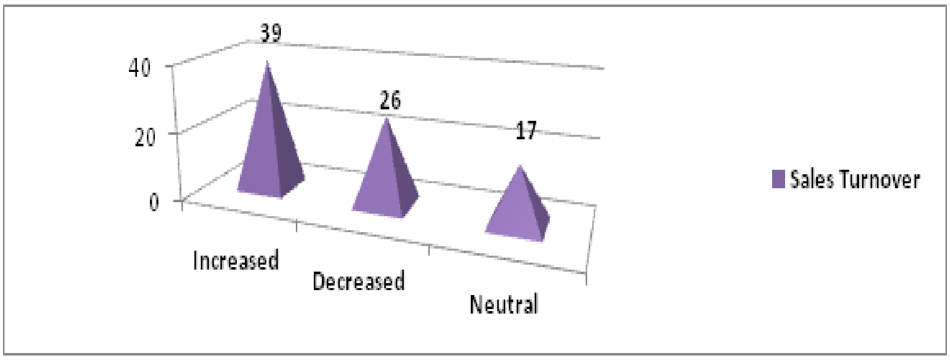
Source: Primary Data

According to **Graph No.1.1** 71.95% i.e. 59 respondents revealed that the current turnover restriction for the GST registration is truthful while 28.05% i.e. 23 respondents answered in prefer of minimizing the restriction.

The exemption level set forth in the GST statute is modest, at Rs 20 lakh (10 lakhs for north east and hilly states). However, as of April 1, 2019, the exemption ceiling has been raised to 40 lakhs (20 lakhs for the north east and hilly states). However, it only applies to intrastate sellers, not interstate dealers. It has a negative impact on the working capital of MSMEs who deal in interstate trade.

C. How the GST Impacted the Sales Turnover of your Business?

Graph No. 1.2 Respondents view Impact of GST on Sales Turnover



Source: Primary Data

According to the study findings in **Graph No. 1.2**, 32% of respondents said their business sales decreased after GST introduction, 47% said their sales increased after GST, and 21% said their business remained the same.

D. Factors Affecting Business Practice in Post GST Implementation ERA :

Table No.1.3 Respondents view on Factors Affecting Business Practices Post Implementation of GST

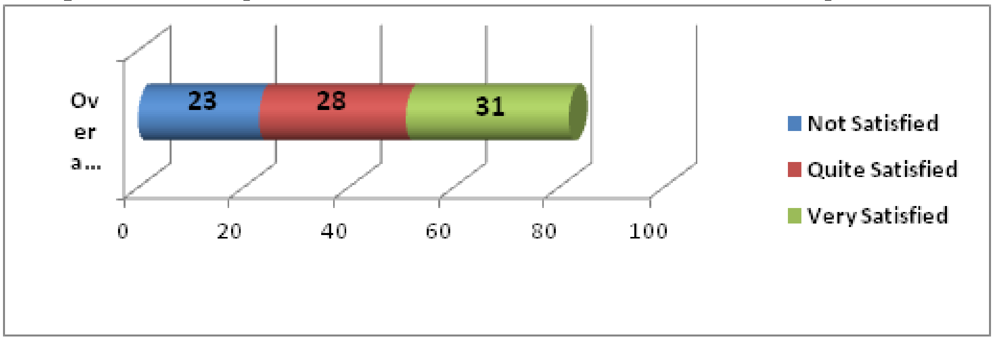
S.N.	Factor	Agree	Disagree	Neutral
1	GST Registration Procedure is Simple	66	11	05
2	GST Rates are Higher than previous Regime	44	38	00
3	Compliance Cost is high	28	51	03
4	GST Filing Procedure is Complicated	57	25	00
5	Post GST Raw Material Cost Has Been Increased	33	49	00
6	Logistics Overheads has Decreased	61	19	02
7	Market Expansion has Improved due to Seamless Credit	69	13	00
8	In GST Regime Buying Capital Goods Is Easier	57	23	02
9	We Hired Trained Manpower To Manage GST/ Additional Cost of Training to Existing Staff	74	08	00
10	Delays in Refund	54	28	00

Source: Primary Data

According to Table 1.3, 80% of respondents said the GST registration process was easy, 54% of respondents said the tax rate was higher than the previous regulation, and the majority of respondents were i.e. 69.5% say the GST filing process is complicated. Respondents at 59.76% said that raw material costs would not increase. 74.39% of those surveyed say that their logistics overhead has been significantly reduced. With a seamless credit rating, 84.14% of respondents said their market expansion improved. 90% of respondents say they used GST processes such as billing and filing by providing training to existing staff. Sixty-five percent of respondents negatively stated that the GST refund was delayed.

E. Overall, how satisfied you are with GST?

Graph No. 1.3 Respondents Overall Satisfaction Level Post GST Implementation



Source: Primary Data

On the overall transparency scenario in the GST network, 38% of the respondents said that they are very satisfied with GST the mechanism. Around 28% respondents are not satisfied with GST implementation in the country. It is observed that 34% of the respondents feel that the degree of transparency of the GSTN should be enhanced as they are moderately satisfied with the GST mechanism. Hence we can say that there is a There is a significant Positive impact on the business practices after the GST Rollout

VII. Impact of GST on SME's

1. **Starting a business is now easy:** The sales tax department formerly has turnover slabs that were subject to VAT. Companies with offices in multiple states must comply with different tax laws that apply to different states in this case. This not only adds to the complexity of the, but also increases the procedure fee and puts a strain on the price-sensitive MSME. Unified GST standardizes the process.

2. **Single Market:** GST reduces the cost of doing business by as it provides flexibility in the movement of goods between states and reforms reduce some taxes imposed by state and central governments.

3. **Service Provider's High Tax Rate Burden:** The service tax rate was 15%. The GST rate is 18%. The service sector scenario is further affected as the concept of central registration is abolished and each entity must be registered individually in a different state. Therefore, even if one entity in a state A company provides services to another entity in state B, you still have to pay taxes.

4. **Reduced Logistics Overhead:** GST is tax-neutral, eliminating time-consuming border tax procedures and toll management points and facilitating cross-border delivery of goods. Therefore, the logistics effort of companies that produce bulk cargo is reduced. Such costs can be critical to the survival of MSME.

5. **Purchase of capital goods:** In the previous system, only 50% of the input tax credit was available for purchase of capital goods in the year of purchase, and the remaining amount was available the following year. As part of GST regulation, you can claim the entire input tax credit in the year of purchase.

6. **Increased Customer Access:** Previously, Central Sales Tax (CST) on sales between states restricts SMEs from reaching their potential customers across India, which increases the purchase price of the product by for the consumer. The implementation of GST prevented this issue.

7. **High Compliance Burden:** In the small and medium-sized sector, accounting and taxation are less solid, stable and less rationalized than in the larger sector. There may be no separate accounting department, and the owner himself manages accounting and additional accounting tasks. This is very common in all start-ups and growing companies. GST requires automation of business processes, requiring companies to spend enormous amounts of time, money and energy developing and maintaining their IT infrastructure.

8. **GSTN Transparency:** Regarding the overall transparency scenario of the GST network, the majority of respondents said the mechanism was less transparent. I found that more than half of the respondents believe that the level of transparency in GSTN needs to be increased because the mechanism is not transparent or less transparent.

VIII. CONCLUSION

It is undeniable that the deployment of GST has opened cans full of worms, and the impact on SMEs in various industries will be very different. It's no wonder that radical nationwide tax reforms like the GST have divided opinions. In addition, revolutionary tax systems are accepted differently in each state. In essence, the impact of GST on the entire Indian economy needs to be thoroughly investigated in order to reach a generally accepted conclusion. The introduction of GST is aimed at expanding the taxpayer base, primarily SME, but incurs compliance issues and associated charges.

The survey also indicates a positive impact of GST on employment as well as on the demand for goods and services. Given that it is the biggest tax reform of independent India, one must compliment the government on its efficient and transparent administration despite some 'teething problems'

Nevertheless, GST has made the MSMEs more competitive and the playing arena level between big enterprises and them. Additionally, the Indian MSMEs are now be able to compete with the international market goods and competition coming from cheap price epicentres such as China, Philippines, and Bangladesh and actually thrive in the world market scenario.

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ONLINE LEARNING: THE NEW NORMAL - VALIDATION OF SERVQUAL MODEL IN ASSESSING PERCEPTION AMONG ACCOUNTANCY STUDENTS OF UNIVERSITY OF MUMBAI

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ABSTRACT
The aim of this study is to assess and analyse the service quality of online teaching and to develop a procedure to determine which construct of the SERVQUAL model is more significant to achieve students' satisfaction. In order to achieve the set goal, an evaluation of online teaching quality was done from the data gathered from 219 undergraduate students of University of Mumbai pursuing undergraduate courses having Accountancy as one of the subjects using Parasuraman's SERVQUAL model. Result of the analysis suggests that responsiveness, reliability and empathy are the most significant constructs of online teaching quality from students' view point. The result of this study will help in formulating quality strategies to enhance the quality of online teaching in the subject of Accountancy thereby making it a suitable alternative to offline teaching.

Keywords: Online, SERVQUAl, Accountancy, Perception.

1.1 INTRODUCTION

When COVID-19 broke out over the world in the spring and caused widespread shutdown, higher education institutions had to adapt quickly to the challenge that arose due to the pandemic. Classes were moved to the online mode. Everyone tried their hardest to get used to teaching and learning through video conferencing tools such as Zoom. The reality of the new normal, as disrupted by COVID repercussions, has resulted in a drastic restructuring of education and training, with global higher education being one of the sectors undergoing major digital revolution (Dwivedi et al., 2020).

The sudden closure of education institutions have led students and academicians into new and unfamiliar territory as a need to adapt quickly to e-learning settings (Carolan et al., 2020).A disruption is defined as a break or interruption that occurs unexpectedly. When it comes to education, disruption entails a break from traditional, well-established information transfer paradigms (Carolan et al., 2020; Mishra et al., 2020).

The shift to online learning has been driven by the new normal generated by the Covid disruption. A rapid pedagogical movement from traditional to online class sessions, personal to virtual instruction, and seminars to webinars has occurred in the contemporary environment (Mishra et al., 2020). Covid-19's disruptive impacts have provided not only rich chances for reforming Higher Education Institutions (HEIs), but also obstacles and challenges in this process, as universities must critically rethink and reorganise their educational programmes to address this new environment (Carolan et al., 2020).

Further, UGC has drafted guidelines which were issued recently, that HEIs may be allowed to teach up to 40% of the syllabus of each course through online mode and the remaining 60% through offline teaching (Gohain M. - TOI, 2021). Hence it becomes necessary to analyze and find the service quality of online lectures in HEIs so an attempt has been made in this research paper to judge service quality.

1.2 REVIEW OF LITERATURE

Table 1. Synoptic view of studies related to use of SERVQUAL model

Sr. No.	Author/s	Country	Sample size	Data collection	Data analysis	Main Findings
1.	**Alsheyadi & Albalushi (2020)**	Oman	352	Survey Questionnaire	SEM	The study found that the centrality of tangibles,reliability, assurance, responsiveness and empathy dimensions of the service quality was established in the direct effect model, while the significance of tangibles

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						and responsiveness was not confirmed in the mediated effect model.
2.	**Roslan et al. (2015)**	Malasiya	162	Survey Questionnaire	Quadrant analysis	The findings of the study shows that each dimension of service quality does influence customer satisfaction. Reliability was the highest influencing factor among all factors.
3.	**Ramseook-Munhurrun & Nundlall (2013)**	Mauritius	277	Interview	Regression analysis	The EDUSERV scale was developed using the SERVQUAL model. The results of the study show that the internal consistencies of the gap scales are all quite high making the scale reliable.
4.	**Akhlaghi et al. (2012)**	Iran	328	Survey Questionnaire		The study suggests that the major deficiencies of service quality are in responsiveness and assurance of the offered services and this leads to students' dissatisfaction.
5.	**Sahu (2007)**	India		Survey Questionnaire	Chi square method	The findings of the study were that JNU library was not lacking in service quality.
6.	**Susan E. Pariseau and J.R. McDaniel (1997)**	USA	498	Survey Questionnaire	Regression analysis	The study demonstrated that the SERVQUAL MODEL can be used as a tool for benchmarking performance in order to improve service quality in school of business. The study also found that the most important determinants of overall quality for students in B schools are assurance, reliability and empathy.

1.3 Service Quality Dimensions

Five dimensions of the SERVQUAL model are as follows:

1. Tangibility: Physical facilities, equipment, staff, and communication materials are all presented in a professional manner.
2. Reliability: Ability to provide the promised service with consistency and accuracy.

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3. Responsiveness: Willingness to assist and give quick service to consumers.
4. Assurance: Employees' capacity to transmit trust and confidence, as well as their knowledge and civility.
5. Empathy: The firm's consumers receive caring, customised care.

1.4 RESEARCH QUESTIONS

1. To what extent do colleges in the University of Mumbai meet the expectations of their students in the subject of Accountancy?
2. What are the determinants of overall service quality of online lectures of Accountancy in colleges affiliated to the University of Mumbai?

1.5 RESEARCH OBJECTIVES

1. To measure the overall service quality of delivering Accountancy lectures via online mode.
2. To assess the gap between perceived and expected service quality in delivery of Accountancy lectures via online mode.
3. To identify the areas of improvement and suggest measures to improve the service quality in delivery of Accountancy lectures via online mode.

1.6 RESEARCH METHODOLOGY

1.6.1 RESEARCH DESIGN

A cross-sectional research design was used for the study. As data was collected from many respondents at a single point of time by a well structured questionnaire with a view to analyze students' perception and exceptions towards service quality of online lectures in university of mumbai.

1.6.2 POPULATION

All students pursuing undergraduate courses in various degree colleges affiliated to the University of Mumbai and having Accountancy as one of the subjects comprise the population of the present study.

1.6.3 Sample Size/ Sampling Technique

This method is descriptive statistics rather than inferential statistics. In other words, there is not any assumption for the sample size. Due to the pandemic, convenience sampling method was adopted for data collection and Google Forms utility was leveraged as a mode for data collection. Total 283 responses were received out of which 64 responses were discarded either because voluntary consent was not given or the responses were incomplete. Thus, the effective sample size for the study was 219 respondents.

1.6.4 Research Instrument and Mode oof Data Collection

A well structured questionnaire was adopted from the SERVQUAL model for data collection. Questionnaire was divided into four sections. The first section is about electronic consent of respondents. The second section consists of the demographic profile of the respondent. The third section consists of students' expectations about online lectures and the fourth section is about students' perception about their actual lectures.

1.6.5 Sources of Data Collection

The source of data collection for this study includes primary data for evaluating service quality by finding gaps between expectation and perception about service quality using well structured questionnaires. And secondary data was used for review of literature.

1.6.6 DATA ANALYSIS

For analysing the data, following steps were followed:

1. The mean scores of perception and expectation were calculated for each of the 22 statements.
2. For each attribute, the Gap Score (GS) was calculated as the perception score (P) minus the expectation score (E), as illustrated in the equation below:

Gap Score = P − E

P: the individual’s Perceptions of given service delivery;

E: the individual’s expectations of a given service delivery.

3. The average Gap Score for each dimension was calculated by summing the Gap Scores for each of the statements that constitute the dimension and dividing the sum by the number of statements making up the dimension.

4. Finally, the unweighted SERVQUAL score of the questionnaire was obtained by summing the average Gap Score of each dimension and dividing it by the number of dimensions (that is 5).
5. Paired sample t-test was used to assess whether or not the mean difference between the perception and expectation score for each attribute is significant.

1.7 RESULTS

1.7.1 Profile of respondents

Table 2. Profile of Respondents

Demographics	Categories	Frequency	Percentage
Gender	Male	82	37.44
	Female	137	62.56
		219	**100.00**

Source: Field study

The profile of respondents of the study can be seen in table 2. Out of 219 respondents, 82 (37.44%) were male and 137 (62.56%) were female.

1.7.2 RELIABILITY

Table 3. Reliability

Construct	No. of items	Cronbach's Alpha	Remark
Perception questionnaire	22	0.947	Reliable
Expectation questionnaire	22	0.924	Reliable

Source: Field study

Cronbach's alpha was used to verify the internal reliability of the items used in the study *(Nunnally, 1978)*. Cronbach's Alpha value greater than 0.7 is generally accepted in social science research. Since the Cronbach's value of both the questionnaires used in the study are above the acceptable value of 0.7 *(refer table 3)*, all the constructs are therefore deemed to be highly reliable for the study.

1.7.3 Results of Perception Questionnaire Analysis

The mean score of the perception questionnaire was 4.28, indicating that the respondents' perception towards online mode of learning Accountancy was higher than average. The top three items of the perception questionnaire were RES3: "Teachers are willing to help students with their queries." (mean = 4.4338), R5: "Teachers maintain the attendance records of online lectures accurately" (mean = 4.3927), and E1: "Online lectures are student oriented" (mean = 4.3881), respectively.

1.7.4 Results of Expectations Questionnaire Analysis

The mean score of the expectation questionnaire was 4.30, indicating that the respondents' expectations from the online mode of learning Accountancy were higher than average and slightly more than the perception. The top three items of the perception questionnaire were R2: "When students face problems/ have doubts, teachers should show sincere interest in solving it" (mean = 4.5342), R5: "Teachers should keep attendance records of online lectures accurately" (mean = 4.5068), and RES2 and E4: "Teachers should be promptly ready to help the students, if any technical difficulty arises in online lectures" and "Teachers should have the students best interest in their mind" (mean = 4.4612), respectively.

1.7.5 Results of SERVQUAL Questionnaire Analysis

The gap scores of three (reliability, responsiveness and empathy) out of five dimensions were negative which indicated that students' expectations on those three dimensions are higher than their perception. On the other hand, the dimensions of tangibility and assurance have positive gap scores which indicate that students are satisfied with the service quality on those two dimensions. Among the dimensions having negative gap scores, the highest is the dimension of responsiveness (gap score = -0.054), followed by reliability (gap score = -0.023) and the dimension of empathy (gap score = -0.003) respectively.

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In the case of responsiveness dimension, all the four attributes were found to be having negative gap scores. Among those four attributes, the highest gap score is of the attribute RES2: “helping students for resolving technical difficulties” (gap score = -0.096).

In the case of reliability dimension, four out of five attributes showed negative gap scores. The mean difference between the perception and expectation scores of R1 (t=2.4064, p=0.017) and R2 (t=-2.3992, p=0.017) was significant. Moreover, the attribute R2 (teachers' interest in solving students doubts) showed a negative gap score. Hence, greater focus should be given on overcoming this gap. In case of dimension of empathy, two out of five attributes showed negative gap scores - E5 and E4 - “online lecture should be convenient to all students” and “Teachers should have the best interest of students in mind” (gap scores = -0.105; -0.082) respectively.

Table 4. The results of SERVQUAL ANALYSIS

Dimension	**Code**	**Perception**		**Expectation**		**Gap Score (P-E)**	**t-value**	**p-value**
		Mean	**SD**	**Mean**	**SD**			
Tangibility	T1	4.3881	0.943	4.1187	1.111	0.269	3.8391	**<.001***
	T2	4.3790	0.923	4.1735	1.116	0.206	2.7136	**0.007***
	T3	4.0457	1.203	3.9726	1.295	0.073	0.9113	0.363
	T4	4.1370	1.137	4.1005	1.234	0.036	0.4610	0.645
	Average Tangibles SERVQUAL Score (1)					**0.146**		
Reliability	R1	4.2146	1.073	3.9817	1.310	0.233	2.4064	**0.017***
	R2	4.3653	0.998	4.5342	0.940	-0.169	-2.3992	**0.017***
	R3	4.2877	1.034	4.3379	1.038	-0.050	-0.7261	0.469
	R4	4.2283	1.098	4.2420	1.041	-0.014	-0.1978	0.843
	R5	4.3927	1.005	4.5068	0.890	-0.114	-1.6301	0.105
	Average Reliability SERVQUAL Score (2)					**-0.023**		
Responsiveness	RES1	4.2557	1.096	4.3288	1.059	-0.073	-1.0287	0.305
	RES2	4.3653	0.901	4.4612	0.863	-0.096	-1.3907	0.166
	RES3	4.4338	0.953	4.4475	0.953	-0.014	-0.2071	0.836
	RES4	4.2740	0.994	4.3059	1.028	-0.032	-0.4342	0.665
	Average Responsiveness SERVQUAL Score (3)					**-0.054**		
Assurance	A1	4.3151	1.003	4.2877	1.056	0.027	0.3390	0.735
	A2	4.0594	1.117	4.0639	1.136	-0.005	-0.0543	0.957
	A3	4.3379	0.974	4.3288	0.934	0.009	0.1404	0.888
	A4	4.3425	0.980	4.3699	0.926	-0.027	-0.3818	0.703
	Average Assurance SERVQUAL Score (4)					**0.001**		
Empathy	E1	4.1826	1.029	4.0868	1.116	0.096	1.2969	0.196
	E2	4.0274	1.169	3.9909	1.173	0.037	0.4790	0.632

	E3	4.3288	0.963	4.2877	0.997	0.041	0.5789	0.563
	E4	4.3790	0.855	4.4612	0.831	-0.082	-1.4087	0.160
	E5	4.3151	1.034	4.4201	0.887	-0.105	-1.4856	0.139
	Average Empathy SERVQUAL Score (5)					**-0.003**		
Average Unweighted SERVQUAL Score [(1+2+3+4+5) / 5]						**0.0134**		

Source: Field study

* Significant at $\alpha = 0.05$

1.8 Recommendations from The Study

Based on the above findings, the following suggestive recommendations are given:

1. Suitable grievance handling mechanism should be developed to handle students' queries - both technical (related to the platform/ software) as well as subject-oriented.
2. The lecture should be divided in such a manner that there should be a dedicated slot for resolving doubts either towards the end or at regular intervals of substantial topic coverage.
3. The speed of content delivery should be appropriate.
4. Recording of the sessions or relevant study materials should be shared with students who had missed the lecture due to technical glitches so as to facilitate their understanding of the topic.

1.9 Limitations of the Study and Scope for Further Study

The study is subject to the following limitations:

1. The study is restricted to responses from undergraduate students, having Accountancy as one of the subjects, of University of Mumbai only.
2. The sample size of 219 respondents is considered to be sufficient.

However, these limitations give scope for further study. Few suggested areas of further study will be as follows:

1. To ascertain the effect of demographic variables on the dimensions of online teaching-learning quality.
2. To conduct similar studies with students of other faculties (Sciences, Humanities, etc.) and also for theory subjects.

1.10 CONCLUSION

The study validates the use of the SERVQUAL model in assessing students' perceptions towards online delivery of lectures in the subject of Accountancy. The study highlighted that students are satisfied regarding tangibility and assurance. The perception-expectation gap exists in the remaining three constructs of responsiveness, reliability and empathy. The study has therefore suggested measures to overcome the gaps identified so that the quality of online teaching in the subject of Accountancy can be enhanced thereby making it a suitable alternative to offline teaching.

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A STUDY ON GST (GOODS AND SERVICES TAX)

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ABSTRACT

India is a federal country where Indirect Tax is levied by Federal and State Government. Value Added Tax is levied by State Governments. Every State has authority to decide the Tax rate and to control the Tax system as per their convenience. The Taxation power has been well defined in Indian Constitution. GST or Goods and Services Tax are the greatest tax reform in India, since independence, which has been long pending. The full form of GST is ***Goods and Services Tax****. It is an indirect tax giving system that is applicable in India. This value-added tax levied on most of the goods and services that are sold for domestic consumption. This Act was passed in the Parliament on March 29, 2017, and was applied from July 1st, 2017.*

GST is meant to simplify the indirect tax regime of India by replacing a host of taxes by a single unified tax. GST is the only indirect tax that directly connects all the sector of Indian economy thus enhancing the economic growth of the country by creating a single unified market. There are 4 types of GST in India: ***SGST (State Goods and Services Tax) CGST (Central Goods and Services Tax) IGST (Integrated Goods and Services Tax) UGST (Union Territory Goods and Services Tax)***

The idea of GST in India was proposed by Atal Bihari Vajpayee in 1999 and a committee was set up under the leadership of Asim Das Gupta the finance minister of West Bengal. It was supposed to be implemented from April 1, 2010 under flagship of P. Chidambaram and then the finance minister of UPA government but due to political issues and conflicting interests of various stakeholders it did not came into force. In May 2016 the constitutional amendment bill for GST was passed by Lok Sabha and deadline of April 1, 2017 to implement GST was set by Arun Jaitley, the finance minister of India. However, there was a huge outcry against its implementation. More than 160 countries of the world have implemented GST so far.

It can be looked as simplification of Taxes in country and avoiding unnecessary complexities. After the implementation of GST all the Indirect Taxes will be subsumed under an umbrella, it will be a milestone in the history of Indirect Tax reform.

In this paper, an attempt has been made to examine the major features of GST.

This paper has also focused on the problems likely to be faced by Central and State Governments. This paper presents an overview of GST concept, advantages and along with focused in challenges faced by India in execution.

Keywords: Goods and services tax, Indirect tax, Indian economy, Central government, State government and value added tax.

1. INTRODUCTION

"The goods and services tax law in India is a comprehensive, multi-stage, destination-based tax that is Taxation policy plays a very crucial role on the economy of a country. The main source of revenue of the government comes from the taxes levied on the citizens who can be direct or indirect. When the impact and incidence falls on same person it is called as direct tax and when the impact and incidence falls on two different people i.e. the burden can be shifted to any other person it is called as indirect tax. Before the introduction of GST India had a complicated indirect tax system with multiple taxes imposed by union and state separately, with the introduction of GST all the indirect taxes will be covered under one head which ultimately ensures smooth running of national market with high economic growth rate. GST is a single point tax levied on the supply of goods and services, right from the manufacturer to the consumer. The 4 types of GST in India are: **SGST (State Goods and Services Tax) CGST (Central Goods and Services Tax) IGST (Integrated Goods and Services Tax) UGST (Union Territory Goods and Services Tax)**

Credits of input taxes paid at every stage will be available in the subsequent stages on value addition, thus making GST an essential tax only on value addition at each stage which ensures that there is no cascading of taxes [1]. GST will reduce the overall tax burden of customer which is currently estimated at 25-30%. The Goods and services tax or GST which is popular as what it is all over the world was first introduced in France in the year 1954 and subsequently more than 160 countries had implemented the GST law like Germany, Italy, UK, South Korea, Japan, Canada, Australia, etc. Most of the countries had adopted unified GST while some countries like Brazil, Canada follow a dual GST system where tax is imposed both by central as well as by

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state government. India had adopted the dual system of GST as CGST and SGST. The idea of GST in India was proposed by Atal Bihari Vajpayee in 1999 and a committee was set up under the leadership of Asim Das Gupta the then finance minister of West Bengal to design a GST model. It was supposed to be implemented from April 1, 2010 under flagship of P. Chidambaram the then finance minister of UPA government but due to political issues and conflicting interests of various stakeholders it did not came into force. In May 2016 the constitutional amendment bill for GST was passed by Lok Sabha and deadline of April 1, 2017 to implement GST was set by Arun Jaitley the finance minister of India. Finally the goods and service tax was launched at midnight on July 1, 2017 by the president of India, Pranab Mukherjee and Prime minister of India, Narendra Modi. [2]

1.1 DIRECT TAX

Direct Tax is a kind of duty, which is charged directly on the Taxpayer and paid directly to the Government by the Taxpayer. It cannot be shifted from one person (Taxpayer) to another.

There are several Direct Taxes levied in India are as follows

1. Income Tax
2. Corporation Tax
3. Property Tax
4. Estate Tax
5. Gift Tax

1.2 Indirect Tax

An Indirect Tax is one which is imposed on commodity (goods) or services that is paid by the consumer. Indirect Tax is basically collected from intermediary sources such as company, dealer and retailer while the mediator collects Tax from the end user (consumer). It can be shifted from one person to another and is not levied directly. There are some Indirect Taxes are as follows

1. Custom Duty
2. Central Excise Duty
3. Service Tax
4. VAT
5. Entertainment Tax
6. Octroi

1.3 GST structure

The Goods and Service Tax in India is organized in such a way that all the necessary services and some food items are placed in the lowest bracket, and the other luxury goods and services and de-merit goods are placed in the highest bracket. The GST council has set the four-tier structure **at 0%, 5%,12% and 18% and 28%**.

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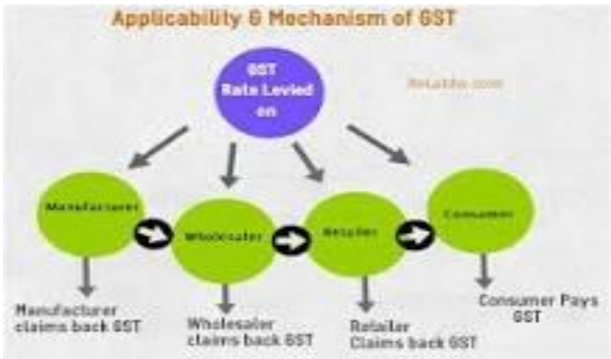
1.4 Implementations of GST Rates.

The GST council has fitted over 1300 goods and 500 services under four tax slabs of **5%, 12%, 18% and 28%** under GST. This is aside the tax on gold that is kept at 3% and rough precious and semi-precious stones that are placed at a special rate of 0.25% under GST.[3]



GST is a consumption based tax/levy. It is based on the “Destination principle.” GST is **applied on goods and services at the place where final/actual consumption happens**. GST is collected on value-added goods and services at each stage of sale or purchase in the supply chain.

2. REVIEW OF LITERATURE

Kelkar (2009) committee recommended that GST will bring qualitative change in the indirect tax system of the country and the GDP will grow due to reduction of production cost leads to enhance consumption by the consumers.

A number of studies have been conducted to examine various facets to the introduction of the GST. The studies suggested some important issues of GST like Dual GST Tax structure, where Federal and State Government will work mutually. Uniformity in Tax rate and distribution of the Tax between CGST and SGST etc. remain in the system. M. Govinda Rao, (2009) has found that GST is not a new Tax. It is only the further improvement over the existing consumption Tax system at the Central and States level. At present Federal and State Government levy Service Tax and VAT respectively and GST will be subsumed of all Indirect Tax. While some of the important shortcomings of the proposed GST are summarized in the following- Reforming the consumption Tax system, List of exempted goods and services. Management of the Tax system, what will be the rate of Tax and who will decide the Tax structure etc?

G. C. Ruggeri & K. Bluck (1990) have examined that the Canada Federal Government implemented the GST as a replacement of the Manufacturers’ Sales Tax (MST) in 1989. The study has focused the comparison between MST and broad-based VAT. They found VAT is

more regressive than that of MST and at the same time GST is also found to be more regressive than MST. This weakness of GST can be reduced if Tax rate will be in progressive form, which indicates lower income credit financed by a high-income class pay surtax or higher GST rate.

Amol Agarwal (2011) has studied the impact of GST on the Indian economy. In his study, he mentioned that Dr. Vijay Kelkar, Chairman of the 13th Finance Commission cited the work of renowned Tax economist Prof. Charles McLure, who identified six characteristics of a well-designed GST in a federal system as given below.

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1. Uniformity

Rate of Taxation within a given jurisdiction, ideally at a single rate.2. Sales would be taxed under the destination principle.

3. Low cost of compliance and administration.

4. Each level of Government to set its own Tax rate subjects to agreed floors

5. A substantively common Tax base for Central and State Governments

6. Substantial Co- operation in Tax administration between all levels of Government

Kelkar added that first two are important for economic reasons; the third for the administrative while the fourth is for political reason along with the last two operates a system of multilevel finance that we have in our county. These principles should be adopted while designing GST in India as well.

3. OBJECTIVE OF STUDY

1. To grasp the concept of GST

2. To study the features of GST

3. To study the advantages and challenges in implementation of GST

3.1 RESEARCH METHODOLOGY

An explanatory research is studied based on secondary data collected from various journals, books, government reports, articles and newspapers and internet which focus on different aspects of Goods and Services.

3.2 Concept of Goods and Service Tax

The goods and service tax or GST is a major indirect tax reform introduced in India by integrating the major indirect taxes of the centre and the states. It is a comprehensive tax levied on the manufacture, sale and consumption of goods and services. The GST is a destination based consumption tax made on value addition. It is collected on "value added goods and services" at each transactional stage of the supply chain or process. Already several countries have adopted GST based VAT systems. In India, the GST came into effect from July 1, 2017.

4.1 Silent Features of GST

GST belongs to the VAT family as tax revenues are collected on the basis of value added. Unlike in the case of a pure commodity based VAT system, GST includes services tax also. Similarly, input credit is given while calculating the tax burden.

Following are the main features of the GST as per the final agreement.

1. **Taxes covered**: Most of the important indirect taxes of the centre and states are integrated under the GST. The most important tax of the central government (in terms of tax revenue collection) – the Central Value Added Tax (or Union Excise Duty), Additional Custom Duty (CVD), Special Additional Duty of Customs (SAD), Central Sales Tax (levied by the centre and collected by the states), the fastest growing revenue of the centre – Service Tax, the most important tax revenue of the states – the state VAT (sales tax) are now merged into a single tax under the Goods and Service Tax.

   There are three important indirect taxes for the centre – the union excise duties, service tax and customs duties. Of these, the central excise duties and service taxes are brought under the GST. Customs duties as a tax on trade were not merged with the GST.

   States have two important indirect taxes – sales tax and state excise duties. Of these two, only the sales tax is merged with the GST.

2. **The four-tier rate structure**: The GST proposes a four- tier rate structure. The tax slabs are fixed at 5%, 12%, 18% and 28% besides the 0% tax on essentials. Gold is taxed at 3%. The centre has strictly demanded and got an additional cess on demerit luxury goods that comes under the high 28% tax. Essential commodities like food items are exempted from taxes under GST. Other consumer goods which are common items will be taxed at 5%. The new GST seems to have two standard rates – 12% and 18%. GST rate structure for the goods and services are fixed by considering different factors including luxury/ necessity nature.

3. **Service tax rate under GST**: Under the GST, there is a differential tax structure. A low tax rate of 5% is imposed on essential services. Common services are charged at 12% and some commercial services at 18%. A tax rate of 28% on luxury services is also made. Several services like education provided by an

educational institution, post offices, RBI, etc are exempted from service taxation. The standard GST rate on services seems to be 18%. Services are taxed at a common rate of 15% previously.

4. **Turnover limit**: Under GST and tax right over low turnover entities, GST is applied when turnover of the business exceeds Rs 20lakhs per year (Limit is Rs 10lakhs for the north-eastern states). Traders who would like to get input tax credit should make a voluntary registration even if their sales are below Rs 20lakhs per year. Traders supplying goods to other states have to register under GST, even if their sales are less than Rs 20lakhs. There is a composition scheme for selected group of tax payers whose turnover is up to Rs 75lakhs a year.

5. **Tax revenue appropriation between the centre and states**: The centre and states will share GST tax revenues at 50:50 ratio (except the IGST). This means that if a service is taxed at 18%, 9% will go to the centre and 9% will go to the concerned state.

6. **Components of GST:** CGST, SGST and IGST: When the centre and states are merging their prominent indirect taxes under GST, both should get their own share in the GST. For this, the GST council has adopted a dual GST with two components – the Central GST and the State GST. Objective of this division is sharing the revenue from the unified GST between the centre and states.

Central and State GST

There is sharing of GST by the centre and the tax accruing state at 50:50ratio. For e.g. if a good is taxed at 18%, out of this, 9% will go to the centre and the remaining 9% will go to the state where the good is consumed. The GST going to the Centre is called as Central GST (CGST) and that goes to the States is known as State GST (SGST). Here, the centre and the concerned state will equally share GST on goodsand services.

Basically, GST is a destination based or consumption tax. Meaning of a destination based tax is that tax revenue (SGST) will go to the consuming state and not to the producing state.

In the case of intrastate production and consumption (production and consumption takes place in same state), the share of SGST will accrue to the concerned state where as the share of CGST should be credited to the centre's account.

Integrated GST (IGST)

The IGST comes to play when the commodity is produced in one state and is traded to another state (interstate trade). In this case, the share of SGST should go to the consuming state (as the GST is a destination based tax). As consumption based tax i.e. the tax SGST share should be received by the state in which the goods and services are consumed and not by the state in which such goods are manufactured.

As per the GST law (Article 269 A), an Integrated GST (IGST) would be levied and collected by the Centre on inter-state supply of goods and services. This tax will be collected by the centre to ensure that the supply chain or interstate trade is not disrupted.

7. **Composition scheme under GST**: The composition levy is an alternative method of levy of tax designed for small taxpayers with turnover is up to Rs 75lakhs. The scheme can be availed by manufacturers and restaurants. Other service providers can't opt for the scheme. It enables tax payers to make payments at a flat rate under GST, without input credits. An alternate upper limit of Rs 50lakhs is applicable in a few states – Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, Sikkim and Himachal Pradesh.

The objective of the optional composition scheme is to bring simplicity and to reduce the compliance cost for the small tax payers. Eligible persons opting to pay tax under this scheme can pay tax at a prescribed percentage of the turnover every quarter, instead of paying tax at normal rate. The GST rate under the composition scheme is 1% for manufacturer, 2.5% for restaurant sector and 0.5% for other suppliers of turnover. There will not be any input tax credit under the scheme. Instead of filing 3-4 returns monthly, taxpayers registered under this scheme will be required to file returns once every quarter.

In the service sector, Composition scheme is available only for one sector- restaurants. The Composition Scheme is not available for manufacturers of tobacco and manufactured tobacco substitutes, pan-masala and ice-cream and other edible ice, whether or not containing cocoa.

Exports are exempted from GST as in the case of the previous regime. Administrative coordination between the centre and states, improvement of the tax administration machinery, awareness to the tax payers and the launch of the IT interface of GSTN are some of the preparatory efforts made by the government. Several benefits like creation of a unified tax regime in the country for indirect taxes, better centre state coordination and elimination of reducing tax on tax or cost cascading effect on tax are the positive outcome of the GST regime. Similarly, the system may raise compliance (revealing of taxable activity and paying taxes) among assesses.

8. Right to tax on territorial waters: Right to impose tax on economic activities that are done on territorial waters. Here, the both centre and states have decided that states can impose and collect tax on those falls within 12 nautical miles.

4.2 GST in India: Impact and challenges

4.2.1 The types of GST are as follows

1. **CGST (Central Goods and Services Tax**): The tax is collected by the central government on the intrastate sale of goods and services.
2. **SGST (State Goods and Services Tax):** The state government collects this tax based on the intrastate supply of services and products.
3. **IGST (Integrated Goods and Services Tax):** The tax is charged on the supply of products and services between two states. The taxes are shared between the central and state governments.

4.2.2 Impact of GST on the Indian economy

The implementation of GST has significantly affected the Indian economy in the following ways:

1. Simplification Of The Tax Structure

GST has simplified the taxation system of the country. As GST is a single tax, calculating taxes at the multiple stages of the supply chain has become easier. Through this, both customers and manufacturers get a clear idea of the amount of tax they are charged and its basis. Further, hassles of handling tax officials and authorities can also be avoided.

2. Fostering Production

As per the Indian retail industry, the total tax component is around 30% of the product cost. Due to the impact of GST, the taxes have gone down. So, the end consumer has to pay lesser taxes. The reduced burden of taxes has enhanced the production and growth of the retail and other industries.

3. SME Support

Small and medium enterprises can now register under the Composition Scheme introduced by GST. Through this scheme, they pay taxes according to their annual turnover. Therefore, businesses having an annual turnover of Rs. 1.5 crores only have to pay 1% GST. Moreover, other enterprises having a turnover of Rs. 50 lakh are required to pay 6% as GST.

4. Enhanced Pan India Operations

Companies can now avoid taxation roadblocks, such as toll plazas and check posts. Earlier, these created problems, including damage to unpreserved products while transporting them. So, manufacturers had to keep buffer stock to make up for the damages. These overhead costs of storing and warehousing hampered their profit. A single taxation system has reduced these problems. They can now transport their goods easily across India. This has resulted in the improvement of their pan India operations.

5. Increase In Exports

GST has reduced the customs duty on exporting goods. The cost of production in the local markets has also decreased due to GST. All these factors have increased the rate of exports in the country. Companies have become more competitive when it comes to expanding their businesses globally.

The introduction of GST has helped merge the taxes of the state and central governments. This has helped remove the cascading effect of multiple taxes. Therefore, the burden of taxes has reduced for companies and customers. Not just this, taxpayers have increased in number and hence, the tax revenues have also increased significantly. The overall taxation system is now easier to administer. Moreover, small- and medium-sized enterprises are able to enhance their businesses. It is expected that GST will help more Indian organisations to establish themselves in the international markets.

4.2.3 CHALLENGES

GST or Goods and Service Tax is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India, to replace taxes levied by the central and state governments. Goods and Service Tax was introduced as The Constitution (One Hundred and First Amendment) Act 2016, following the passage

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of Constitution 122nd Amendment Bill. GST will be the biggest reform in Indian taxation since 1947, but various challenges has been estimated for its successful implementation.

1. **Consent of States:** For implementing it is critical that GST bill is passed by the respective state Governments in state assemblies so as to bring majority. This is a herculean task.

2. Revenue Neutral Rate (RNR): It is one of Prominent Factor for its success. We know that in GST regime, the government revenue would not be the same as compared to the current system. Hence, through RNR Government is to ensure that its revenue remains the same despite of giving tax credits.

3. Threshold Limit in GST: While achieving broad based tax structure under GST, Both empowered committee and Central Government must ensure that lowering of threshold limit should not be a "taxing" burden on small businessmen in the country

4. Robust IT Network: Government has already incorporated Goods and service tax network (GSTN). GSTN has to develop GST portal which ensure technology support for registration, return filing, tax payments, IGST settlements etc. Thus there should be a robust IT backbone

5. Extensive Training to Tax Administration Staff: GST is absolutely different from existing system. It, therefore, requires that tax administration staff at both Centre and state to be trained properly in terms of concept, legislation and Procedure.

6. Numbers of enactments of statutes: There will two types of GST laws, one at a centre level called 'Central GST (CGST)' and the other one at the state level – 'State GST (SGST)'. As there seems to have different tax rates for goods and services at the Central Level and at the State Level, and further division based on necessary and other property based on the need, location, geography and resources of each state.

7. Additional Levy on GST: The Purpose of additional Levy is to compensate states for loss of revenue while moving to GST. We acknowledge that fundamental purpose of GST is to make "INDIA" as one state where inter-state movement of goods is common. In this situation, it would defeat the very purpose of GST in the country.

8. Clubbing Taxes: The biggest challenge of GST implementation is bringing all the indirect taxes under one roof, which is the biggest feature of GST. There has been opposition asking to include purchase tax by a few states. Other states are reluctant about alcohol, tobacco products coming under GST. This is due to the fact that a major chunk of state revenue is derived from these products.

9. Statutory Requirements: As the imposition of GST will be delegated to both state and central government, the constitution has to grant powers to both through an amendment. It is seen as a difficult task as the law expects at least two-thirds majority from the members of the parliament and that isn't easy given the current political scenario of the country.

10. Make-shift Arrangements: State governments are demanding compensation from the central government as they foresee a major dent in the revenue due to CST losses. This is asked for the first 5 years after the implementation of GST, for which the central government has agreed to 3 years. A final conclusion is yet to be drawn.

11. Framework for Tax Disputes: There has to be a uniform legal procedure for tax disputes and litigations to avoid any confusion.

12. Defining Inter-State Transactions: With the transportation services available everywhere, the place of sale and consumption may not be the same. This makes it difficult to go forward with revenue allocation. Hence, it becomes important to define procedures to tackle such problems.

13. Infrastructure for the Collection Process: Proper infrastructure has to be designed to track the movement of goods and services between states, collection and monitoring revenue, identify defaulters etc.

14. **Determining GST Rates:** This is a major step in ensuring the success of GST. Arriving at rates which are conducive to both the government and public is will be a daunting task.

5. CONCLUSION

The Goods and Services Tax (GST) dominion is an unconcerned attempt by the government to justify the indirect tax structure of the country. The government should study in depth the GST mechanism set up by different countries around the globe and also their fallouts before implementation. No doubt GST had simplified the existing indirect tax system and helps to overcome the cascading effect of tax. The bill was introduced to

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implement one country one tax but resulted into a pitfall as the price of basic goods and services had gone upward, in spite of government demand for a positive change in the economy with a GDP growth rate of **6.3%** in first quarter of **2017-18** as against **7.5%** in the second quarter of last year. It is clear that the economy is slowing down due to unplanned implementation of GST thus the disruptions may have accelerated the decline. The only possible remedy for this disruption is to make the transition to GST simpler.

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A GENERAL REVIEW OF SOME OF THE PREVIOUS STUDIES CONDUCTING ON CORPORATE GOVERNANCE

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INTRODUCTION

A literature review is a search and evaluation of the available literature in your own chosen topic area. The first step in the research is the Literature Survey; therefore, it is the most important part of any research.

In this paper, a literature review of corporate governance is undertaken to understand the area, and the chosen topic, to be aware of what has already been written to avoid duplication, to find out the research gaps, and to achieve the objectives of the present study; therefore, it is the most important part of the study.

The aim of this paper is to provide a review of the literature relevant to corporate governance. The review provides an understanding of the relationship between corporate governance and firms` performance.

The organization of the literature review was done based on the sequential arrangement of the studies related to corporate governance, therefore; this paper consists of three sections. The first one discusses the introduction of the literature review. The second one covers the previous research studies, while the third one discusses the summary.

A deeper look into the literature survey shows that there were plentiful studies available conducted aboard regarding corporate governance and only a little studies that conducted in Yemen regarding corporate governance but in other sectors such as banks.

Alenazi (2016)[1] discussed the influence of corporate governance on corporation performance and corporate hazard in the United Kingdom banking industry, and to achieve this objective, the researcher conducted a survey questionnaire of listed banking companies operating in the UK in order to obtain primary data for the study. The secondary data of this study was collected from banks' yearly reports for the period from the year 2006 to the year 2010.

In the end, the research detected that there is a significant relation does exist among corporate governance and bank performance.

The researcher recommended future research with expanding research in this field to cover a larger number of companies and a longer period of time.

Zabri, Ahmad ,and Wah (2016)[2] discussed corporate governance practices and the relation among the corporate governance in the top hundred listed firms in Malaysia, and to achieve this objective, the researchers conducted a statistical analysis of 86 public listed firms as samples, the study conducted for the period from the year 2008 to the year 2012. Due to achieving this objective, the researchers had chosen board volume and board independence as indicators of corporate governance and the firm's ROA and ROE as indicators of the corporation performance.

In the end, the results detected that board volume had a significantly weak negative relation with ROA, whereas it was detected that there was insignificant ROE. Also, the study detected that there was no relation between board independence and corporation performance.

The study recommended future researches that expands the size samples, does an analysis of a longer time period and conducts more variables (indicators) of corporation performance and corporate governance.

Alobaidi, Aloqab, and Raweh (2017)[3] conducted this study due to highlight the truth of the corporate governance in the banking sector of Yemen, and to achieve this objective, the researchers conducted a theoretical framework method through analyzing the legislation, codes, and proceedings which were prepared by financial authorities and the Yemeni central bank. Also, the researchers analyzed the matters and obstacles of endorsing the corporate governance in the banking sector of 19 banks. In the end, the study detected that the Yemeni fiscal authorities had attained a marked evolution in the launched legislation, codes, and regulations; however, the exercise of these legislations in the Yemeni banks is still at the minimum degree.

The study had recommended more research (empirical and theoretical) in terms of the influence of endorsing the corporate governance in the banking sector in developing states in order to capture whole factors that are influencing corporate governance.

Hussain and Hadi (2017)[4] investigated the relation between the mechanism of corporate governance (board volume, board Composition, gender diversity, hazard management committee, and remuneration committee) and corporation performance which were measured via return on assets (ROA).

The target population of the present research was the firms that registered in the construction industry (Construction Industry Development Board – CIDB) in Malaysia and the samples of this study were 124 firms.

A quantitative survey way was utilized and information was gathered from one-hundred twenty-four firms.

The information was collected through primary as well as secondary sources. The questionnaires were distrusted by the target respondents.

The study found that corporate governance mechanism hazard management committee, board composition, and board volume had a significant influence on corporation performance in CIDB registered companies in Malaysia.

Al-Baidhani (2018)[5] examined the influence of corporate governance on bank fiscal performance. This paper concentrated on Islamic and conventional banks that are working in Yemen and the Gulf States are United Arab Emirates, Oman, Kuwait, Qatar, Saudi Arabia, and Bahrain.

The population of the study was 95 banks and samples have been selected for the study was 50 conventional and Islamic banks. The data were extracted from many sources like the bank scope databases, audited fiscal statements, and published reports of the banks.

The quantitative method was utilized in order to investigate the impacts of corporate governance mechanisms on bank performance.

The findings of the current study showed that there was a significant link among corporate governance and bank fiscal performance.

Areneke (2018)[6] conducted this study in order to examine and compare the influence of compliance of institutionalized state-level corporate governance clauses as well as alternative domestic mechanisms of CG on the corporation fiscal performance in the listed corporations in Africa, and to achieve this objective, the researcher had selected hundred listed corporations for the period from the year 2010 to the year 2014, from South Africa. Also, the researcher had selected eighty listed corporations for the time period from the year 2011to the year 2015 from Nigeria. The data of this study were obtained from the data stream and yearly reports.

In the end, the study found there was a significant relation positive that flounce of the compliance of Nigerian and South African corporate governance act on corporation accounting performance (ROCE). This indicates that the corporations which comply with the corporate governance act and rules in both states benefit from the increasing accounting return more than corporations that do not.

The most important recommendations by the researcher for future research were that investigating what encourages the reforms of corporate governance in states and the causes for shifting from one CG act to another CG act. This can be achieved via conducting interviews with big stakeholders in various states that are engaging with the reforms of CG.

Gupta and Wei (2018)[7] aimed to explore the effect of corporate governance variables on the non-performing loan of commercial banks in Nepal. The independent variables are board volume, audit committee member, independent directors, local possession, foreign possession, CEO duplicity, bank age, female director, board meetings, and bank volume.

The current research has relied on the secondary data which were gathered from Nepali banks.

The population of the current research was 28 commercial banks and the samples which had chosen were 18 commercial banks and that was utilized as the samples of the study.

The duration of this study had been used from the year 2010 to the year 2015. And the total observation acquired from the bank's data was 108.

The findings of the current research found board volume, audit committee members, independent directors, local possession, CEO duplicity, bank age, female director, board meetings and bank volume are have a positive link with the ratio of nonperforming loans. Meanwhile, dual CEO duplicity and foreign possession are having a negative link with the ratio of nonperforming loans.

The study had recommended increasing the sample size, time period, and the variables of corporate governance for future research.

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Koech (2018)[8] aimed to examine the efficiency determinants of Corporate Governance in governmental firms in Kenya. The objective of this study had been divided into four objectives are to define the influence of board attributes on the efficiency of corporate governance at governmental firms in Kenya, to investigate the influence of executive and director compensation policy on the efficiency of corporate governance at governmental firms in Kenya, to recognize the influence of the board audit committee on the efficiency of corporate governance at governmental firms in Kenya and to estimate the influence of the acts and legislations Framework on the efficiency of corporate governance at governmental firms in Kenya.

The population of the current research was the directors in the whole the one-hundred eighty-seven governmental-owned firm and the samples of the current research were 57 companies. The quantitative method was endorsed for the current research.

The results of the current research showed that board attributes, audit committee attributes, executive compensation, and directors' compensation policy and acts and legislations framework had positive links with corporate governance in governmental firms in Kenya.

The current study had recommended that top executives of the governmental firms need to endorse and establish a policy that shore good exercise of governance and to obtain a lawful framework that guarantees efficiency and in governmental firms in Kenya. Also, it was recommended that further research can be done on private firms' directors.

THE SUMMARY

This paper is attempted to gain a depth understanding of some of the major views and ideas that can support the overall argument of the thesis.

The previous studies focused on different sectors such as the banking sector and the complying with applying corporate governance principles. Therefore, previous studies overlooked the studying and applying corporate governance principles in many other sectors such as the telecommunication sector and other sectors; therefore the researcher is recommending filling this gap.

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GREEN ACCOUNTING AND SUSTAINABILITY IN PAPER INDUSTRY - A CASE STUDY OF TAMIL NADU NEWSPRINT AND PAPERS LIMITED (TNPL)

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ABSTRACT
With the growing demand for goods and services, the manufacturing units are propelled towards massive scale of production. The raw and allied material required for the production are generally extracted from the environment causing severe damage to it and also there is a danger of non-renewable resources getting depleted in the near future. The business giants have constantly ignored the cost to the environment and the extent of damage done in the form of land, water air and various other pollutions in the production process. These costs and damages also need to be accounted for a better and safe future. Much of the literature is available on environmental sustainability and green accounting, its problems and challenges, ways to reduce the damages etc. This research paper tries to create awareness about the measures that can be implemented to attain sustainability with best practices. With the help of a case study on Tamil Nadu Newsprint and papers limited (TNPL) that has taken necessary steps to reduce the dependency on the virgin and scarce resources available in the nature. Also it has taken care of the environment by planting trees, reducing wastage of water, harvesting rain water etc. This organization is an eye opener for other industries to conduct constant research and development to minimize wastages during the production process. The rule of 3 R's (Reduce, Recycle and Reuse) should be strictly practised and implemented with moral and ethical responsibility.

Keywords: Green Accounting, Sustainability, Environment cost, Reduce, Recycle and Reuse

INTRODUCTION
The whole world is aware of the environmental damage done by the continuous development taking place in all the countries. There is a cut throat persistent competition to overtake each other in all the fields of production, marketing, military, business, technology, education etc. Due to this feeling of rivalry amongst the different regions of the world and within the countries themselves people have done an intense damage to the pure and virgin environment. Very less attention has been given for the protection of the environmental factors and natural resources like land, water, air etc which have been regularly destroyed and damaged to an irreparable extent. This needs to be measured in terms of money and thus the term 'Green Accounting' was introduced by an economist and Professor Peter Wood in the year 1980. Due to the constant increase in population and increased demand for goods and services the industries have depleted the environmental resources completely and in the process, cost to the environment was completely ignored by the production houses. This paved the way for a serious thought on green accounting by the nations especially the developing and under developed nations. India is also not an exception to this concept, focus has been shifted from using the virgin natural resources to the recycled or reproduced resources in a phased manner as it won't be possible to transform completely at a stroke. In the year 2021 there was a huge hue and cry for coal which had gone scarce and it is a major raw material to generate electricity in India. There was a fear that some parts of the country will suffer black outs due to no electricity. Some industries had to stop their production due to shortage of power. Hence it becomes very essential to use the available resources smartly in a sustainable manner. Many business houses like Tata power, Reliance, Adani, Wipro etc have taken down this very seriously and initiated their investment to reduce the environmental cost and moving towards sustainable development. They have undertaken and implemented many activities like target plantation of trees, recycling and reusing of the waste resources to the maximum extent possible, treating of the waste water after production, generation of green energy etc in their organizations.

LITERATURE REVIEW
Many research papers have been published so far on green accounting by various authors to understand the growing importance of sustainable environment and green accounting throughout the world. They have explained the needs and challenges, advantages, scope, various measures by developed countries etc to make this world and the earth a better place to thrive and survive.

Maniparna Syam Roy (2017) in the paper 'Green Accounting for sustainable development: Case study of industry sector in West Bengal' describes that the data available about water consumption and its reuse or recycling is very much insufficient for comparison between the years. Data is also not available about the quantity of waste water let out by the industries and the quantum of air pollutants emitted by the industries located in west Bengal. Without these figures or data about the resources used, recycled and depleted, different polluting parameters etc it would be impossible to arrive at any concrete decision about the sustainable development measures adopted by industries of West Bengal.

Kannan V. Unnithan and Dr. M. Somasundaram (2019) through their paper ‘A study on the concepts and importance of Green Accounting in India’ studies the importance, needs, advantages and limitations of green accounting. The authors suggests that the government should come out with concrete laws and policies so that the green accounting can be implemented more dedicatedly and the damage to the natural resources could be reduced thus minimizing the risk of natural calamities due to environmental misbalance.

Sherine Farouk, Jacob Cherian and Jolly Jacob (2012) in their paper ‘Green Accounting and Management for Sustainable manufacturing in developing countries’ conveys the understanding the concept of green accounting by different authors through literature review. The authors have tried to give insight into green accounting by the use of a conceptual model developed by Michael John jones (2010)which is a multi layered theoretical framework justifying the environmental threats, the relationship between industry and environment, CSR, measuring and reporting the environmental hazards. However they also say that many other conceptual models needs to be studied and implemented if found feasible.

Jui-CheTu and Hsieh-Shan Huang (2015) in the paper titled ‘Analysis on the relationship between Green Accounting and Green Design for enterprises’ are of the opinion that the success of green design is totally dependent on the moral and ethical maturity of the entrepreneurs. The authors have focused on the 3R’s Reduce, Recycle, Reuse in order to develop environment friendly or green products. This study also emphasizes that development of green design will incur additional costs to the entrepreneurs due to change in methodology of production, more innovative technology to reduce the costs.

OBJECTIVES OF THE STUDY

1. This paper aims at studying the environmental cost due to paper manufacturing industries.
2. The paper makes an attempt to study the success of Tamil Nadu Newsprint and papers limited (TNPL) in implementing sustainability through green accounting.

RESEARCH METHODOLOGY

The data of this research is collected through secondary sources like published annual reports of TNPL, newspapers, websites, magazines etc.

Rationale of the study: Many studies have been conducted on green accounting and sustainable development. Various parameters related to the topic have been studied like need and importance, challenges in implementing green accounting, acceptability of green accounting etc. India still being a developing country is largely dependent on natural resources like coal as a fuel which is one of the major contributors of carbon leading to enormous amount of pollution. The manufacturing units have been continuously ignoring the environment cost incurred during the production process. This paper tries to understand the environmental threats to soil, air, water etc due to paper manufacturing industries. It also focuses on the measures taken and learnt by one of the leading paper industries in Tamil Nadu known as TNPL towards green accounting. These measures can also be adopted by other paper industries for attaining sustainability.

Scope and limitations of the study: The scope of this study is limited to sustainability measures in theoretical form. There is no available concrete data in monetary terms about the actual environmental cost incurred or saved. This paper emphasizes on green accounting steps to be taken only by the paper manufacturing industries in India. It further focuses on the measures adopted by Tamil Nadu Newsprint and papers limited (TNPL) towards green accounting over the years from 2010 to 2021.

Green Accounting: This is a concept which has gained importance over the last 40 decades. It takes into account the cost of destruction or depletion of environment and natural resources in monetary terms or value into the financial reports by a business. The main aim of green accounting is to create awareness about the damage caused to the environment in the form of pollution, depletion of natural resources etc. Green Accounting tries to bring about a balance between traditional economic goals and environmental goals thus protecting the environment from further destruction. The development process should not ignore the environmental hazards and the cost related to depletion of natural resources. New and innovative researches should be encouraged by businesses to reduce the dependency on natural resources so that minimum destruction is caused to the environment.

Paper industries and Environmental cost: With the considerable increase in demand for paper and paper products all over the world, the production of paper has also increased enormously posing a serious threat to the environment in the form of air, water and land pollution to a great extent. It contributes for 26% of the total solid municipal wastes in the form of waste pulp and waste paper. Due to huge demand for wood, deforestation has been carried out widely leading to misbalance of the environment. Harmful gases like carbon dioxide, nitrogen oxide, sulphur oxides etc are being released in the air by such industries paving the way for acid rains and contributing to greenhouse gases. Not only it pollutes land and air but also it consumes lots of water during production, thus reducing the quantity of fresh available drinking water. It not only consumes fresh water but also releases waste water in the drinking sources of water which is a very serious threat to the marine environment and human beings. Thus it is very much evident that it is crucial to adopt measures by such industries towards green accounting and sustainability to reduce air , water and land pollution.

Tamil Nadu Newsprint and papers limited (TNPL)- An overview: This is basically a paper industry situated in kagithapuramin, Karur district of Tamil Nadu first listed in 1979. It is a public company. It is also one of the producers of eco friendly paper mills in the country. It manufactures newsprint as well as writing paper from a material called bagasse which is a sugarcane residue. Bagasse is the primary raw material which accounts for 100% base for raw material for producing paper. This industry exchanges steam for bagasse with sugar industries situated nearby. Because of the use of bagasse as raw material the dependency on the fresh wood for pulp has reduced. This industry is constantly engaged in adopting eco friendly measures over the years like use of waste resources as raw material, massive tree plantation for its requirement and not depending on forests, water conservation techniques, setting up of bio methanation plants, setting up cement plants etc. TNPL participated in WWF (EPIC) 2019 being one of the 27 of the world's important pulp and paper manufacturers. It has bagged many awards and recognitions like Water Stewardship Award, Innovative Initiative Project Award, Environmental Best Practices Award and so on to its credit for its contribution to environmental accounting and sustainability.

1.1 Production of Green energy: TNPL is regularly engaged in carrying out innovative practices and activities conducive to the environment. One of such activities is production of green energy and reducing carbon footprint through the use of wind. The organization has installed 35.5 MW wind farms which helps in the generation of 385.14 KWH units of green power in the year 2020-21.With the help of these windmills 5233.81 lakh units of power has been generated by TNPL in year 2020-21. 5218.77 lakh units of power were consumed by them and 31.18 lakh units was being exported to the State Power Grid. The organization has also installed a 3 KW low tension solar power plant to reduce consumption bills.

1.2 Waste material as raw material: Since the inception of TNPL it has been using bagasse, the remains of sugarcane as major part of its raw material thus conserving the virgin forest resources and preserving the environmental damage. The organization believes and practices in remanufacturing, reusing and recycling of the waste products as raw material. TNPL does not exclusively depend on forest resources for its raw material requirement. It has started its own plantations in their land as well as they have encouraged the nearby farmers to plant the required trees in their farms for fixed incentives. Thus the dependency on forests reduces in a more environmentally responsible way.

1.3 Restricted emission of carbon: The organization is also engaged in the production of biogas by setting up bio-methanation plant by treating the waste water from the bagasse store yard, pith which is the innerpart of bagasse and wood dust. This biogas is further used as a replacement for furnace oil and coal thus reducing the emission of around 45000 MT Carbon dioxide and equivalent gases every year. This practice is also the first of its kind in the paper and pulp industry.

1.4 Producing cement from solid waste: The Company constantly turns the best out of waste generated by it. One of such example is converting solid waste into cement. It converts slime grit, bed ash rejects, lime sludge produced in Soda recovery plant, fly ash produced in power boiler, colour coating kitchen sludge which are the waste remains after the production of paper by manufacturing and converting it to a top quality cement. Through this it is quite evident that the organization is efficient enough to manage its solid waste without any extra cost to the environment. Not only this but the company has also redirected the flue gas released during the process of production of cement for drying the fuel both in coal mill and lime sludge. This gas is thus stopped from polluting the air. It is also used to heat the raw material while producing cement.

1.5 Reducing wastage of water: They have introduced and installed many water conservation projects minimizing the requirement of water for production upto 47 KL/tonne of paper which is one of the remarkable achievements in paper industry. It also reduces the process water usage by using the vacuum pump seal water and process condensate is being reutilized in pulp mill for various purposes. In addition to this, it has also

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constructed 3 rainwater collection pits for harvesting rain water for its housing colony water needs and mill needs. It has earned many excellence awards to its credit for the management of waste water.

FINDINGS AND SUGGESTIONS

With the rapid increase in the demand for paper in the form of books, tissue papers, paper plates, paper cups, paper packing and packaging and so on, it is being produced at a massive scale by the industries in India exploiting and polluting the natural resources which needs to be stopped gradually for attainment of sustainability. Moving towards green accounting and sustainability requires huge costs but the manufacturers should not run away from these environment costs and indulge themselves in uninterrupted research work towards nature friendly technologies for a safe future. Most of the industries are still dependent on the virgin scarce natural resources available in nature . Rather than depending on this, the manufacturers should focus on the most important 3 R's to Reduce, Recycle and Reuse of the available resources. They should encourage the engineers, technicians, managers to come out with innovative ways of recycling and reusing the waste resources. The waste generated out of one process can be utilized for another process thus protecting the environment. The government should also play an active role in implementing green accounting by various awareness seminars, conferences, exhibitions to contribute ideas for minimizing the cost to the environment. Government should also introduce and implement certain laws and policies which should be mandatorily followed by businesses and if not taken seriously certain penalties or fines can be imposed on them. The government should also provide encouragement by announcing rewards and incentives for implementing eco friendly initiatives. A committee or body can also be constituted to closely monitor the activities and problems of production houses.

CONCLUSION

There is a very well known saying that 'It is better late than never' needs to be kept in mind always. As the world is experiencing the global warming effects, rapid increase in the temperature of the earth and melting of the snow at a faster speed has led to adverse effects on the environment. The freely available nature is exploited beyond limits to satisfy the selfish needs of humans. The resources like air, water and land has been destroyed to the maximum possible extent by carrying out majorly production and manufacturing activities. There is a constant fear of natural and non renewable resources getting depleted in the near future. Hence it is very crucial that the businesses carry out sustainable activities and find out environmental cost along with the other financial cost and the environment should be paid back the cost incurred for production. From this research paper it is clear that paper industries pose a serious threat to the environment to a larger extent. This need to be monitored on a regular basis and necessary measures should be taken towards eco friendly activities. TNPL is a leading paper mill in India which gradually and continuously transformed itself into a sustainable ones. Paper and other manufacturers should also learn and understand the importance of sustainability through the case study of TNPL. They should come forward with innovative ideas and technologies for preserving the natural surrounding. The government must silently monitor the activities by the business houses and encourage them to contribute towards a sustainable environment and a better place to live in for the generations to come.

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A STUDY EFFECT OF COVID-19 ON DIGITAL MARKETING AND ADVERTISING

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ABSTRACT

The worldwide pandemic of Covid-19 while having its effect on different sectors, considerably affected Digital Marketing and Advertising as well, in the worldwide, territorial and local level. Nonetheless, this effect, generally, was a positive one, instead of what was being seen in different fields, for example, economy, human asset, and so on, While the virus made a lot of vulnerabilities among clients and advertisers the same, regarding wellbeing, health, social life, economic stability, employment, and so on, and these immense affected marketing and advertising endeavors. The conduct move was overwhelmingly towards digital platforms and digital substance, which made genuine opportunities for the advertisers and brands to associate with the clients digitally like never before previously. Simultaneously, this likewise made the advertisers demonstration carefully and be socially dependable while actualizing digital marketing methodologies. This paper is made with an endeavor to feature, investigate and comprehend the effect of the Coronavirus pandemic on digital marketing and promoting overall.

Keywords: *Digital Marketing, Advertising, Covid-19, Pandemic, etc.*

I. INTRODUCTION

Digital Marketing is a part of marketing that uses the web and digital innovations, for example, Computers, Mobile telephones, Websites, Social Media platforms, Application Software, email and different platforms to advance items and administrations. The improvement of Digital Marketing during the 2000s changed how brands and advertisers use innovation for executing marketing plans and procedures. Lately, Digital Marketing has gotten more pervasive, utilizing a mix of Content Marketing, Micro-Video Marketing (M.V.M), Search Engine Optimization (S.E.O), Search Engine Marketing (S.E.M), Social Media Marketing (S.M.M), Influencers Marketing, In-App P.O.S Advertising, Social Media Optimization (S.M.O), internet business Marketing, Digital Advertisement Displays, email Marketing, and so on, While the Digital Marketing and Advertising were developing at a consistent speed, the flare-up of Covid-19 gave it a startling lift, by making the people locked down at home with less or no working hand and affecting a high-speed conduct move towards digital platforms, digital media, and digital substance.

II. OBJECTIVES

The main objectives of the study are:

1. To investigation the idea of digital marketing.
2. To dissect the effect of Covid-19 on digital marketing.
3. To examine the future role of digital marketing post Covid-19

III. SCOPE OF THE STUDY

Scope of the study is identified with comprehend the possibility of Digital Marketing, and to know the effect, that the flare-up of Covid-19 pandemic had/has on digital marketing and furthermore comprehend the future of digital marketing post Covid-19 pandemic.

IV. RESEARCH DESIGN

The study is based on the secondary sources of data. Secondary data are collected through published sources like text books, journals, magazines and through the blogs and articles published in websites.

V. LIMITATIONS OF STUDY

- The study is limited to secondary data.
- Time imperatives while collecting the secondary data.
- Generalization of all the data from this study is not best.

VI. DIGITAL MARKETING

Digital marketing in basic words can be expressed as the execution of marketing plans and methodologies using the internet and other related digital platforms. It very well may be characterized as a marketing approach that

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basically depends on the internet to associate with the intended interest group through different digital media channels and platforms. Under Digital Marketing, the advertisers utilize the internet, cell phones, messages, web-based media, internet searcher, video real-time platforms, and other such channels to arrive at the clients. Digital Marketing is target-explicit. That implies, the brands and advertisers can focus on a particular section of client dependent on different variables, and distinguish the perfect medium of the channel for associating with such a client base. The different social media platforms like Twitter, Facebook, Instagram, and so on.

VII. EFFECT OF COVID-19 ON DIGITAL MARKETING

The broad of Covid-19 had a radical negative effect on-field marketing exercises, for the most part because of lockdown. Be that as it may, this opened the entryways for digital marketing as individuals moved to digital mediums quicker than foreseen. The points explain the effect of Coronavirus on digital marketing and advertising.

a. Increased Social Media commitment cleared route for expanded Social Media Marketing:

Because of Covid-19 flare-up bringing about lockdown and work from home being set up, individuals had much of free time, which they generally spent on social media. Thus, this gives a chance to advertisers to profit by and better interface with their clients through different Social Media sites.

b. Increased desire for Video and Micro-Video Content:

These increasing provided the advertisers with a chance to depend on Video and Micro-Video substances to advertise and advance their items and services.

c. Emphasis of Experiential Marketing:

As people are spending more time online during this lockdown period, the marketers have to emphasis on making the customers online experience engaging. Thus, the marketers are heavily emphasising on making the customers online experience a delightful one.

d. Impulse in desire for O.T.T. Content Hubs:

Covid-19 lockdown period likewise saw an impulse in desire for and viewership of Over-The-Top Content Hubs such a Netflix and Amazon Prime.

e. Increased Product Research among clients:

Throughout the months in the 2020 year, individuals are investing more energy in exploring items and services online.

VIII. FUTURE OF DIGITAL MARKETING POST COVID-19

There is no uncertainty that Covid-19's effect on Digital marketing is positive for the majority of the part, however going ahead in the future, post-Covid time the advertisers need to keep up or rather enhance the current digital chances to hold the client base so gained during the Covid time frame.

- **i.** Social media jobs and creativity skills will be valued more than ever.
- **ii.** Video content will continue to rise in production and demand.
- **iii.** The more authentic the content, the better.
- **iv.** Honesty, empathy, and social consciousness will win on social.
- **v.** Social listening and community engagement will be at the forefront of marketing strategies.
- **vi.** We'll be constantly adapting to new technology and changing consumer needs.

IX. CONCLUSION

In the current situation, digital is at the core of all companies and Digital marketing is a basic apparatus in the possession of brands and advertisers for actualizing marketing techniques during the pandemic time frame. While the field of marketing overall was radically affected, the part of digital marketing has seen a colossal lift. Covid-19 has put Digital marketing on Fast-track and prepared for further turn of events and improvement of digital marketing exercises.

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ALTERNATE TAXATION REGIME UNDER INCOME TAX ACT, 1961.

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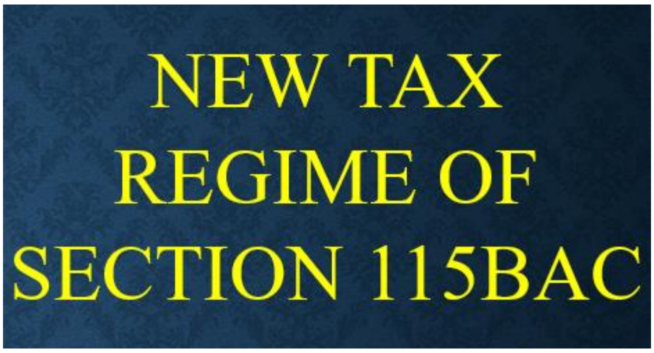
ABSTRACT

Special attention has been paid in the present letter to shed light on the Alternative Tax system under the Income Tax Act, 1961. The paper analyzes briefly, the amendment in taxation and insertion of new tax regime. The researcher concluded that further improvements in direct taxes are needed in the form of widening the range of concessions and deductions, reducing tax rates, restructuring various income tax slabs and simplifying the overall tax process so that people can be encouraged to comply with tax laws.

Keywords: Alternative Tax system, new tax regime, Amendment, Taxation.



INTRODUCTION

As per Income Tax Act 1961, every assessee whose total income exceeds maximum exemption limit as may be specified in income tax act is liable to pay income tax at such a rate as may be prescribed in the act. History has shown that there has always been a conflict between payer of tax and collector of tax and still it continues. The main reason beyond it is that the tax payer does not want to share his hardcore earned money with someone else. This may happen due the irrational structure of income tax. Hence after taking into consideration all those points The Finance Act, 2020, inserted the new section 115BAC called Alternate Taxation Regime. There are two tax regimes in the Income Tax Act 1961, w.e.f. 1-4-2021.

REVIEW OF LITERATURE

It is a general misconception that income and property taxes are recent, but even in old and ancient societies there are many evidences to show in what form income tax was levied. The changes high-speed in income tax management over the last many years shows the history of socio-economic thinking in India. One of the major sources of government's revenue is 'Taxation'. The main aim of every country is to fetch the growth in this competitive age. There are so many issues influence a country's Economic, Social & Political state. Growing healthy Economic condition of the country is the main parameter of the development of the country. Country's internal management system contribute important role for the development of the country. The counties like India have adopted democracy to reduce the distance between poor and rich. Hence, we can call it as an instrument of equity, social justice, etc. There are many amendments introduce in Income Tax Act, 1961 from time to time. Alternate Taxation Regime is one of them. This regime is introduced in Income Tax Act, 1961 in order to give a mere relief to tax payer by reorganizing the new slab rates with lower tax rates. But there are some limitations to Alternate Taxation Regime along with some benefits. In this new Alternate Taxation Regime an assesse gets an option to choose between the taxation regime) without considering prescribed exemptions or deductions which are available to assesse in calculating his total taxable income as per Income Tax Act,1961.

OBJECTIVE OF THE STUDY

- Understanding the new structure of taxation prescribed by Income Tax Act, 1961.
- To analyses and determine the past situation, current situation and future expectations of the structure of income tax.
- To suggest appropriate measures for tax payer in order to make a choice between old scheme of tax and new scheme of tax that is alternate tax regime.

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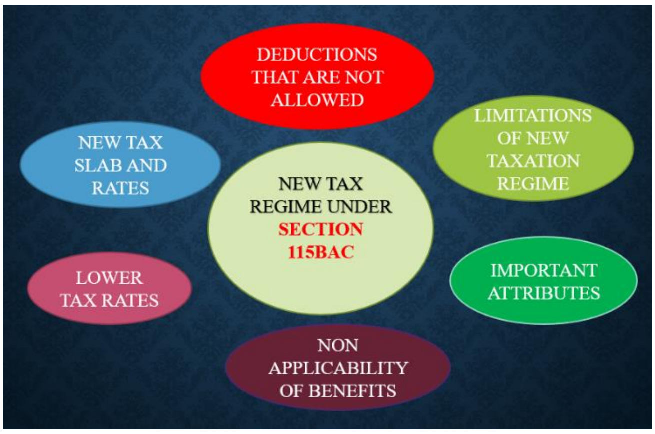
Limitations And Scope Of The Study
Even though there are lower tax rates in alternate taxation regime some of the exemptions and deductions not allowed to assessee while computing total taxable income, under the new tax regime 115BAC, which are available to the assessee in old tax scheme.



METHODOLOGY OF RESEARCH
Study of present letter is illustrative and evaluative in nature. In this study the researcher has paid special attention to the new taxation regime (115 BAC) along with old taxation regime. In order to make the study the consultation was made through different books published in respect of Income Tax and Public finance, number of internet sites, magazines, statistical data presented by various researchers, survey made by government of India in respect of economic matters, many of circular's issues by Central Board of Direct Taxes. During the study in order to carry out the research paper guidance of the experts in the respective field and view of public is also taken into account. During the study special attention was given to the conditions, benefits, and limitations of the section 115BAC that is new tax regime, and presented the same in a systematic manner. Present study has passed through the following stages:

1. Introduction to section 115 BAC.
2. Conditions of section 115 BAC of Income Tax Act, 1961
3. The New optional Tax Regime.
4. Benefits of section 115BAC.
5. Limitations of section 115BAC.

Introduction to Section 115 BAC.
The new section 115BAC which was inserted by the Finance Budget, 2020, w.e.f. 1-4-2021 for the first time in the Income Tax Act,1961. Assessee having income other than income from head of profit and gain from profession or business, may have an option to exercise either old taxation regime or new taxation regime, concerning of the income of previous year to be taxed under the Section 115 BAC that is in new taxation regime with the return of income of assese which is to be furnished under Section 139(1) of the Income tax Act for every year. If an assessee has been opted for an alternate taxation regime, then total income shall be calculated as per concessional tax rate provided under section 115 BAC is subject to certain conditions.

Conditions of Section 115 BAC Of Income Tax Act, 1961:

I. The total income of the assessee needs to be computed without specified the benefits of exemptions provided under Income Tax Act, 1961.
II. The total income of the assessee needs to be computed without specified the benefits of deductions provided under Income Tax Act, 1961.
III. The benefit of set off of the losses will not be available to the assessee under new taxation regime.
IV. The benefit of set off of additional depreciation would not be available to the assessee under new taxation regime.
V. In case of Taxpayer having a business income, if option of new taxation regime once opted in any financial year, then it will be applicable for all followings financial year.

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The Alternate Taxation Scheme

As per the Finance Budget presented for year 2020, the alternate tax regime is made available for assessee being an individuals and Hindu Undivided Family with revised tax slabs and rates. After fulfilling the specified conditions, an assessee being an individual or Hindu Undivided Family may opt the Alternate Taxation scheme in order to calculate tax liability in respect of total income regardless of the specified exemptions and deductions at the time of filing of his Income-tax return as per the revised slab rates, instead of the old tax scheme.

In case of an individuals and Hindu Undivided Family

Following tax rates are applicable under Alternate Taxation scheme from assessment year 2021-22, which is presented in the following chart

Chart 1.1

Benefits of Section 115BAC For Taxpayer

I. One of the major benefits to assessee is that, if assessee is not be eligible to claim the deductions and exemptions available for calculation of total taxable income, then he can choose the alternate taxation regime to bring his tax liability lower as compare to the old tax regime, as calculated at concessional rates.

II. The benefit of exemptions and deductions available under the alternate tax regime are as follows:

1. Assessee would be allowed to claim benefit of transportation expenditure allowed to him in case of a special disable person.
2. Assessee would be allowed to claim benefit of conveyance expenditure allowances incurred in the course of employment, received.
3. Assessee would be allowed to claim benefit of any reimbursement in respect of expenditure made for tour and travelling.
4. Assessee would be allowed to claim benefit of daily allowance received in order to meet the commonly incur daily charges or expenditure you incur on account of remote place.
5. Assessee would be allowed to claim benefit of deduction for employer’s contribution to New Pension Scheme account (Section 80CCD (2)).
6. Assessee would be allowed to claim benefit of deduction for additional employee cost (Section 80JJA).
7. Rebate under section 87A of income Tax Act is available even though opted for 115 BAC.

Limitations of Section 115 BAC For Taxpayer.

The following are the some of the major deductions and exemptions assessee cannot be claim while computing total taxable income, under the new tax regime 115BAC.

1. The standard deduction of Rs 50,000, professional tax and entertainment allowance cannot be claim from income from salary head.
2. Assessee would not be allowed to claim Leave Travel Allowance (LTA) under section 10(5) of Income Tax Act, 1961, from income from salary head.
3. Assessee would not be allowed to claim House Rent Allowance (HRA) under section 10(13A) Income Tax Act, 1961, from income from salary head.
4. Assessee would not be allowed to claim Minor child income allowance under the head of clubbing of income in Income Tax Act, 1961.

5. Assessee would not be allowed to claim benefit of deduction as a Helper allowance from income from salary head.
6. Assessee would not be allowed to claim benefit of deduction as a Children education allowance from income from salary head.
7. Assessee would not be allowed to claim benefit of deduction as other special allowances under section 10(14) of Income Tax Act, 1961.
8. Assessee would not be allowed to claim benefit of deduction in respect of interest expenditures on accrual basis in respect of housing loan taken in order to acquire the self-occupied property or vacant property under section 24 of Income Tax Act, 1961, from the head income from House Property.
9. Assessee would not be allowed to claim benefit of deduction specified in chapter VI-A of Income Tax Act, except Section 80CCD (2) and 80JJAA.
10. Assessee would not be allowed to claim benefit of deduction from family pension income.
11. Deductions not allowed against business income under the new regime.

a) Additional depreciation under section 32.
b) Expenditure on scientific research under section 35
c) Capital expenditure under section 35AD
d) Exemption under section 10AA for Special Economic Zone units.

Suggestion To Taxpayer
It is optional for taxpayer weather to opt for new tax regime or not. Hence taxpayer should opt section 115 BAC (after fulfilling necessary conditions) only if his/her amount of tax liability is less in new tax regime as compared to the amount of tax liability in old taxation scheme.

CONCLUSION
Although taxpayer is aware of the fact that it is a moral obligation to pay the income tax, and revenue collected by the government by the way of taxes is used for the welfare of the society but as there are high income tax rates on personal income and some other irrationalities in the tax situation, the taxpayer feels so, removed a few tweaks while contributing to this noble cause. The regime is introduced in Income Tax Act, 1961 in order to give a mere relief to tax payer by reorganizing the new slab rates with lower tax rates, instead of allowing the exemptions and deductions in old tax regime.

Any assesse being an individual or and Hindu Undivided Family, planning to opt the benefit of the new section 115BAC that is new tax regime must read the sections, rules and notifications carefully to avoid unwanted difficulties and litigations before going forward.

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THE IMPACT OF HUMAN RESOURCE MANAGEMENT ON PERFORMANCE OF THE FIRM

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ABSTRACT
In an age of technology, human resource has an important role in the organization and human resource accounting has a wide perception on the organizational resources i.e managing the human resource. Human resource accounting is new branch of accounting which deals with various policies and practices for controlling the human resource in best possible way to give maximum result. Human resource management without information cannot take any decision and inform the decision maker about practical aspect need to be consider while taking the decision. Human resource management is the most important and strategic concept in the organization for effecting its profitability because by developing human resource in the organization we would like to enhanced the efficiency of the other resources in the organization.

Keywords: Human resource management, Strategic concept, Profitability.

INTRODUCTION
Human resource is one of the most important recourse in the organization among the others and has the power to make the best use of other resources. So, we need to analyze the impact of human resource in overall profitability of the firm as its directly related with it. Knowledge is the key determent in the success of the organization and most of the companies give importance to return on investment but hardly companies emphasis on return of knowledge. What we need to understand the capabilities and skill of human resource in the organization and how to make the best use of these skills to enhanced the overall profitability. It is the top most responsibility of Hr department in the organization to develop the link between the employee's skills and profitability with their HR policies.

Hence human resource accounting is the most important tool to develop that relationship between human resource and profitability. In human resource accounting, cost involve in recruitment, selection, placemen and development of human resource in the organization.

According to the statement of the American Accounting Association (AAA) human resources accounting includes the employees' evaluation process of an organization and its assessment during the time.

MEANING
Human resource management is a branch concerned with recognizing and evaluating information about the human resource in the organization.

Human resource is the key factor in the organization and play very important role in achieving the overall objectives of the organization. Human resource accounting is one of the important branch of human resource management, which help the organization to measure the efficiency of the human resource in terms of its investment. The aim of human resource accounting is to formulate and implement the management principles to control the HR practices in the organization.

IMPORTANCE OF HUMAN RESOURCE MANAGEMENT:

1. EFFECTIVE USE OF HUMAN RESOURCE:
HRM facilitates not only availability of competent manpower but also ensure optimum use of human resource in the organization. After recruitment, selection and placement the employees are provided with training and development to achieve organizational goals.

2. MOTIVATION OF MANPOWER:
Due, to HRM the organization achieve more results in terms of more profitability and the share of profit can be utilized to motivate the employees by providing more incentives monetary and non-monetary.

3. CORPORATE IMAGE:
Effective human resource management required to develop and improve good corporate image in the mind of various stake holders. The HR practices adopted by the organization have a direct impact on corporate image.

4. CAREER DEVELOPMENT OF EMPLOYEES:
HRM facilitates career development of employees. The HR manager is responsible to create the right environment to develop the individual employees' career within the organization.

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5. AVAILABILITY OF COMPETENT MANPOWER:

The basic object of HRM is to ensure the availability of competent and dedicated man power. The success of the organization depends on the quality of its people. The HRM facilitates proper selection, placement, training and development, motivation of employees in the organization.

HUMAN RESOURCE AS AN ASSET:

Human resource is considered as one of the most important assets of an organization, with the help of human resource organization make the best use of other available resources in the organization.

It is the responsibility of the HR department in the organization to acquire and develop the available human resource in the best possible manner and convert them into assets. Human resource development activity will be taking place with the help of HR department and they make sure to convert them into assets then into liability.

The major factor contributing the productivity is the human resource in the organization and HR department will develop the human resource in the best possible manner to convert them into assets.

HUMAN RESOURCE MANAGEMENT AND PROFITABILITY:

Human resource management has direct impact on profitability of an organization. It is the policies and practices which influence the employee's behavior and performance in the organization. HRM is very critical for the organization because its cover the many other process in the organization. Human resource management have positive impact on profitability of the organization if it is used effectively.

The following is the HR practices which help to get the profitability:

1. Rewards and recognition
2. Flexible workplace
3. HR technologies
4. Retention of excellence

When employees experience the good working environment, turnover will decrease and overall employees' satisfaction will be enhanced.

The organization will perform its best when all the functions of human resource management in the organization practice in the best manner.

CONCLUSION

Various studies have provided the data on positive relationship between HRM and profitability. The implementation of progressive HR practices will result in operational and performance efficiency. In conclusion, Human resource management practices have an impact on profitability of the firm but depend on various other factors also. Human resource management practice may not directly bring the revenue but certainly improve the overall efficiency of the organisation.Success and failure of the organization is not completely depend on the HR practices but very critical for its success.

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COMPARATIVE STUDY OF PRE AND POST INCOME TAX COLLECTION WITH REFERENCE TO DEMONETISATION

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ABSTRACT
The economic growth of the country is reflected by its GDP. In order to increase the GDP of the country, government needs to undertake developmental projects. For undertaking projects they require funds which are raised by the revenue the Central government majorly receive from direct and indirect taxes. So to increase its revenue the government makes changes in policies to reduce black money and create transparency and simplified procedures in the system by Demonetisation, introducing GST etc. With this note the researcher tries to find in this study the before and after implications of Demonetisation on the tax collection and the taxpayers. To undergo this study, the researcher has opted for secondary data for analysis. In this study the researcher has analyzed the significance difference of Demonetisation on per and post income tax collection and the significance difference of Demonetisation on per and post income tax filers. Paired t test is conducted to arrive the result. The period for analysis is from FY 2014-15 to FY 2019-20. Statistical tools used is excel etc.

Keywords: Central Government, Demonetisation, Income Tax, Revenue

INTRODUCTION
The economic growth of the country is reflected by its GDP. So to increase the GDP of the country, the government needs to undertake developmental projects. For undertaking projects they require funds. The funds are raised by, the revenue the Central government majorly receives from direct and indirect taxes. So to increase its revenue the government makes changes in policies to reduce black money and create transparency and simplified procedures in the system by demonetisation, introducing GST, etc. Our own honourable Prime Minister Shree Narendra Modi stated in an unintentional address on November 8, 2016, at 8:00 p.m., that the currency of Rs 500/- and Rs 1000/- will no longer be legal tender. With this shocking statement, 1.3 billion people were completely stunned. Such individuals may deposit old cash before 30th December 2016 in their bank and with the RBI directly with a specified declaration until March 31, 2017. The news was quickly shared around the country. One would think that after demonetization, direct tax compliance would improve. (Khanna B & Sonia, 2018)

LITERATURE REVIEW
(Chavali et al., 2019): The authors analysed the impact of demonetization on digitization using secondary data from March 2015 to July 2018. For analysis, a 20-month pre-demonetization and 20-month post-demonetization event window was used. The authors came to the conclusion that there has been a significant increase in the use of various digital payment methods.

(Kaur, 2017): Demonetization has a variety of repercussions on the Indian economy and its many sectors. There are a variety of industries with upward trending trends and some with downward trending trends. To eradicate black money, a number of procedures must be implemented; nevertheless, one step will not suffice.

(Gale & Samwick, 2017): A tax change's structure and finance are crucial to attaining economic growth. Tax cuts may motivate people to work, save, and invest, but they will almost certainly result in a larger government budget deficit if they are not accompanied by immediate spending cuts.

(Rao, 2000): The Indian tax system has progressed from being narrowly based, cumbersome, and confiscatory to being significantly more efficient. Taxpayers will benefit greatly from the recent focus on tax administration. Despite improvements since 1991, there is still considerable work to be done to make the tax system more inclusive, productive, and efficient.

(Panda et al., 2020): Since its beginning, the Direct Tax regime has undergone numerous adjustments each year. The impact of such reforms should be assessed in terms of their contribution to the government's coffers. The influence of direct tax policy reform, direct tax administrative reform, and economic policy reform on direct tax revenue and overall revenue is examined in this study.

From the review, it is observed that there is much research done on the growth of the economy after demonetisation and there is few research done on per and post-demonetization impact on income tax and only the preceding year data is considered for analysis of the impact of demonetisation on income tax.

SIGNIFICANCE OF THE STUDY

In this study, the researchers will analyse the impact of demonetisation on income tax collection and income tax filers. This will help the government to know the actual effect of demonetisation on income tax collection. The analysis can act as one of the measures for measuring demonetisation success rate.

THE OBJECTIVES OF THE STUDY

1. To evaluate the income tax collection after demonetisation
2. To study the growth of income tax filers after demonetisation.

HYPOTHESIS OF THE STUDY

$H_0$1: There is no significant difference of demonetisation on per and post-income tax collection.

$H_1$1: There is a significant difference of demonetisation on per and post-income tax collection.

$H_0$2: There is no significant difference of demonetisation on per and post the total number of Income-Tax Returns Filed

$H_1$2: There is a significant difference of demonetisation on per and post the total number of Income-Tax Returns Filed

RESEARCH METHODOLOGY

Secondary data: Secondary data will be used for testing of hypothesis.

Secondary data will be collected from research articles, research papers, research theses of the research scholars, newspapers, books, etc.

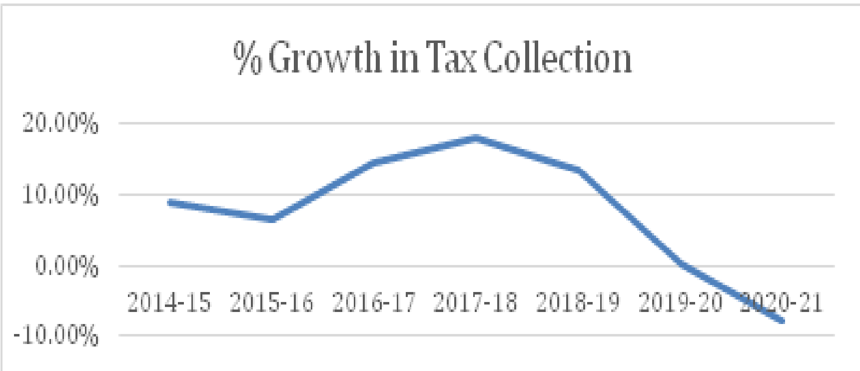
DATA ANALYSIS

Total Income tax collection Table 1

demonetisation	Year	Total Income tax collection (In Lakhs crore)	% of Growth year wise
Pre	2013-14	6.38	
	2014-15	6.95	8.93%
	2015-16	7.41	6.62%
	2016-17	8.49	14.57%
Post	2017-18	10.02	18.02%
	2018-19	11.37	13.47%
	2019-20	11.38	0.09%
	2020-21	10.5	-7.73%

Source: https://www.incometaxindia.gov.in/Pages/Direct-Taxes-Data.aspx

Chart 1



INTERPRETATION

From the above data it is observed that there is an increase in total income tax collection year-on-year from the year 2013-14, 6.38 lakh crs to 10.5 in the year 2020-21 but there is a fall in growth rate in the year 14-15 from 8.93% to 6.62% in the year 15-16 later on 2 the consecutive years 2016-17 & 2017-18 there is an increase in growth rate 14.57% & 18.02% respectively, However, if we factor in the IDS-2016 contribution, the percentage drops to 12.56 percent, again there is a fall in return form 18.02 to -7.73 in the year 2020-21.

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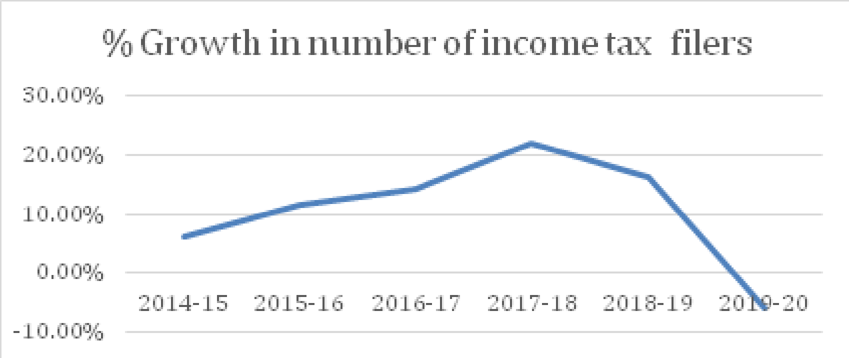
Total no. of Income-Tax Returns Filed

Table 2

demonetisation	Year	Total no. of Income-Tax Returns Filed (In Lakhs)	% of Growth year wise
Pre	2013-14	3.31	
	2014-15	3.51	6.04%
	2015-16	3.91	11.40%
	2016-17	4.47	14.32%
Post	2017-18	5.45	21.92%
	2018-19	6.33	16.15%
	2019-20	5.95	-6.00%

Source: https://www.incometaxindia.gov.in/Pages/Direct-Taxes-Data.aspx

Chart 2



From the above data, it is observed that there is an increase in the total number of income tax return filers year-on-year from the year 2013-14, 3.31 lakh to 5.95 in the year 2019-20. There is steady growth in no. of income tax filers from 2014-15 6.04% to 21.92% in 2017-18, but there was a fall in growth rate in the year 17-18 from 21.92% to 16.15% in the year 2018-19 later to -6.00% in 2019-20.

$H_0$1: There is no significant difference of demonetisation on per and post-income tax collection.

Table 3

demonetisation	Year	Total Income tax collection (In Lakhs crore)
Pre	2013-14	6.38
	2014-15	6.95
	2015-16	7.41
	2016-17	8.49
Post	2017-18	10.02
	2018-19	11.37
	2019-20	11.38
	2020-21	10.5

SUMMARY

	Group 1	Group 2
Mean	7.3075	10.8175
Variance	0.5992	0.3396
Stand. Dev.	0.7741	0.5828
n	4	4
t	**-7.7211**	
d.o.f	**3**	
critical value	**3.182**	

The absolute value of the calculated exceeds the critical value (7.7211>3.182), so the means are significantly different. H_0 is rejected. So there is a significant difference of demonetisation on per and post-income tax collection.

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H_02: There is no significant difference of demonetisation on per and post the total number of Income-Tax Returns Filed

Total number of Income-Tax Returns Filed

Table 4

demonetisation	**Year**	**Total no. of Income-Tax Returns Filed (In Lakhs)**
Pre	2013-14	3.31
	2014-15	3.51
	2015-16	3.91
	2016-17	4.47
Post	2017-18	5.45
	2018-19	6.33
	2019-20	5.95

SUMMARY

	Group 1	Group 2
Mean	7.6167	10.9233
Variance	0.4166	0.408
Stand. Dev.	0.6454	0.6387
n	3	3
t	-12.2431	
d.o.f	2	
critical value	4.303	

The absolute value of the calculated exceeds the critical value (12.2431>4.303), so the means are significantly different. H_0 is rejected. So there is significant difference of demonetisation on per and post the total number of Income-Tax Returns Filers.

RECOMMENDATIONS AND CONCLUSION

Taking the above two data results together, there is neither a sudden surge in the number of income tax filers nor the amount of taxes that are collected by the government which can be seen as a breakthrough due to demonetisation . Though it is too early to determine with certainty what the true impact of demonetisation was, the most significant contribution of demonetisation has been its campaign value as a nationwide anti-black money awareness effort. Although previous measures such as Income Disclosure Schemes may have had some impact, the people's willingness to make sacrifices in the hopes of ending black money through demonetisation has turned this programme into a "popular movement against black money." And further, if Extensive financial literacy programs can be conducted on the negative consequences of unaccounted money. Social media, the entertainment industry, and religious institutions all play important roles in instilling tax compliance habits. This would assist India in becoming a more tax-compliant and transparent society. So we cannot say that demonetisation has no positive effect on the growth rate because there were factors that would have affected the growth like the implementation of GST, covid -19, etc. We must wait a few more years, hoping that the government does not change the methodology in the meantime.

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PROPERTY TAX: AN UNDERUTILIZE SOURCE OF REVENUE

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I. INTRODUCTION

The Cities are becoming drivers of growth and leading to structural transformation in developing countries. For encapsulation of this, a large scale public investment is required on infrastructure, sanitation, housing, affordable health services and directed support to industrial growth to push development.

The problem faced by many urban bodies is that there is severe constraint in terms of availability of finance which is necessary for well planned urbanization. Modern development depends on urbanization to become a force for sustainable economic growth. The Local Governments who are entrusted with framing urban policies face financial crunch to execute policies for growth.

In developing countries growing urbanization has put stress on Municipal bodies that are already cash strapped. This gap between need and source has resulted in growth of mismanaged cities with widespread slums, crime disease and lack of employment opportunities due to dominance of unorganized sector.

The cities fail to attract FDI as there is huge issue with infrastructure and other related facilities which further create a vicious circle for growth. In this context widening the revenue source of Municipal bodies is crucial. Property tax is most important source of revenue for local government in developed and developing world. Though important but still its most untapped source of revenue in country like India. “Despite the property tax being the principal own-source revenue for municipal governments, its performance has been poor, in fact, poorer than most large developing and transitional economies.”1

This paper aim to understand why Property Tax is still not considered as major source of revenue in India which is aiming for high powered growth for our country with Slogan of “AATAM NIRBHAR BHARAT” as the key for sustainable, equitable and inclusive growth for India.

The vision of self sustained development envisage on how well our local cities are developed? The answer is surely in empowering Local Municipal Bodies with more finance.

II. OBJECTIVES OF STUDY

A. To study importance of Property Tax and Local bodies of Governance

B. To study challenges to augment of Property Tax collection in India.

C. To study Property Tax reforms to unleash full potential:

A. To Study Importance of Property Tax and Local Bodies of Governance:

Pace of growth in Indian cities is very fast and so is the need for amenities and facilities. State governments in the name of decentralization have transferred their responsibilities listed under Twelfth Schedule to Municipal

1) Om Prakash Mathur, Debdulal Thakur, Nilesh Rajadhyaksha - “Urban Property Tax Potential in India” , (2013).

Bodies but their revenue source has remained torpid.

A study conducted by Fifteenth Finance Commission observed on the bases of procured data for 37 Municipal Corporations from the 53 urban agglomerations/cities having population above one million. In these 37 Municipal Corporations, total municipal revenue has declined as per cent of GDP from 0.49 per cent in 2012-13 to 0.45 per cent in 2017-18. The ability of these Municipal Corporations to raise their own sources of revenue has shown signs of worsening. Own revenues as per cent of GDP declined from 0.33 per cent in 2012-13 to 0.23 per cent in 2017-18.”2

The Municipal bodies had fresh blow in the name of GST, before that Centre, State and Local Bodies used to levy tax independently under relevant law. With the implementation of GST in 2017 most of consumption taxes with subsumed under GST, the collection from GST is equally distributed between Centre and State but Local bodies were left in this adjustment of distribution.

There is no question on the efficacy of GST but it has taken away various sources of revenue from local Government like Octroi, Advertisement and City Entry Tax without making any provision for compensation. After the subsuming of several local taxes (octroi, entry tax, local body tax, advertisements tax, etc.) under the

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Goods and Services Tax (GST), property tax has become the mainstay of Municipal Corporations. Yet property tax collections have not shown any signs of improvement.

Earlier also several finance commissions related to sharing of financial power between three layer system have recommended taxes on land and property, transfer of property, octroi, tax on trade, professions and callings, tax on consumption or sale of electricity, entertainment tax, and motor vehicles tax for urban local governments. But over the years either these tax were abolished or were later on merged with GST leaving Local Government with property tax and heavy dependence on transfers from States and Centre.

Under such conditions exploring property tax as major source of finance to local municipal bodies has to be considered with fervent interest because Property Tax has not been fully harnessed by government till now to its full potential, this flaw is quite apparent from very low contribution of Property tax to Indian GDP.

At present, revenues from PT roughly constitute 0.2% of the gross domestic product (GDP) in India, while in case of the developed countries, like Canada and US, it contributes up to 3 to 4% of their GDP. Even a modest increase in revenue from PT systems can help Urban Local Bodies expand their municipal taxes to a large extent, which could enhance their developmental activities.”3

As per RBI Report 2019 it could be seen that share of Property Tax has not much increased from last ten years from 2000. It was 0.7% of total GDP which increased to just 0.8% in 2010-20. The table below highlights the various collection of state government from its own revenue source and place of property tax in that contribution is fairly low.

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States’ Own Tax Revenue – Composition (Per cent)

	Share in OTR			**Growth**			**Percent of GDP**		
	1990s	2000s	2010-20	1990s	2000s	2010-20	1990s	2000s	2010-20
I. Own Tax Revenue	100.0	100.0	100.0	14.8	13.5	14.7	5.3	5.8	6.3
II. Direct Taxes									
1. Taxes on Income and Expenditure	1.5	1.4	0.7	15.4	9.9	5.3	0.1	0.1	0.0
2. Taxes on property and capital transaction of which:	9.9	12.0	12.1	15.0	16.9	13.9	0.5	0.7	0.8
Stamp duties and registration fees	8.2	10.6	10.7	17.1	16.9	14.0	0.4	0.6	0.7
III. Indirect Taxes									
3. Taxes on commodities and services of which:	88.5	86.6	87.3	14.8	13.2	14.9	4.7	5.0	5.5
Sales tax/VAT	59.3	60.9	52.0	15.4	13.6	5.9	3.1	3.5	3.5
Excise duties	14.5	12.6	12.0	14.8	12.5	14.0	0.8	0.7	0.8
Taxes on Vehicles	5.6	5.6	5.4	16.0	12.1	15.3	0.3	0.3	0.3

Source: RBI Report 2019

Exploring the property tax as prominent source of finance can help to fill the coffer of State municipal bodies, it can be very promising approach Giving more teeth to ULB in respect to finance collection will create way for better and well planned development of cities. Well equipped cities in regards to facilities will lead to more equitable life style and hence will improve people quality of life and growth. Quality life is one of major goals of sustainable development by united Nation. India can embark upon journey for better human development index for the people with providing well defined infrastructures and services to city people .This target of quality life and new dynamics of growth can only be achieved by increase revenue source for ULB , Property tax can become savior for the same .

B. To Study Challenges to Augment of Property Tax Collection in India

Under Constitutional Provision Article 243 (W and X) the local governments are given the power to levy taxes, duties, fees and tolls in accordance with the procedures and limits specified by the State governments. There is contradiction in power of levying taxes and at same time limits are set by state government has created problems for Local Government. Property is one of the attractive investment areas for investor as alternate to other avenues of investment, but in terms of attracting taxes, properties are not given much needed attention by government due to several inherent reasons.

There is lack of reliable information on the base and revenue collection from the property tax with state bodies. This is posing a major drawback in framing and executing property tax leading to abysmally low revenue generation from property tax.

Many state governments like Punjab, Haryana and Rajasthan abolished property tax without taking into confidence local bodies. Apart from abolishing no alternative source was given to municipal bodies as compensation. The lack of revenue autonomy and arbitrary actions of abolishing the local taxes by the State governments without providing alternative revenue source leaves the local governments with unfunded mandates with adverse impact on service delivery" 4.

Low revenue productivity of property tax in India still compares unfavorably with the OECD as well as BRICS countries in terms of revenues from urban immovable property tax. Based on a 2016 study, while the average collection from property taxes as a proportion of GDP was 1.1% in the OECD, it was only 0.2% in India.

Several exemption which may vary from state to state or even may be common between state like exemption on government bodies building, worship place and park etc. Big metropolis cities also face problem of illegal construction as per report in The Hindu dated15 January 2020- Mumbai itself has nearly 50,000 illegal construction has shown palpable impact on revenue.

There is lot more inbuilt inequality in the system of property tax reducing collection to bare minimum from some very prosperous localities as present annual rental value system is perceived to have inequities because assessed value is not based on the actual earnings from the property. There are properties that are still valued on Standard Rent and are being taxed at an extremely low rate even though they may be situated in the most affluent and costly locations of cities. As per prevailing legal position, the rent value of a property is not being changed unless there is a change either in the structure or the occupancy of the property. Such error in the system has lead to poor collection from high value property.

Under present system of taxation assessing officer will not have any knowledge about the present change in value of property unless and until its informed by the owner itself to the department. As tax amount is so huge and so the assessment is difficult and tricky procedure, it is done on subjective knowledge of field officer who not only fail to asses true value but also there is chance of nexus between staff and tax payer.

Cities such as Patna, Ranchi, Bhubaneswar, Panaji and Lucknow have not yet shifted from holding tax to property tax. Shifting to property tax will boost revenue collection for ULB (5)

Many Municipal corporation like Rajasthan, Chandigarh, Jalandhar and Amritsar have not shown will to include property tax as revenue source. "5

C. To Study Property Tax Reforms to Unleash Full Potential

As Municipal bodies are responsible for creating a vibrant and development friendly infrastructure. But resource impecunious is prominent stumbling block for them to accomplish many crucial projects. Government will not only have to consider alternative source but also have to revamp property tax to add to exchequer of

4. M. Govinda Rao – "Property Tax System in India: Problems and Prospects of Reforms"
Working Paper No. 2013-114 January 2013

5. National Consultation on Urban Governance Key Findings From 21 States 2020.

Municipal bodies and for that several important measures have been adopted till date on property.

GIS mapping of property was recommended so that ULB have authentic and comprehensive record of all the properties for introducing more realistic and buoyancy tax structure. The process of GIS mapping must be speeded up to maximize the gain from property. Many small ULBs have still not moved to GIS mapping for property.

By implementing system of tax collection in better way revenue collection can be improved which is visble in many ULBs. As per report of 15 Finance Commissions many ULBs like hyderabad, Vishakhapttanam, etc. have improved tax collection through property reform initiation even though not full truing to GIS.

A formula driven computerized system can be developed where owner can calculate its own approx tax making the process more easy and handy so as improve collection.

Stamp duty and registration fees at the state level have large untapped potential. Computerized property records should be integrated with the registration of transactions, and the market value of properties should be captured. State governments should streamline the methodology of property valuation.

To double the property tax collection from Rs 200,000 million to Rs 400,000 million by 2024, the property tax base needs to be expanded using GIS mapping, cross-checking with building licenses, ration cards, mutations, electricity/gas accounts, and review of exemptions. This also needs to cover government properties as per GOI circular of 2009 and the SC judgment in Rajkot Corporation v/s Railways, which said that PT needs to be levied provided the charges are not more than state government properties.

The value capturing taxes need to include upward revision of building license fees and new sources like impact fee, as imposed in Telangana, exactions and betterment levy like the one imposed in Gujarat.

Need to have a concerted effort to digitize both property records and property tax collection mechanisms. The first and most important step is the creation of a digital property register. This will create a baseline record of properties in the tax net, which can then be updated from time to time. It will also enable automated valuation and digitized billing at scale. This can be combined with online payment options to make the process of paying dues and getting receipts faster and more convenient for citizens and governments alike. This concept was successfully implemented on Andhra Pradesh which helped them to collect increased revenue. The revenue collected more than doubled, from about Rs 548 crore in 2015-16 to Rs 1,157 crore in 2018-19. “6

Under flagship programme of Aatam Nirbhar Bharat, The Ministry of Finance has capped that if ULBs want borrow additional 2% of GDP of their respective state from 20-21, they need to reform property tax valuation by linking prevailing circle rate and put for periodic revision and tandem increase in collection. “7

Exemption has resulted in massive revenue loss till date to ULBs so there is urgent need to rethink on policy of exemption and should b allowed strictly only for religious use and charity use.

More scientific and technical mechanism has to be incorporated by ULBs to bring into their net all illegal construction specially in big metropolises like Mumbai and Delhi.

6. Appraisal of Jawaharlal Nehru National Urban Renewal Mission (JnNURM) Final Report –
Volume I March 2011.

7. 15th Finance Commission’s (15th FC) Report for 2020-21.
There is imperative need for improving the efficiency of collection of property tax by adopting multi-dimensional approach from mapping of property till collecting procedure all has to finally upgraded and streamlined using technology, training and awareness drives for property holders and administrative staff.

Reforms are much needed in property tax and several strategic areas which have been addressed by various ministries and departments as well as committees formed time to time on property tax but simple reliance on property tax cannot solve the problems of Local government. There is much awaited need in the direction to situate new area of revenue source after GST like betterment tax and impact fees on land can be given a thought.

Making cities better for not only living but also for commercial activities is benchmark for inclusive growth and for that financially strong municipal government can be an answer for the same.

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V. ABBREVATIONS

BRICS - Brazil, Russia, India, China and South Africa

OECD - Organisation for Economic Co-operation and Development

GIS - Geographic Information System

ULB - Urban Local Bodies

PT - Property Tax

GOI - Government of India

SC - Supreme Court

GDP - Gross Domestic Product

OTR - Own Tax Revenue

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FACTORS AFFECTING CAPITAL STRUCTURE IN YEMENI COMMERCIAL BANKS

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ABSTRACT

This study aims to study the factors that have an impact on the capital structure in commercial banks working in the republic of Yemen in the period of (2011-2020) as many factors have an impact on the capital structure in Yemenis commercial banks the researcher selected only four factors (Profitability, Liquidity, growth, size) as independent variables and the financial leverage as the dependent variable, this paper aimed to determine the impact of these factors on financing decision of these banks using the Multiple linear regression model using SPSS program which brought out different results as it was clear that there is no significant relationship between profitability, liquidity and financing decision in Yemenis commercial banks. The study also resulted that growth is not a factor that can determine the capital structure and has no impact on financing decisions in the banks selected as simple of the study, on the other side the study indicated that the size of the organization has a significant impact on capital structure. This study can contribute to helping decision-makers to develop the capital structure in selected Yemenis commercial banks.

Keywords: capital structure; growth; profitability; liquidity; size; leverage; commercial banks; Yemen.

1. INTRODUCTION

It's known that all investments (organizations or banks) aim to get financial support to finance their activities and their investments from this point determination of the capital structure became the main issue in all organizations and financial investments (Lim. 2012). The word of capital structure in (Mekonnen, Kedir, Shibru 2015) opinion indicates all options and possibilities of getting the needed financial support to finance the organization in a way that goes with its objectives as the organization can finance its activities through share market or debts or sometimes mix of both share market and debts. Here the organization has three ways of getting funds (1. bonds and share issuing 2. debts 3. holding the profit and not distributing to the shareholders and using it as capital). (Delghandi) pointed that the decision of selecting the income sources of funds for the organization is may have an impact on its value. For that the capital structure became the most discussed issue as it was taken selected topic for many of the researchers for the past 50 and more years (Delghandi 2016) was the first one who studied and explored improving the capital structure theories .(Modigliani 1958) since then many of the researchers and professional expert people studied determination of the capital structure and factors effecting it and they brought out number of new theories and worked on the capital structure theories development (Acaravci 2015) Where there are two schools of thought in the theories of the capital structure, the primary school adopts the idea that the decision of optimal financing will affect the value of the company because this decision will reduce the total cost of capital while the second school opposed this belief that the capital structure and the decision of funding It has no impact on the value of the company (Sangeetha& Sivathaasan 2013), although that (Melar1988) said the financing decision and capital structure have their impact on the value of the organization in case of using different taxation methods when data does not match between the company and the shareholders , the financing policy used does not go with actual decision because of the authorization cost (Lim.2012). The majority of the researchers noted that many factors have their impact on the capital structure especially when it comes to the value of the amount borrowed from other mixed sources to achieve the satisfied capital structure. the researchers also noted that some of the internal factors which can have an impact on the capital structure can be as followed: factors connected to the organization's owners and managers, profitability, size of the company, liquidity, etc. There also some of the external factors affecting the capital structure which can be noted as (Economic growth, tax rate, the political situation of the country, etc.) when still all the academic, experts, researches and not in one line and these factors some think some of these factors have no significant impact on the capital structure of the company or organization (Sangeetha, Akinyomi& Olagunju 2013). This paper objects to determine the factors affecting the capital structure in banks working in the republic of Yemen, this paper got its important as it's the first paper taking this topic and research in the commercial bank working in the republic of Yemen.

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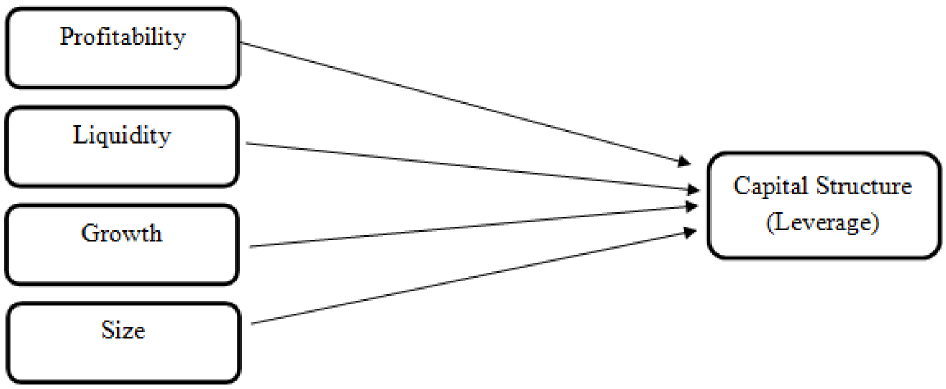

Figure 1. Theoretical framework.
Source: By authors

2. PROBLEMS OF THE STUDY.

The capital structure selection decision is the most difficult that can be taken by the organization owners and managers as this decision can be counted as the challenges which face the organization. (Bhutani, et, al, 2009) brought to the notice that the factors determining the capital structure are different from company to the other and from country to the other depending on the previous studies we note there are many of the studies and researches which were done in developed countries and some of the studies in underdevelopment countries (Alzabidi 2014) in another aspect as by the knowledge of the researchers and myself there was no study took the topic determination of capital structure in Yemenis commercial banks. More this study aims to fill the gap of understanding of capital structure which was a problem noted as questions of the study as follows:

1) Is there any impact of the profitability on the capital structure in commercial banks operating in the Republic of Yemen?
2) Is there any impact of liquidity on the capital structure in commercial banks operating in the Republic of Yemen?
3) Is there any impact of growth on the capital structure in commercial banks operating in the Republic of Yemen?
4) Does the size of the banks determine the capital structure in Yemen commercial banks?

3. Importance Of The Studies

According to many studies and researches, a study of capital structure is one of the most important topics which has its impact on the organization's decisions and scope of its growth (Hagai 2016) from the point the study got its important in discussing the factors determining the capital structure and its impact on the organization decisions is expected this study will help Yemenis commercial banks in the financial decision and to identify the factors that affect the capital structure and contribute in giving a clear picture of the capital structure in countries under developments like Yemen.

4. OBJECTIVES OF THE STUDY

The main objective of this study is to determine the internal factors that have an impact on the capital structure in the commercial banks in the Republic of Yemen, to achieve this objective, the researcher designed the following objectives.

1) To identify the impact of profitability on capital structure in commercial banks operating in the Republic of Yemen.
2) To identify the impact of liquidity on capital structure in commercial banks operating in the Republic of Yemen.
3) To identify the impact of growth on capital structure in commercial banks operating in the Republic of Yemen.
4) To identify the impact of the size of the bank on capital structure in commercial banks operating in the Republic of Yemen.

5. HYPOTHESIS OF THE STUDY

1) There is a significant relationship between profitability and capital structure in Yemenis commercial banks.

2) There is a significant relationship between liquidity and capital structure in Yemenis commercial banks.
3) There is a significant relationship between growth and capital structure in Yemenis commercial banks.
4) There is a significant relationship between size and capital structure in Yemenis commercial banks.

6. LITERATURE REVIEW

In this part of the study, the researcher will discuss some of the theoretical previous studies of the capital structure and the factors determining and affecting it.

6.1- Theoretical Capital Structure

Many theories of capital structure came up since the study of (MMI Miller, Modigliani 1958) when all the theories aimed for an optimal capital structure which can help in the organization growth and its value and decrease the cost of getting funds (decreasing the cost of capital structure funds) in this part of the study the researcher will discuss some of the capital structure theories.

6.1.1- Modigliani and Miller Theory (a proposition I)

As the study (Modigliani and Miller 1958) was the beginning and the starting point of all studies came after and still coming which discussed the capital structure funds in general and financial structure in personal. This study was known as the theory of insignificance (MMI) when the study built on the hypothesis that there is no impact of capital structure on the value of the organization value. This theory is based on the belief that the value of a company depends on the value of assets even if it finances all its activities through debt or by combining debt and equity, property rights. This theory also depends on the hypothesis which denies that there is any cost of the operation connected to the capital structure, bankrupts, tax, and other details needed for the market available management (Huang and song 2006) this theory came up afterthought indicates that the company can increase its value and decrease the cost of capital structure through balancing between debts and property right to achieve stable capital structure (Sangeeth & Sivathaasan 2013) the previous theory noted that the decision of capital structure selection has its impact on the organization value when MI&M theory is different than what was mentioned above.

6.1.2 – Modigliani and miller theory (proposition II)

In the year of 1963 (Modigliani & Miller) established a new theory of capital structure which was the continuation of the first theory (1958) where the new theory ignored one of the hypotheses of the first theory which was related to the tax, the first theory denied that there is no any tax cost This conclusion was to encourage the organizations to fund its assets with a maximum limit of debts to increase the profit form tax when this theory was a kind of correction for the first theory helping then organization to get optimal capital structure getting 100% funds from the debts as the cost of getting funds through the debts will be exempted for the tax. From another opinion when the debts will increase the cost of the tax will decrease. hence decreasing the cost of tax according to the new theory will help in building optimal capital structure, even though both theories (Modigliani &miller) counted as the foundation and the turning point of development of capital structure still many researchers think that (Modigliani & Miller) did not succeed in disunion of theoretical applications of their theory when it comes to the individual organizations and did not give a clear explanation (Fisseha 2010)

6.1.3- The Trade-Off Theory

The trade-off theory can be counted as a continuation of Modigliani & miller theory (proposition II) the idea behind this theory covers the missing parts and points in the previous theory through operational swap between the profit and misusing the debts in financing the operational business activities, the trade-off theory roots came from a study of (Litzenberger & Kraus 1973) where the said the organization determines optimal capital structure using the income and profit, they earn from debts. in another aspect, this theory is based on the fact that there are advantages of using debts in financing by obtaining the benefits generated by tax exemptions as well as agency costs as mentioned in the previous theory. In contrast, there are also disadvantages of cross-debt financing such as potential bankruptcy costs and agency costs. Companies seeking to maximize their value should therefore strike a balance when it comes to determining the ratio of debts to the equity that the company should use to finance its activities.

6.1.4- Pecking Order Theory (Pot)

Pecking Order, the theory was based on the fact that firms prefer domestic finance to external financing as well as preference for debt. Equity Issuance: The Company’s preference for internal finance financing is that the company first prefers to use its retained earnings to finance investments as a safe source of finance before resorting to any other. (Frank Goyal External source & 2009). As for the company's preference for debt to issue

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equity, it means that the company will not resort to issuing shares, as long as there is a possibility to obtain debt, where companies prefer Debt financing when obtaining tax exemptions, as well as the consequent issuance of shares from the entry of new partners, thus reduced the number of dividends distributed and the right of management (Fame., 2001, & French).

6.1.5- The Market Timing Theory (Mtt)

The market timing Theory is one of the capital Structure theories that sought to answer the traditional question of capital structure, which provides the best ratio of debt to equity for corporate capital structures. Where Baker & Wurger (2002) suggest that managers should finance their investments, both with debt and equity under borrowings when funding is needed. Therefore, this theory contradicts the previous theories as this theory is based on the fact that the company does not care about the funding decision, whether the increase of debt or the issuance of new shares. The companies decide to issue new shares when the share price is higher than the actual price of the financing decision and the repurchase of its shares when the price is below its actual price. (2001 & Graham Harvey) has shown evidence of the perception that Baker's managers are capable of timing the market & Wurger (Structure 2002) showed a strong and positive impact of market timing on capital.

6.2- Determinations Of Capital Structure

There are several studies aimed at identifying the determinants of the capital structure. The researchers point out that many factors are influencing the structure of capital. The influence of factors varies from one factor to another. In this study, four factors (profitability, liquidity, growth, and size) from the study, the four factors will be discussed as follows:

6.2.1- PROFITABILITY

Profitability is the overall performance of the company and its ability to generate profits, i.e., the generation of an income derived from the comparison of the realized revenues and the expenses expended to achieve these revenues over a given period. One of the most important factors affecting the structure of capital in companies. The profitability ratio in companies is the most commonly used indicator in financial analysis and can be seen in different ways, for example, profit margins, return on assets, and return on equity. Etc. According to previous studies, several models and theories have been proposed to study the relationship between profitability and leverage, where different theories of the capital structure Profitability has an impact on the capital structure The trader noted that profitability has an impact on leverage in this regard, Jenson (1986) found that the relationship between profitability and leverage is closer to being positive, and Frank Goyal sees From 2008 Margaritas Paillaki (2009) and (f) that companies that make profits, However, in the theory of the pecking order, companies do not finance their theory investment that is profitable through external financing as long as there is a possibility of financing it internally through retained earnings. Many previous studies have shown a negative correlation between leverage and profitability, Friend 1988 Tong &, & Lang Green2005, Rajan & Zing ales, 1995, Boothet al2001, and Huang &Song 2006).

6.2.2- LIQUIDITY

Liquidity is the ability to convert tangible assets into cash over short periods with no loss of asset value. Liquidity ratios are used in financial analysis (Hussain Hamza, 2015) to understand the financial adequacy of companies and their ability to meet their short-term commitment when needed. As we have previously discussed theory, the trade-off theory assumes that the company chooses the advantage between the benefits of the tax shield and the costs of bankruptcy. Where the possibility of exposure to bankruptcy can be measured through the company's liquidity ratio. When the company's liquidity ratio falls short of what is required, the police may face difficulties in repaying their obligations and thus expose them to financial crises that may in some cases lead to bankruptcy. According to the theory of the trade-off theory, we can say that there is a positive relationship between the ratios of liquidity and debt ratios. Thus, there is a positive relationship between the liquidity ratio and the financial structure of the company. This is confirmed by Ghasemi & Ab Razak (2016) in their study conducted on 300 companies and the results of their study showed that there is a positive relationship between the ratios of liquidity and leverage in the companies' sample study and on the other hand the contradiction of (pecking order and agency theories) theory trade-off theory, Assumption theory of where the theory sees that there is an inverse relationship between liquidity and leverage. This theory assumes that companies. Which enjoys high liquidity, prefer not to use external sources of finance, but prefer to use their internal resources, so the liquidity ratios are linked to the opposite relationship with the leverage, and this is consistent with many studies that have been done in this area as a brochure. (Najjar & Petrov 2011).

6.2.3- GROWTH

Growth is one of the factors that limit the capital structure of the companies or the organizations where there were different opinions about the impact of growth on capital structure as the researchers have a differopinionsnion and views of the determination of the relation between the growth and leverage. According to pecking order theory the companies which have the highest growth finances he activities from their internal financing units which gets funds from its held profits when some times this fund cannot be enough at the time of growth which can make the company goes for the external finance to get its funds to support its activities through the theory indicates the positive relationship between the growth and the leverage. (Capital Structure) (Tong &Green.2005) many of the studies indicated in this field that there is a positive relationship between the company growth and its need to the external funds which leads to increases the leverage as (Chen 2004 and Huang &Song 2006) we could make out as pervious factors there is who noted there is a positive relationship between the factors which has the impact of capital structure and the capital structure when there are different studies opinion and noted there is a negative relationship between the different factors and leverage in the other side. The trade-off theory indicates that there is a negative relationship between company growth and its leverage which shows the connection between the leverage of the company and its growth is negative. TSome supports the theory that any growth needs more external funds and any increase of the external funds will go with more expense of getting the funds which increase the risk which makes limits the company's getting more external funds. Increasing the growth goes decreasing of the leverage when there are many of the researches noted there is a reverse relationship between the growth and leverage as (Fama 2005 and French 2002 and Gaud et al).

6.2.4- SIZE

Size is company size and it's one of the factors which have an impact on ton company capital structure where there appear different opinions about the relationship between the size of the company and its capital structure. The trade-off theory indicates that company size has a positive connection with leverage. The big companies face less financial risk when it can ggathersexternal funds easier than other ideas big companies as well and has fixed profits and return. According to the trade-off th, or the connection between average and size is positive. Add many of the researchers indicates that company size has a partial impact on leverage level (Amidu 2007 and Caglayan& Sak 2010) in other side the pecking order theory indicates that there is a connection between the company size and its leverage but this connection is a negative connection where this theory noted that the big companies have held profits which can finance its activities and the big companies have more ability of issuance of new financial shares (Rajan & Zingales 1995) subsequently the relationship will be negative between the size of the company and leverage according to this theory and who supported it (Titman & Wessels 1988).

Table 1. Summary of selected empirical studies on the determinants of capital structure

Variables to test	Positive influence on capital structure	Negative influence on capital structure
Profitability	Jenson (1986), Rajan and Zingales (1995), Abor and Biekpe (2007), Frank Goyal (2008), Al-Ajmi et al. (2009), Margaritas Paillaki (2009), and Ibrahim and Masron (2011).	Friend (1988), Rajan & Zing ales (1995), Booth et al (2001), Tong & Lang and Green (2005), and Huaung & Song (2006).
Growth	Chen (2004), Tong & Green (2005), and Huang & Song (2006).	French (2002), gaud et al (2002), and Fama (2005).
Liquidity	Anderson (2002), Ghasemi & Ab Razak (2016).	Najjar & Petrov (2011), Abu Mouamer (2011).
Size	Mira (2005) Huang and Song (2006), Klapper et al (2006), Amidu (2007), Caglayan& Sak (2010), Newman et al. (2011).	Titman & Wessels (1988), Rajan & Zingales (1995), Watson and Wilson, (2002), Gregory et al., (2005), Rozali et al., (2006), Mazur (2007), Ezeoha (2008), and Chakraborty (2010).

Source: By authors

7. RESEARCH DESIGN

Looking at the possible sources and the nature of data collection available. The researcher depends on the reports of the banks selected which the researcher found from the websites of the commercial banks in Yemen from the period of 2011 to 2020.

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7.1. DATA COLLECTION PROCEDURE

Data were collected using the reports of the banks selected (Yemen commercial bank, international bank of Yemen, bank Yemen and Kuwait, the Arabic bank, Yemen and Kuwait Bank, and Refidan bank) which the researcher found from the websites of the commercial banks in Yemen from the period of 2011 to 2020.

7.2. Population, Sampling and Sample Size

The Yemenis commercial banks were selected as a sample of the study by the researcher which was six commercial banks (Yemen commercial bank, international bank of Yemen, bank Yemen and Kuwait, the Arabic bank, Yemen and Kuwait Bank, and Refidan bank) which can be counted as 30% of the total number of banks working in the republic of Yemen when they are 20 banks. governmental and Islamic banks were excluded and not selected as they get their funds from different places and different sources which is different sources of income from the private commercial banks as they are 8 commercial private banks holding 75% of the total number of banks operating in the Republic of Yemen according to the last report issued by the central bank of Yemen.

7.3. Method Followed For Measuring The Variables

To achieve the objectives of the study, the researcher measured the dependent variables of the study and the independent as follows:

1) Independent variables

- Profitability = profit before the tax / total assets
- Liquidity = current assets / current liabilities
- Growth = total assets of the current year – pervious year / previous year * 100
- Size = which was measured using a natural logarithm for the total assets.

2) DEPENDENT VARIABLES

In this study there is only one dependent variable which was measured as followed:

Leverage = responsibilities / shareholders rights.

7.4. Data Analysis Used Method

The researcher depended in this paper on the descriptive method of analysis as the researcher used some of the data analysis tools to bring out final results to know the factors affecting the capital structure in banks operating in the Republic of Yemen. There it was needed to use (person correlation and multilinear regression analysis to achieve study objectives.

8. The Empirical Results

The researcher used descriptive analysis, Pearson coefficient correlation, and multiple regression analysis. These statistical methods were used to agree with the research content, the form of hypotheses adopted, and the type of data used for the period (2011-2020) to prove or reject research hypotheses.

8.1. Descriptive Analysis

The following table (2) presents the results of descriptive analysis of the values of variables in the model adopted to test the relationship between the search variables.

Table no (2) descriptive analysis

	N	Min	Max	Mean	Std. Deviation
Leverage	60	.433	7.546	0.05148	**1.284563**
Profitability	60	.004	.221	0.06548	**0.032782**
Liquidity	60	3.052	11.381	2.84526	**1.025431**
Growth	60	-48.070	615.011	25.51452	**43.951435**
Size	60	12.625	15.548	11.54874	**0.325158**
Valid N (listwise)	60				

Source: by author’s, based on SPSS 26 Software

From table (2) the slope of the study variable is due to gestation. The average mean of the profit in the banks the sample of the study is 0.06548 when the standard deviation is 0.032782 as we noted in table (2) above the level average is 11.54874 and standard deviation 0.325158. And liquidity factor is 2.84526 which means the value of assets of the company is 28 times bigger than its commitments. The standard deviation of the liquidity factor is

1.025435 which means the dispersion in trading level is high which indicates that there is high liquidity in some of the banks (sample of the study) and less liquidity in some other banks. As we can see in the above table that the growth factor reached an average level of 25.51452 and a standard deviation of 43.951435 during the study period which means there is huge dispersion in the growth factor which indicates there is big growth in some of the banks (sample of the study) and poor growth in some of the banks. The dependent variable (leverage) according to the table above shows the average level of the leverage is 0.05148 which means that banks do not depend on the external funds as the results are poor which 1.284563 standard deviation is.

8.2. Pearson Coefficient

Table (3) Pearson coefficient factors

		Lev	Prof	Liq	Grow	Size
Lev	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	60				
Prof	Pearson Correlation	.066	1			
	Sig. (2-tailed)	0321				
	N	60	60			
Liq	Pearson Correlation	-.195	-.014	1		
	Sig. (2-tailed)	.021	.921			
	N	60	60	60		
Grow	Pearson Correlation	-.431	-.081	-.073	1	
	Sig. (2-tailed)	.000	.411	.483		
	N	60	60	60	60	
Size	Pearson Correlation	.561	.019	-.035	-.029	**1**
	Sig. (2-tailed)	.000	.882	.651	.778	
	N	60	60	60	60	**60**

Source: by author's, based on SPSS 26 Software

The correlation matrix between the dependent variable (leverage) and the independent variables of the study (profitability and growth margin, size) is shown in Table (3) below. Table (3) shows an insignificant correlation between profitability and leverage as is the dowry in the table ($r=.066$, $P<0.321$) having look at the table again there is a negative and significant relationship between leverage and liquidity -0.195 (0.021) at a level (0.05). This finding confirms the assumptions of the Pocking theory that high liquidity companies prefer to use internal funds instead of debt financing. Third, the tiger is linked to the leverage of commercial banks -0.431. This is a strong correlation between the variable growth and the leverage variable. About Table (3), we find that there is a positive relationship between the size and leverage of Yemeni commercial banks ($r=0.561$, $P<0.01$). This unexpected result between size and leverage confirms what has been the theory of trade-off theory. Which is based on the belief that larger companies are more stable due to their experience, financial strength, low exposure to financial risk, and their financial reputation in the market? However, this finding contradicts the assumption that the companies and the pecking order - Are larger than smaller firms and therefore tend to finance their activities from internal sources of finance (retained earnings) rather than using external sources of finance.

8.3. Multiple Linear Regression:

Table no (4) multiple linear regression

Model Summary				
Model	R	R Square	Adjusted R Square	**Std. The error of the Estimate**
1	0.506a	0. 254	0.283	**1.512687**
a. Predictors: (Constant), Profitability, Liquidity, Growth, Size				
b. Dependent Variable: Leverage				

Source: by author's, based on SPSS 26 Software

When we analyze the correlation coefficient (R) and table (4) we find that the value of (R) is 0.506 which means that the independent variables represented by the four factors influencing the working capital structure chosen by the researcher (profitability, liquidity, growth, and size) affect the dependent variable in the study (leverage). Also, by reference to the same table, the value of (R Square) Is 25%. This indicates that the variance

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interpretation of the leverage is explained by 25% of the four factors (independent variables) while the remaining variance in the leverage is 75%, which is explained by other indicators not studied in this study.

Table no (5) ANOVA

Model		Sum of Squares		Df		Mean Square	F	Sig.
1	Regression	20.157		11		23.215	19.835	.000b
	Residual	27.654		49		1.451		
	Total	52.788		60				
a. Dependent Variable: Leverage								
b. Predictors: (Constant), Profitability, Liquidity, Growth, Size								

Source: by author's, based on SPSS 26 Software

Looking at table no (5) we find that P<0.01 and this value indicates that there is a relationship between the dependent variable (leverage) and the independent variable (profitability, liquidity, growth, size).

Table no (6) regression coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	Std. Error	Beta		
1	(Constant)	-26.155	5.512		-7.346	**.000**
	Prof.	-16.015	6.841	-0.387	-2.198	**.009**
	Liq.	-0.254	0.154	-0.578	-6.457	**.000**
	Grow	0.001	0.003	0.028	0.451	**.515**
	Size	2.451	0.412	0.612	8.105	**000**
a. Dependent Variable: Lev.						

Source: by author's, based on SPSS 26 Software

Looking at the above table the results of βthe statistical analysis determined by the researcher, the research hypotheses were selected according to the model adopted to determine the variables affecting the determination of the capital structure through the leverage ratio in the Yemeni commercial banks. In interpreting the results and testing the hypotheses, the following are shown: And the size on the leverage, except that the growth index is not important and not the effect on the leverage as shown in table (6) above and also through table (6) notes that the leverage was -26.155 The previous table shows that the record size is the highest beta value (β =0.612, P<0.000). In addition, the liquidity index recorded the second-highest beta value (β = 0.578, P 0, 000). The third highest beta of independent variable the variable of profitability was (β = 0.387, P<0.009). The independent variable (growth) recorded the lowest value as the beta value of the growth factor (β =0.028, P <0, 515) Looking at the above table (6) we could make out that there is a negative relationship between the independent variable and (probability) and the dependent variable (leverage) which was (β =.0387< p<0.009) looking at this result it's clear that the independent variable in this study (Profiliblity) has its impact on the dependent variable (leverage) as the results shows Profiliblity factor has an impact on the leverage factor in Yemenis commercial bank. the results also show that the companies with huge income and profits prefer using the held profits for financing their activities rather than using the external funds which go with the results of (titman & Wessels 1988) in the study determinations of selecting the capital structure and it also agrees with Pandey (2000), Sayilgan, et al., (2000), Banchuenvijit (2009), Gill, et al., (2009), Karawish & Karaiwesh (2010), Mishra (2011), Affandí, et al., (2012), and Abdul Jamal et al., dill (2013). Forte et al., (2013). Where this study did not agree with the results of other more studies like (Mohamed 2012) and others. In which he studied the determinants of the capital structure of SMEs in Malaysia, which sees profitability as an ineffective factor in the leverage of Malaysian small and medium-sized companies. The results of the study contrast with that of Oppong-Boakye (2013) Money in telematics companies. Thus, the first hypothesis of the study, which states that there is a relationship between the profitability factor and the capital structure in the Yemeni commercial banks, will be accepted. Furthermore, there is a statistically significant negative relationship between the second independent variable in the study, (β= 0578, P<0.000). This means that high liquidity companies prefer to use liquidity in the financing of their activities, that is, they prefer to use internal finance instead of external financing, which is debt. This finding supports Mat Kila & Wan Mansor (2008). Hossain & Ali (2012), Abdul Jamal et al., (2013). Based on the foregoing, it can be said that the second hypothesis of the study will be accepted, which stipulates that there is a relationship between the liquidity factor and the capital structure in Yemeni commercial banks. On the other hand, concerning Table (6), there is a small positive correlation between the independent variable (growth) and the dependent variable (leverage) (β=0.028, P<0.515). This

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result indicates that the factor of growth in the Yemeni commercial bank's sample of the study does not determine the ability of banks to benefit from external sources of finance, ie, the factor of growth does not affect the leverage in the Yemeni commercial bank's sample study and this result does not agree with the theory of pecking order, there is a positive correlation between the company's growth and its financial leverage. This theory assumes that companies in the growth stage need more money to finance their activities so that the company's sources of financing are sufficient to finance activities. The company is resorting to external sources of finance. JH agrees with the result of many other studies such as the study of Kester (1986), who sees in his study that the growth does not affect the capital structure and as this study are consistent with the (2004) Huang & Song, Chen (2006). Results of this study. However, the results of this study contradict the results of Titman Wessels (1988) in their study of the determinants of the choice of capital structure. Their study concluded that there is a relationship between growth and leverage. The difference between the results of the present study and the study of Titman & Wessels may be due to different environment Business samples for their current study sample environment as the result of this study contradicts with findings of Fama and French (2005) and Gaud et al. (2005). Accordingly, the third hypothesis in this study, which states that there is a relationship between the growth factor and the capital structure in Yemeni commercial banks. At last, according to table no (6), we find that there is a significant positive relationship between the last independent variable, means, the size and the dependent variable, the leverage (β =0.612, $P<0.000$) The study sample and the results of this study are consistent with the results of the study (2007) Amidu and the study of Caglayan & Sak (2010); Khrawish & Khraiwesh (2010); Oppong - Boakye (2013); Kiran (2013). In contrast, the results of this study differ from the results of many previous studies that dealt with the determinants of the capital structure and the factors influencing it. These studies include Tariq and Hijazi (2006), Mat Kila & Wan Mansor (2008); Fauzi et al., (2013). From this point of view, it can be said that the fourth and final hypothesis in the current study will be accepted, which stipulates that there is a relationship between the size factor and the structure of capital in Yemeni commercial banks.

Hypothesis	Result
1. There is a relationship between profitability and Capital structure in Yemenis commercial banks.	**Accepted**
2. There is a relationship between liquidity and Capital structure in Yemenis commercial banks.	**Accepted**
3. There is a relationship between the growth and Capital structure in Yemenis commercial banks.	**Rejected**
4. There is a relationship between the size and Capital structure in Yemenis commercial banks.	**Accepted**

9. FINDINGS AND RECOMMENDATIONS

9.1. FINDINGS

Through the results of the statistical analysis, and hypothesis chosen by the researcher, the researcher found out findings that determine the relationship between the independent variables of the study (profitability, size, liquidity, and growth) and the dependent variable (leverage) in the Yemeni commercial banks for the period 2006-2015. In the study:

1) Several other variables affect the leverage in Yemeni commercial banks and their financial structure is determined by the number of references to Table (4). The linear regression table shows that the R Square value is 35% the researcher in the study explains 25% of the variables of the financial position in the Yemeni commercial banks only. The remaining 75% of the variables of the leverage of the Yemeni commercial banks studied are determined by other variables that must be known and taken care of because they are very important in explaining the capital structure of Yemenis commercial banks.

2) The presence of a significant negative impact between the probability and the financial leverage in the Yemeni commercial banks (sample of the study) which agrees with the study of (Pandey 2000) and (Sayilgan et, al 2006) Banchuenvijit (2009), Gill et al., (2009), Karawish & Karaiwesh (2010), Mishra (2011), Affandi, et al., (2012), and Abdul Jamal et al., (2013). Forte et al., (2013).

3) There is a negative statical relationship between liquidity and financial leverage in commercial banks operating in the Republic of Yemen.

4) There is a Minimal positive relationship between the growth and leverage in commercial banks operating in the Republic of Yemen and this minimal positive relationship was the reason to reject the hypothesis which was related to the growth variable and this result agreed with KESTER (1986) and HUANG and SONG.

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5) There is a significant positive relationship between the growth and financial leverage in commercial banks operating in the Republic of Yemen which agreed with many of the previous studies determined the capital structure like Caglayan & Sak (2010), Khrawish & Khraiwesh (2010), Oppong-Boakye (2013), Kiran (2013).

9.2. RECOMMENDATION AND SUGGESTION

Putting the light on the analytical findings presented by the researcher, some recommendations can be presented as follows:

1) The researcher recommends that future studies study the internal factors that were not addressed in the current study such as the factors related to the owners of the companies and their preferences and investment tendencies as well as factors related to companies like age, tangible, assets and financial risks and any other factors not addressed in the current study.
2) The researcher also recommends studying in the future studies the external factors which determine the capital structure (economic factors) like the condition of the market and tax policies as it has its impact on the capital structure in commercial Yemenis banks (sample of the study)
3) This study examines the banking sector in the Republic of Yemen. Therefore, the researcher suggests that further studies should focus on the other sectors because there are no previous studies that discuss the financial structures in the Republic of Yemen according to information available to the researcher.
4) Finally, the researcher recommends further studies to study the factors and variables that affect the capital structure in Islamic banks as their sources of financing are different from the sources of financing in commercial banks and this was the reason for excluding the Islamic banks from this study.

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THE REALITY OF IMPLEMENTING MANAGEMENT BY OBJECTIVES IN THE MINISTRIES OF FOREIGN AFFAIRS AND HIGHER EDUCATION IN THE REPUBLIC OF YEMEN

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ABSTRACT
The purpose of the study is to know the extent to which management by objectives is applied in the Ministry of Foreign Affairs and the Yemeni Ministry of Higher Education in the Republic of Yemen, which is one of the most prominent and most important types of modern management in modern institutions and public sector institutions. In addition, this study works to strengthen strengths and address weaknesses and weaknesses to help find solutions to some of the difficulties facing public sector institutions. The sample of the study in order to develop institutional performance in the ministries. The study sample consisted of the Ministry of Foreign Affairs and the Yemeni Ministry of Higher Education in the Republic of Yemen. This study was carried out in the third quarter of 2021, and the number of respondents reached (176) individuals distributed among the ministries, where the descriptive and analytical approach was used, and a special questionnaire was developed consisting of a number of axes and dimensions of management by objectives, and a total number of (24) items of questionnaire questions related Management by objectives and the five-year Likert scale and the following statistical package (SPSS) and statistical methods for data processing were used. In planning for its implementation, the ministries do not work on implementing and evaluating the administration by goals. The study recommended the two ministries to work in administration by goals, as it is one of the most important modern and contemporary administrations.

THE STUDY PROBLEM
The great interest in the modern era in managing goals in various business organizations, companies, public and mixed sectors, especially ministries in developing countries and third world countries, including the Republic of Yemen, and translating them into work mechanisms that serve them, the first of which is interest in modern management and its dimensions, including management by objectives and good management In order to improve and develop the administrative, functional and institutional performance in the ministries and achieve their objectives in creating knowledge, achieving the objectives of institutions and serving the community, where management by objectives is considered one of the most important and modern departments in the modern era in the modern and contemporary administrative orientation. Management by objectives in the modern era has been able to bring about a qualitative leap in the level of performance of business organizations and public sector institutions in all countries and countries in all private, public and mixed sectors. There is a kind of coherence, harmony and harmony between management by objectives, achieving the objectives of organizations and institutions, and the quality of community service. The study problem was formulated through the following main question:

To what extent is management by objectives applied in the Ministries of Foreign Affairs and Higher Education in the Republic of Yemen?

STUDY HYPOTHESES
The first hypothesis: The leadership of the ministry, departments and sectors contribute to the implementation of management by objectives in formulating and setting objectives.

The second hypothesis: The leadership of the ministry, departments and sectors contribute to the implementation of management by objectives by planning the implementation of objectives.

The third hypothesis: The leadership of the ministry, departments and sectors contribute to the application of management by objectives by implementation full of objectives.

OBJECTIVES OF THE STUDY
First Objective: Knowing the contribution of the leadership of the ministry, departments and sectors in implementing management by objectives in formulating and setting objectives.

The second objective: to know the contribution of the leadership of the ministry, departments and sectors in the application of management by objectives by planning the implementation of objectives.

The third objective: to know the contribution of the leadership of the ministry, departments and sectors in the application of management by objectives and the full implementation of objectives.

METHODOLOGY

The study dealt with the subject of management by objectives in the Ministries of Foreign Affairs and Higher Education in the Republic of Yemen, which is one of the most prominent and most important types of modern management in modern companies and institutions and public sector institutions that seek to focus all work in management, the source of goals that must be achieved in organizations and institutions in the public and private sectors, The importance of management stems from the objectives for which business organizations and public sector institutions were established, and one of the most important factors that made the researcher search in this field is the absence of a ground and field study on management by objectives in the Ministries of Foreign Affairs and Higher Education in the Republic of Yemen, and it is hoped that this study will be a qualitative addition For a scientific study targeting the field of business administration and management by objectives in particular and opening up horizons for researchers to conduct other studies in this field and the field of administration and its applications in the Ministries of Foreign Affairs and Higher Education in the Republic of Yemen, and it is hoped that its results will help those in charge of management by objectives in the Republic of Yemen by describing the strengths and weaknesses in The application of management by objectives, and this study works on strengthening the strengths and addressing the points of Weakness and assistance in finding solutions to some of the difficulties facing the two ministries, the study sample, in developing institutional performance in it and its ability to achieve its goals and serve the community in light of the application of management by goals. The study sample consisted of the Ministries of Foreign Affairs and Higher Education in the Republic of Yemen. The number of respondents was (176) individuals distributed over the two ministries, where the number of respondents from the Ministry of Foreign Affairs was (96) people and the number of respondents from the Ministry of Higher Education and Scientific Research was (80) people. The descriptive and analytical approach was used, and a special questionnaire was developed consisting of a number of Axes and dimensions of management by goals and a total number of (24) paragraphs of questionnaire questions distributed over (3) axes related to management by goals. The five-year Likert scale and the following statistical package (SPSS) and statistical methods for data processing were used: (percentages, frequency, weighted average, deviation). Normative, hypothesis testing, access to a set of results, and recommendations for the population and study sample.

Table (1) Study sample: Public Sector Institutions (Ministries) Study Sample.

Number Ministries	Ministries names	Total respondents	%
1	Ministry of Foreign Affairs	96	54.5
2	Ministry of Higher Education and Scientific Research	80	45.5
Total		176	%100

Table (2) the first hypothesis: The leadership of the ministry, departments and sectors contribute to the implementation of management by objectives in formulating and setting objectives.

Axis Question	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean	Standard Division	Arrange	Trend
	F	%	F	%	F	%	F	%	F	%				
Q1	37	21	28	16	43	24	31	18	37	21	2.91	0.91	5	Disagree
Q2	21	12	32	19	50	28	44	25	29	16	2.83	0.79	7	Disagree
Q3	30	17	22	12	43	25	47	27	34	19	2.81	0.68	8	Disagree
Q4	29	16	40	23	53	31	50	28	4	2	3.22	1.37	2	Neutral
Q5	35	20	47	27	22	12	27	15	45	26	3	1.00	4	Neutral
Q6	34	19	39	22	38	21	43	24	22	12	3.11	1.18	3	Neutral
Q7	25	14	27	15	52	30	51	29	21	12	2.90	0.90	6	Disagree
Q8	36	21	44	25	55	31	30	17	11	6	3.36	1.45	1	Neutral
Weighted Average											3.01			Neutral

The study proved through analysis that the public sector institutions (ministries) in the Republic of Yemen do not set specific goals for all fields, as the answers of the study sample for this paragraph were not in agreement with an average of (2.91) and this indicates that the concerned ministries do not set goals in all assigned fields The answer to the second paragraph, which states that the ministry sets priorities among the goals that must be

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set and formulated, where the answers of the study sample to this paragraph were (2.83), which is the lack of approval, meaning that the ministries do not specify priorities from the goals that must be set and formulated, and the answers clarify the paragraph The third, which states that the ministry provides the opportunity for all administrative and organizational levels to participate in setting goals, and this is clear that most of the answers tend to disagree with an average of (2.81), which means that the ministry does not provide opportunities for administrative and organizational levels to participate in setting goals, as she emphasized The study through analysis is that goals are not set in light of the actual variables in the country with an average of (3.22), and the study indicates that the respondents' answers to the paragraph that states the ministry determines the areas that are Set goals for it, the study indicated that the average response rate was (3), meaning that the ministry does not specify the areas for which goals are set. The study confirmed through analysis on the paragraph that states that the goals of the ministry stem from the needs of citizens and employees in the ministry with an average (3.11) That is, in a position of neutrality, and this means that the ministries do not agree with their goals with the needs of citizens and employees. There is an organizational unit responsible for setting goals at the ministry level, as the respondents' answer to this paragraph is disapproval with an average of (2.90), meaning that there is no organizational unit responsible for setting goals at the ministry level, and the analysis is in the study of the paragraph that states that there are sufficient budgets To set goals in all sectors and departments of the ministry indicates that the ministries are not interested. With an average index of (3.36) and this is evidence that there are not enough budgets to set goals in the ministries and their affiliated departments.

By analyzing the paragraphs of the first hypothesis, the following became clear: We note from the above table that the weighted average of all the items representing the first sub-hypothesis was (3.01). It states (The leadership of the ministry, departments and sectors contribute to the implementation of management by objectives in formulating and setting objectives). The standard deviation of these expressions ranged between (0.68 - 1.45), which indicates the homogeneity of the respondents' answers to this hypothesis with neutrality and disapproval. Contribute to the formulation and setting of objectives (and the alternative hypothesis has been proven, which states (the leadership of the ministry, departments and sectors do not contribute to the implementation of management by objectives in the formulation and setting of objectives).

The second sub-hypothesis: The leadership of the ministry, departments and sectors contribute to the implementation of management by objectives by planning the implementation of objectives.

Axis Question	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean	Standard Division	Arrange	Trend
	F	%	F	%	F	%	F	%	F	%				
Q1	26	14	29	17	58	33	42	24	21	12	2.98	0.96	5	Disagree
Q2	23	13	34	19	50	29	40	23	29	16	2.89	0.88	6	Disagree
Q3	30	17	26	15	46	26	40	23	34	19	2.87	0.86	8	Disagree
Q4	29	16	35	20	43	24	49	28	20	11	3.02	1.01	4	Neutral
Q5	36	20	57	32	45	25	32	17	6	3	3.48	1.90	1	Neutral
Q6	27	15	30	18	46	26	43	24	30	17	2.89	0.88	7	Disagree
7Q	30	17	37	21	48	27	40	23	21	12	3.08	1.07	3	Neutral
Q8	27	15	34	19	49	28	41	23	25	14	3.13	1.26	2	Neutral
Weighted Average											3.04			Neutral

The study proved through the analysis that the public sector institutions (ministries) in the Republic of Yemen do not work to publish the goals to the departments and departments responsible for them, as the answers of the study sample for this paragraph were not in agreement with an average of (2.98), and this indicates that the ministries do not publish the goals To the middle and supervisory departments in it, and the answer was to the second paragraph, which states that the ministry determines the appropriate time period for the implementation of each goal, as the answers of the study sample to this paragraph were (2.89), which is the lack of approval, meaning that the ministries do not specify priorities from the goals that must be set and formulated. The answers clarify the third paragraph, which states that the ministry sets quantitative and qualitative indicators for each goal to guide implementation. Implementation guide , The study also confirmed through the analysis that the ministry does not specify the requirements for implementing the goals and the required resources with an average of (3.02), meaning that the respondents' answers tend towards neutrality and disagreement, and the study indicates that the respondents' answers to the paragraph that states the ministry is keen to monitor implementation problems and solve them , the study indicated that the average response rate was (3.48), meaning that the ministry is not keen on monitoring implementation problems and solving them, and the study confirmed through the analysis on the paragraph that states that the ministry determines appropriate operational plans to implement the required goals with an average of (2.89) That is, in the position of disapproval, and this means that the ministries do not specify appropriate operational plans to implement the required goals. The ministry is working to train officials to implement the goals to acquire the required skills, as the respondents' answer to this paragraph is disapproval with an average of (2.90), meaning that the ministry does not care By training officials to implement the goals to acquire the required skills, and analyzing the paragraph that states that there are sufficient budgets to implement the goals in all sectors and departments of the ministry. It indicates that the ministries do not have sufficient budgets with an average index of (3.13) and this is evidence that there are not enough budgets to set goals in the ministries and their affiliated departments.

By analyzing the paragraphs of the second sub-hypothesis, the following became clear: We note from the above table that the weighted average of all items representing the second sub-hypothesis was (3.04), and this indicates that the respondents' answers to them are neutral and disagree, meaning that they do not agree with the answers of the second sub-hypothesis paragraphs. Which states (the leadership of the ministry, departments and sectors contribute to the implementation of management by objectives in planning the implementation of objectives). The standard deviation of these expressions ranged between (1.90 - 0.86), which indicates the homogeneity of the respondents' answers to this hypothesis with neutrality and disapproval. Planning to implement goals) and the alternative hypothesis has been proven, which states (The leadership of the ministry, departments and sectors do not contribute to the implementation of management by goals in planning the implementation of goals).

The third sub-hypothesis: The leadership of the ministry, departments and sectors contribute to the application of management by objectives by implementation full of objectives.

Axis Question	Strongly agree		Agree		Neutral		Disagree		Strongly disagree		Mean	Standard Division	Arrange	Trend
	F	%	F	%	F	%	F	%	F	%				
Q1	30	17	34	19	45	26	50	28	17	10	3.05	1.02	5	Neutral
Q2	33	19	44	25	47	27	31	18	21	11	3.21	1.74	1	Neutral
Q3	27	15	36	20	51	30	43	24	19	11	3.05	1.02	6	Neutral
Q4	22	12	37	22	57	32	50	28	10	6	3.06	1.03	4	Neutral
Q5	27	15	31	18	43	24	67	39	8	4	3.01	1.01	7	Neutral
Q6	25	14	34	20	41	23	57	32	19	11	2.9	0.96	8	Disagree
7Q	31	17	39	22	46	25	53	30	7	3	3.19	1.63	2	Neutral
Q8	26	15	36	20	50	28	57	32	7	3	3.09	1.04	3	Neutral
Weighted Average											3.07			Neutral

By analyzing the third sub-hypothesis, the study proved that the public sector institutions (ministries) in the Republic of Yemen are not keen on monitoring implementation problems and finding appropriate solutions for them. It states that the ministry has a clear system to follow up on the implementation of the goals, where the answers of the study sample to this paragraph (3.21), which is neutral, that is, the ministries do not have a clear system for following up on the implementation of the goals, and the answers clarify the third paragraph, which states that the implementation of the goals is followed up through a period Regular periodicity, and this is clear that most of the answers tend to be neutral with an average of (3.05), which means that the ministry does not follow up on the implementation of the goals through a regular periodicity, and the study confirmed through the analysis that the ministry does not issue periodic reports on the results of the follow-up to the implementation of the goals with an average of (3.06).), that is, the respondents' answers tend towards neutrality, and the study indicates that the respondents' answers to the paragraph which states that officials in the ministry hold periodic meetings to follow up the implementation of the goals. The study indicated that the average the response rate was (3.01), meaning that officials in the ministry do not hold periodic meetings to follow up on the implementation of the goals. The study confirmed through the analysis on the paragraph which states that the ministry uses advanced software to implement the goals. The average was (2.9), i.e. in disapproval. This means that the ministries do not use advanced software to implement the goals. The ministry motivates the departments and sections that are distinguished in implementing the required goals, as the respondents' answer to this paragraph is impartiality with an average of (3.19), meaning that the ministry does not motivate the departments and sections that are distinguished in implementing the required goals, and the analysis in Studying the paragraph that states that the ministry determines the tasks of the appropriate competencies for the procedures for implementing the objectives, the average indicator was (3.09), and this is evidence that the ministry does not specify the tasks of the appropriate competencies for the procedures for implementing the objectives.

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By analyzing the paragraphs of the third sub-hypothesis, the following became clear: We note from the above table that the weighted average of all items representing the second sub-hypothesis was (3.07), and this indicates that the respondents' answers to them are neutral, meaning that they do not agree with the answers of the third sub-hypothesis paragraphs, which states (The leadership of the ministry, departments and sectors contribute to the application of management by objectives by the full implementation of the objectives) and the standard deviation of these expressions ranged between (1.74 - 0.96), which indicates the homogeneity of the respondents' answers to this hypothesis with neutrality, through the foregoing, the third sub-hypothesis was rejected, which states that (The leadership of the ministry, departments and sectors contribute to the implementation of management by objectives by the full implementation of the objectives) The alternative hypothesis has been proven, which states (the leadership of the ministry, departments and sectors do not contribute to the implementation of management by objectives by the full implementation of the objectives).

CONCLUSIONS

The study proved through analysis that the ministries of higher education and foreign affairs in the Republic of Yemen did not set specific goals for all fields, and did not specify the priorities of the goals that should be set and formulated for the ministry. The study showed that there are no specific goals and no opportunities for all administrative and organizational levels to participate in setting goals And the study, through analysis, proved that goals are not determined in light of the actual changes in the state, and the study showed that the ministry did not specify the areas for which goals are set and with the needs of citizens and employees, and there is no organizational unit responsible for setting goals at the level of the two ministries. The study proved through analysis that the ministries of higher education and foreign affairs in the Republic of Yemen did not publish the goals to the departments and departments responsible for them, and the study showed that the ministries are not keen to follow up and solve implementation problems. Do not bother to train officials to implement the goals and acquire the required skills. The study proved that the Ministries of Higher Education and Foreign Affairs in the Republic of Yemen are not keen on following up on implementation problems and finding appropriate solutions to them. In addition, the goals do not have a clear system to follow up on the implementation of the goals, and that the ministry does not follow up on the implementation of the goals periodically, and the study confirmed through analysis that the ministries do not issue periodic reports on the results of the follow-up until the goals are implemented, and the study indicated that officials in The ministries sometimes hold periodic meetings to follow up the implementation of the goals, and the study showed that the ministries do not use advanced software to implement the goals, and the ministries do not work to motivate the recognized departments and sections to implement the required goals, and the study showed that the ministry does not specify the tasks of competencies appropriate for the procedures for implementing the goals. Assigning competencies appropriate to the objectives implementation procedures.

RECOMMENDATIONS

Through the results of the study, the researcher recommends the Ministry of Foreign Affairs, Higher Education and Scientific Research in the Republic of Yemen, as follows:

Setting specific goals for all fields, departments and departments in the ministries.

Determining priorities is one of the goals that must be set and formulated in the ministries and working to implement them at the appropriate time and place.

Providing opportunities for all administrative and organizational levels to participate in setting goals in all departments and departments of ministries.

It is necessary to harmonize the objectives with the actual changes in the country.

The necessity of harmonizing the objectives of the Ministry with the needs of citizens and employees of the Ministry.

Finding an organizational unit responsible for setting goals at the level of the ministry and its branches.

Work on spreading the goals to the departments and departments responsible for them in the ministries.

Providing the ministry with the resources required to implement the objectives.

Be careful to follow up on the problems of implementing the goals and solving them.

Determining appropriate operational plans to implement the required objectives, training officials to implement the objectives, and acquiring the required skills.

Create a clear system to follow up the implementation of the objectives on a regular basis.

Issuing periodic reports on the results of follow-up implementation of the objectives.

Holding periodic meetings to follow up the implementation of the goals and the necessity of using advanced software to implement the goals.

Motivating the recognized departments and sections in implementing the required goals while defining the tasks of the appropriate competencies for the procedures for implementing the goals.

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AN ANALYTICAL STUDY OF FINANCIAL PERFORMANCE OF HOUSING FINANCE COMPANIES IN INDIA

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ABSTRACT

Housing is an necessity in every economic system and is a core of wellbeing and social welfare.. Development of housing is an important tool for economic growth and development as small initiatives in housing leads to multiplier effect in the economy. The combination of big and small players are there in housing finance companies in the country which propagate in different areas such as banks, Housing Finance Companies ,government organizations etc. Banks and Housing Finance companies compete with each other in providing finance for housing. The housing finance sector development has backed off over the most recent one year because of liquidity crunch. Housing finance companies (HFCs) brought down their disbursements and upturned portfolio sale through securitization for repayment of obligation commitments. Financial performance plays a crucial role for taking various financial decisions. This paper has examine the financial operations of Housing Finance Company in India from the year 2014-15 to 2018-19. Major sources of data are HFCs reports including NHB and RBI. Some selected parameters like liquidity, solvency, valuation and profitability ratios has been used for analysing the financial viability of some selected housing finance Companies listed in recognized stock exchanges for the period from 2014-2015 to 2018-2019. Keeping the focus on above points in mind, the researcher has made an effort to study the financial performance of selected housing finance companies and offer suggestions for the improvement of efficiency in the selected Housing Finance Companies.

Keywords– Financial performance, Ratio Analysis, Housing Finance.

1. INTRODUCTION

Housing is one of the basic necessities require to improve the socio-economic situation of an individual and lead an effective life. It is one of the three most important fundamental rights – food, clothing and shelter. It is a requirement of poor as well as rich people. It is considered as an important component required to lead progressive lifestyle. Over time, with changes in the perceptions regarding the nature of housing, there have been changes in the policy orientation as well. In the past housing was viewed simply as a physical phenomenon (Grimes, 1976). Therefore the policies for its provision centered on building cost considerations comprising wide variety of material inputs, different levels of housing standard and quality of finish. In the present times, the perception has broadened to include greater emphasis on the socio-economic cost-benefits of housing (Grimes, 1976).

2. MEANING OF HOUSING FINANCE

The concept of housing finance and housing finance systems has been evolving over time. Housing Finance is defined as, "The purpose of a housing financing system is to provide the funds which home buyers need to purchase their homes. This is a simple objective, and the number of ways in which it can be achieved is limited. Notwithstanding this basic simplicity, in a number of countries, largely as a result of government action, very complicated housing finance systems have been developed. However, the essential feature of any system, that is the ability to channel the funds of investors to those purchasing their homes, must remain" (Mark Boleat, 1985). "Put simply housing finance is what allows for the production and consumption of housing. It refers to the money we use to build and maintain the nation's housing stock. But it also refers to the money we need to pay for it, in the form of rents, mortgage loans and repayments" (Peter Kind, 2009). According to Lea (2000) housing finance includes a broad array of institutional arrangements which include both general and specialized institutions acting as primary or secondary lenders, with the common purpose of channeling funds from savers to households demanding housing loans. Warnock and Warnock (2007) describe housing finance as the provision of long-term financing for house purchase. King (2009) refers to housing finance as the funds used for building and maintaining the housing stock of a country. Chiquier and Lea (2009) look at housing finance as a link between multi-sector issues which are in a continuous process of change on account of the economic, cultural, and regulatory environment of a country. They consider housing finance as encompassing more than residential mortgage credit and include housing developer finance, rental finance as well as housing related micro-finance within the scope of the term housing finance. The NHB report on Indian Housing Finance System (2000), the report of the Committee on the Global Financial System (2006), Saravanan and Nagarajan (2007), the UN Human Settlements Programme Report (2008), the Asian Development Bank (ADB) Report on Private Sector Housing Finance Project in India (2008), and Nenova (2010), all describe housing finance to mean financing of home purchase. In the present study too the term housing finance is used to refer to the home loans extended to households for the purpose of purchase or construction of a housing unit and is used interchangeably with the term mortgage credit.

3. LITERATURE REVIEW

India has got no longer background of established HFC. The phenomena has started only in second half of 20th century in the country. Thus, very rare empirical studies have been conducted on the financial performance and functioning of these HFCs. However, this concept is far developed in other countries of the world. It was only in 1988 that a formal regulatory system for housing finance emerged in India, when National Housing Bank (NHB) was founded and a National Housing Policy was formulated for the first time in the history of the country. Many new HFC's were established during this period.

Inspite of the fact that investment in housing is an important driver of economic development of any nation, in India housing finance remained as an activity that failed to occupy the key position that it was deserving during the planned period. It was only during the mid 1970's that attempts were made to set up formal institutional mechanisms in this sector. It was only in 1977 that HDFC (Housing Development Finance Corporation) the pioneer developmental institution for housing finance in Indian private sector was set up. A fully owned Governmental company viz. HUDCO (Housing and Urban Development Corporation) was set up way back in 1970's to undertake housing and urban development programmes in India. At that time nearly 80 percent of the housing stock in the country was financed from informal sector (RBI, 2009)[1]

The functioning of major HFC's in India is quite varied. There exists quite significant difference in the operational efficiency of major HFC's in India, primarily because of the difference in the cost structure of the respective HFC's. While large HFC's like HDFC have an advantage over smaller ones in sourcing cheap funds, size alone is not the sole criterion for better efficiency (Manoj, 2010)

CAMEL model of rating was first developed in the 1970's by the three federal banking supervisors of the U.S. as part of the regulators, "Uniform Financial Institutions Rating System" to provide a convenient summary of bank condition at the time of its onsite examination. The banks were judged on fire different components under the acronym C-A-M-E-L

C - Capital Adequacy

A - Asset Quality

M - Management Soundness

E - Earnings Capacity

L - Liquidity

The system of CAMEL was revised in 1996, when agencies added an additional parameter 'S' for assessing the 'Sensitivity to Market Risk', thus the concept of CAMELS is in vogue today.

Prasuna (2003) examined the performance of 65 Indian banks according to the CAMEL model and concluded that better service quality, innovative products and better bargains were beneficial because of the prevailing tough competition.

Gupta (2008) and Kaur (2010)examine the performance of Indian private sector banks by using CAMEL model and by assigning rating to the top five and bottom five banks. The CAMEL model revealed that HDFC was at its higher position of all private sector banks in India. Same model can be applied for the assessment of HFC's in India.

The operational and financial performance evaluation of housing finance companies in India was studied by Ravindraet.al (2013). According to them, the success of the LICHFL and HDFC in the housing finance industry is in the marketing network. They have more number of marketing personnel than the regular office staff. Even though, these two housing agencies are good in sanctioning to the customers, they have to modify and differentiate their services from other financial companies for better performance.

The issue of housing and housing finance has been receiving increasing attention over the recent decade in the extant literature. There have been many studies revised on various observations on this area, few of these namely; housing is an essential element of life for most human beings polarized by Naik (1981). According to J.P. Sah (2011), "housing is not a static but a growing problem and it was cited in Manorama Year Book (1997)as the modern concept of housing does not limit the idea of housing merely to the provision of shelter

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and it is an in an integral part of overall policy improvements of human settlements and economic development. Krishnamachari (1980), has stated in the preamble of the National Housing Policy, shelter is a basic human need and as an intrinsic part of human settlement, is closely linked with the process of overall socio-economic development. Housing is an element of material culture, is one of such devices to overcome threats against physical elements to lives and serves as an important purpose by making the provision of shelter and portrays that housing is as an important precursor of the national business cycle. In this view Some empirical exercises made on importance of housing among others Satyanarayana (1987), India year Book (1988), Andra C. Ghent and Michael T. Owyang (2010), Despande (1975) ,Dr. C. Harichandran (1989) , Solanki (1989), highlighted the magnitude of the housing problem in our country is so heavy, that it will require considerable passage of time for the country to offer a sweet home to every family in our nation. Chacko (1989) was of the opinion that housing shortage in India in 1981 was 21 million units. In the beginning of the 7th five year plan in 1985, it was put as 24.7 million units. MadhavRao et al. (1995) suggested a multifaceted housing difficulty like ours requires a concrete national attempt. Erwin Mlecniketal. (2010) studied about the barriers and opportunities for the further diffusion of labels for highly energy efficient houses. The Major subsidised housing projects in developing countries specified by Gonzalo Lizarralde(2011) Richard Harris and Ceinwen Giles (2003) have done tremendous work on identified three phases in the evolution of international housing policy since 1945: public housing (1945–1960s), sites-and-services (1972–1980s), and market enabling (1980s–present). As cited by Tiwari (2013), Housing finance in India has grown at a rapid pace during the last two decades.

4. PROBLEMS OF THE STUDY

The problem of this research is to examine the financial performance of Housing Finance Companies in India, from the year 2016 to 2020.

5. OBJECTIVES OF THE STUDY

The broad objectives of the proposed studies are to examine and evaluate the performance of Housing Finance Companies. To examine the performance of Housing Finance Companies following objectives are proposed to be done.

(i) To analyze the financial performance of Housing Finance Companies in India.

To compare the financial performance of Housing Finance Companies sector wise (Public and Private) in India.

6. HYPOTHESIS OF THE STUDY

The following are hypotheses related to present study.

HYPOTHESIS 1

H_0: There is no significance difference between the financial performance ratios of Housing Finance Companies sector wise (Public and Private) in India.

H_0: There is significance difference between the financial performance ratios of Housing Finance Companies sector wise (Public and Private) in India.

HYPOTHESIS 2

H_0: There is no significance difference between the financial performance ratios of Housing Finance Companies in India.

H_1: There is significance difference between the financial performance ratios of Housing Finance Companies in India.

7. RESEARCH METHODOLOGY OF THE STUDY

The research methodology of the study consists of:

(i) Sample frame

(ii) Selection of the sample

(iii) Data required

(iv) Sources of Data

(v) Research Variables for analysis

(vi) Statistical tools

(i) **SAMPLE FRAME**

The sample frame is the list of target population. The sample frame in this study is all those Housing Finance Companies which are registered with Reserve Bank of India and with other authorities in India.

(ii) SELECTION OF THE SAMPLE

Housing finance companies which are registered with RBI or any other authorities in India and listed with BSE/NSE stock exchange in India will be taken as a sample for the purpose to accomplish the objectives of the study. In total 17 housing finance companies has been taken which includes public as well as private sector housing finance companies.

Table no 1 -Selected Housing Finance Companies -

HDFC	Indiabulls Housing	LIC Housing Finance
GIC Housing Finance	Crest Ventures	SRG Housing Finance

8. DATA ANALYSIS AND INTERPRETATION

HYPOTHESIS 1

H_0: There is no significance difference between the financial performance ratios of Housing Finance Companies sector wise (Public and Private) in India.

H_1: There is significance difference between the financial performance ratios of Housing Finance Companies sector wise (Public and Private) in India.

Table no 2 – Ratio Analysis

Sr.No.	Ratios	Public	Private
1	Net Profit Margin(%)	16.29	22.95
2	Return On Capital Employed(%)	9.38	9.09
3	Return On Net Worth(%)	15.67	15.30
4	Return on Assets Excluding Revaluations	282.55	103.33
5	Current Ratio	28.68	6.01
6	Quick Ratio	56.27	25.21
7	Debt Equity Ratio	8.46	4.13
8	Debtors Turnover Ratio	2229.44	482.71
9	Investments Turnover Ratio	0.10	0.59
10	Fixed Assets Turnover Ratio	81.88	21.03

Table no 3 – t-Test

t-Test		
	Public	*Private*
Mean	272.87281	69.03593278
Variance	479669.466	22000.30602
Observations	10	10
Hypothesized Mean Difference	0	
Df	10	
t Stat	0.910067888	
P(T<=t) one-tail	0.192098888	
t Critical one-tail	1.812461123	
P(T<=t) two-tail	0.384197776	
t Critical two-tail	2.228138852	

INTERPRETATION

If our test statistic, the **t Stat**, falls in **either** rejection area, less than – 2.228 or larger than + 2.228, we must reject the Null. But here our t Stat of 0.910 does not fall in either rejection area, so we must decide to **not** reject the Null.

The two-tail p-value against our significance level. This is labelled "**P(T<=t) two-tail**." for a two-tail test, we can always just use the two-tail p-value the Excel tool gives us. It is 0.384 //which is larger than our significance level, alpha, of 0.05. Thus, this rule also tells us to **not** reject the Null that there is no difference in the financial performances.

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For this two-tail test, we **do not reject** the Null and we conclude that There is no significance difference between the financial performance ratios of Housing Finance Companies sector wise (Public and Private) in India.

HYPOTHESIS 2

H_0: There is no significance difference between the financial performance ratios of Housing Finance Companies in India.

H_1: There is significance difference between the financial performance ratios of Housing Finance Companies in India.

Table no 4 – Ratio Analysis

Sr. No.	Ratios	Mar '20	Mar '19	Mar '18	Mar '17	Mar '16
1	Net Profit Margin(%)	7.20	19.34	26.45	23.41	27.25
2	Return On Capital Employed(%)	8.05	9.95	10.15	9.67	8.13
3	Return On Net Worth(%)	24.52	10.69	14.81	13.91	13.21
4	Return on Assets Excl. Revaluat	168.26	187.87	165.55	168.07	138.68
5	Current Ratio	10.01	17.50	29.26	6.55	4.54
6	Quick Ratio	55.31	70.17	35.43	9.43	7.46
7	Debt Equity Ratio	5.52	6.31	5.92	5.24	5.38
8	Debtors Turnover Ratio	1753.28	1249.25	2325.55	444.91	92.79
9	Investments Turnover Ratio	0.12	0.12	0.77	1.27	0.00
10	Fixed Assets Turnover Ratio	23.77	54.72	63.49	32.38	38.04

Table no 5 - Anova: Two-Factor Without Replication

SUMMARY	*Count*	*Sum*	*Average*	*Variance*
Net Profit Margin(%)	5	103.67	20.73	66.86
Return On Capital Employed(%)	5	45.94	9.19	1.03
Return On Net Worth(%)	5	77.13	15.43	28.18
Return on Assets Excluding Revaluations	5	828.41	165.68	308.40
Current Ratio	5	67.85	13.57	101.25
Quick Ratio	5	177.80	35.56	765.08
Debt Equity Ratio	5	28.37	5.67	0.19
Debtors Turnover Ratio	5	5865.78	1173.16	841969.77
Investments Turnover Ratio	5	2.28	0.46	0.30
Fixed Assets Turnover Ratio	5	212.39	42.48	265.80
Mar '20	10	2056.04	205.60	298225.55
Mar '19	10	1625.91	162.59	148935.38
Mar '18	10	2677.36	267.74	525106.81
Mar '17	10	714.84	71.48	19681.99
Mar '16	10	335.47	33.55	2124.70

Table No 6 -ANOVA

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Rows	5940860.81	9	660095.65	7.91	0.00	2.15
Columns	368218.36	4	92054.59	1.10	0.37	2.63
Error	3005809.14	36	83494.70			
Total	9314888.30	49				

INTERPRETATION

Since the p-value for the rows = 0.00 < .05 = α (or F = 7.91 > 2.15 = *F-crit*) we reject the null hypothesis, and so at the 95% level of confidence we conclude there is significance difference between the financial performance ratios of Housing Finance Companies in India.

Since the p-value for the columns = 0.37 > .05 = α (or F = 1.10 < 2.63 = *F-crit*) we can't reject the null hypothesis, and so at 95% level of confidence we conclude there is no significance difference between the financial performance ratios of Housing Finance Companies in India.

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9. CONCLUSION

From the above analysis it is seen that in Liquidity terms, all HFCs has been fluctuated through the period of study but they always maintained sufficient funds which are more than enough to meet short term obligations of respective concerns. Crest ventures, India bulls are performing well in terms of Liquidity compared to its peer companies. The overall profitability position of India bulls HSG is better compared to its peers under study. In terms of Investment Valuation , Crest ventures is performing far better compared to other housing finance companies. In perspective on the earlier, it may be seen that there exist various different challenges for suitable working of HFCs in India in the evolving scenario. These are progressively antagonistic with regard to smaller and medium sized HFCs (i.e. except biggest three or four) which need ability to tap less expensive sources of money, not at all like huge HFCs like India bulls HSG. Also, such HFCs have been accepted to rely more upon bank advances for financing themselves

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INVENTORY MANAGEMENT– A CASE STUDY OF DEEPA FARSAN, CHEMBUR, MUMBAI

Mrs. Sunita Sherifani
Associate Professor, V E S College of Arts, Science & Commerce, Mumbai

ABSTRACT

The key factor of success and profitable business is the proper and efficient management of inventory. From the purchase of raw materials to supply of finished goods, requires proper planning and close control so as to avoid blocking of funds and space in inventory and to avoid out of stock situations.

Inventory management is managing the ordering process, taking due care of its storage, its uses and final sell. It is management of full chain, starting from purchase of raw materials to sell of finished goods. Farsan industry is most flourishing sector, it is growing remarkably. This study gives an overview about the same, and taken a case study of Deepa Farsan.

Keywords: Farsan, Inventory, Management

INTRODUCTION

Inventory simply means stock or list of stock. In manufacturing concerns inventory is an internal part of working capital, and forms approximately 20% – 30% of the total assets. So, there is utmost necessary to have close control on inventory's value and volume.

The classification of inventory and its management depends upon the nature and size of the business.

Every business holds inventory to meet variation of customers' demand, meet unexpected demand, to avail the benefits of bulk buying, to be ready with internal production contingencies like delay in receipt of raw materials, breakdown of machinery, power failure, labour problem etc.

On the other hand some businesses are in not favour of holding inventory due to is carrying cost and the valuable factory space occupied by the stock.

The inventory can be classified on the basis of the nature of business. For manufacturing units inventory consists of - Raw materials, work-in progress and finished goods/products. Whereas for Trading units inventory may consists of only finished goods/products

REVIEW OF LITERATURE

Dedunu & Weerasinghae (2018) The study investigated the relationship between company performance and inventory management. Researchers use number of days in inventory as the dependent variable and gross profit margin and net operating profit margin as independent variables. Today, most companies attach great importance to inventory management. Some organizations have implemented different tools, such as JIT, and some have applied ERP and SAP systems to effectively control their inventory. Therefore, this study uses descriptive analysis, correlation analysis, and regression analysis. The analysis was performed (using the STATA software package). Investigate the impact of inventory management on the performance of listed manufacturing companies. According to the data analysis, the results confirm that there is a solid positive correlation between inventory management and gross profit margin, but a negative correlation between inventory management and net profit margin. The result of correlation analysis shows that inventory management has a significant relationship with gross profit margin and net profit margin. Researchers suggest that organizations must make the right decisions about the management and other related costs of inventory management to improve the performance of the organization. (Dedunu & Weerasinghae, 2018).

This study analyse the impact of inventory management on the Nigerian construction/chemical and paint manufacturing companies profitability. The reason of the study was to examine the impact of inventory turnover on the company's profitability, determine the impact of sales growth on the company's profitability, and determine the impact of debt ratios on the profitability of Nigerian Companies. The multiple regression analysis have been applied to test the hypotheses. The results of the analysis indicates that the inventory turnover ratio has a significant and negative impact on the profitability of the companies studied, and it is found that the sales growth rate has no significant and negative impact on the profitability. Similarly, the debt ratio has no significant impact on the profitability of companies. (Nwakaego, Dorathy, & Ikechukwu, 2014)

RESEARCH METHODOLOGY

This study is based on primary and secondary data.

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Primary data collected by personal interview from the founder of Deepa Farsan TC Nainar Nadar

Secondary data collected from various websites and published research work in the form of thesis and papers.

Case Study: Deepa Farsan, Chembur, Mumbai

As we all know the basic necessities are clothing, shelter and food. As the clothes differ according to the fashion and the shelter differs according to the region similarly food dishes differs according to the occasion. For basic and daily dining dal rice is enough but in special occasions like parties or celebration variety of different cuisine is added like pizza, burger, pasta, etc. For a human body 3 times meal is sufficient that are breakfast, lunch and dinner. Even after having these three meals there are times when people needs or like to have some munching fillers which include snacks items like chips, fries and so on. These munches which are also called as farsans are perfect for a pass-time and also useful while travelling, watching a movie or for a quick hunger.

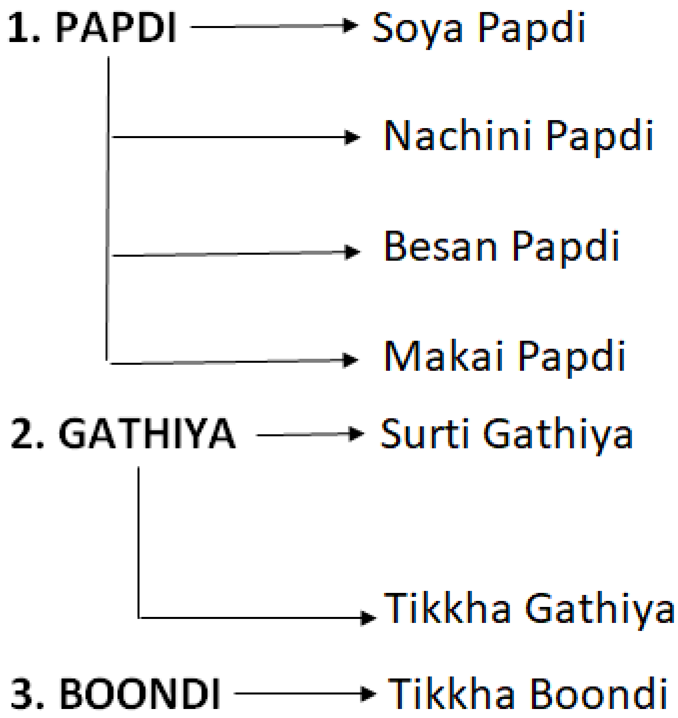
Farsan mainly refers to snacks, which is enjoyed by all type of people due to its taste and crunchiness. Farsan have many varieties of flavour like salty, spicy, minty, and so on.

This paper is a small study about farsan maker Mr T C Nainar Nadar, who started his farsan making business from 0 level and today he supplies the farsan with brand name of Deepa Farsan, Chembur, Mumbai.

Mr. T.C. Nainar Nadar is the founder of Deepa Farsan. He shifted Thiruvananthapuram to Mumbai in the year 1985, and started his journey of working life as a delivery boy. He has understood all nitty-gritty of farsan industry and likes and dislikes of customers.

In the year 2005 he started his own company with the name 'Deepa Farsan' situated at Shell Colony, Chembur, Mumbai The main objective and goal of Deepa Farsan is Customer Satisfaction In the beginning the limited varieties of farsan was manufactured, but today different varieties of farsan are available at Deepa Farsan, which is not only of best quality, and prepared in a very hygienic manner by using good quality of inputs like besan, other flours and masalas. To give the unique taste the masalas which are added are made by them and it's not ready to use masalas purchased from the market. In order to bring out the perfect taste in snacks, expert's farsans makers working in this unit perfectly blend all ingredients and which makes the farsan so tasty and different from other competitor's farsans available in the market.

Varieties of Items:



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4. DALMOTH
   - Fried Chana Dal
   - Fried Moong Dal
   - Yellow Masur Sev Dal

5. CHIVDA
   - Tikkha Chivda
   - Poha Chivda
   - Special Yellow Chivda
   - Kattha Meetha Mix Chivda
   - Noodles
   - Sabudana Chivda

6. Biscuit
   - Dill Biscuit
   - Kaju Biscuit
   - Butter Biscuit

7. BAKARWADI
   - Mini Bakarwadi
   - Big Bakarwadi

8. WAFERS
   - Tomato Wafers
   - Pudina Wafers
   - Tomato Banana Wafers
   - Pudina Banana Wafers

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1. **SAMOSA**
2. **KACHORI**

PICS:

Mr. T.C. Nainar Nadar started his business from 0 level and today his farsan company has become a renowned brand in the farsan market. To maintain the reputation in the market the company make sure to maintain proper freshness and hygiene levels of farsan. As farsan is a food item which need to be crunchy so as it can be enjoyed to its fullest, so they make sure they prepare farsan fresh daily and pack them in seal tight. Farsan business has a main issue that it cannot be stored for a longer time, as they may get some smell of fried oil or lose the crunchiness. Therefore Deepa Farsan Company have many rules to maintain their quality in the market.

They store the packed farsan for sell only for 10-15 days and after that they dispose it off. Even they get frying oil on daily basis so the durability of the farsan can increased. The besan, masalas and other flours used for making farsans are stocked at once for the week.

The Deepa farsan company sales 70% of its goods to the wholesalers and 30% of its goods to the retailers. They also transport their farsan to other states, transportation charges are to be borne by the buyer, as they receive any order from other state and the day their representative is about to pick up the order, on the same day the order is freshly made so that the freshness of the farsan can last for longer days. They try their level best to maintain the hygiene, quality and reputation in the market.

Due to proper inventory management system, the farsan supplied to final customers remain fresh till 10-15 days, which resulted in increase in demand. Tbe daily production is approximately 1000 kgs per day. The total number of farsan makers working with this unit are 17 male members and 3 female workers.

Male members have the job of proper mixing of besan, flours, salt and spices, frying and proper cooling of farsan depending upon the nature of farsan. Female workers play important role in proper packing of materials in different quantities ranging from 200 grams to 5 kgs.

To get the same taste in any food item, the major role played by the cook/maker of that item. Deepa Farsan is having good employer and employee relation, if cook/maker produce more than standard output, extra amount of wages are paid for output produced over and above the standard output. Male members are paid on monthly basis, whereas female workers are paid on weekly basis.

Quality control norms are strictly followed, packets on the shelf are also monitored regularly to check expiry date and removed immediately from the shelf if found. The success of food items are very much dependent on its proper management of inventories.

CONCLUSION

Inventory is stock of items held to meet future demand. Inventory is stock of stored items held to meet future demand, it can be items that are waiting to be processed or are items being processed. Inventory management is managing the entire process from raw materials to finished goods, so as to avoid over or under stock at any point of time. Inventory management is important as inventory mainly forms 20 to 30% of the total assets in a manufacturing unit.

Holding inventory needs to consider Inventory Cost Structures – viz. Ordering (or setup) cost, Carrying (or holding) cost, Stock out cost. Inventory management for organizations in today's highly competitive, rapidly changing markets crucial to its success. Every company tries to maintain inventory to meet customer demand and keep that much stock which will not lead to stock outs and results in loss of sales, and due to cost of carrying inventory the company try not to have a lot stock in hand. Ultimate of goal and secret of business success is sufficient but not too much of inventory.

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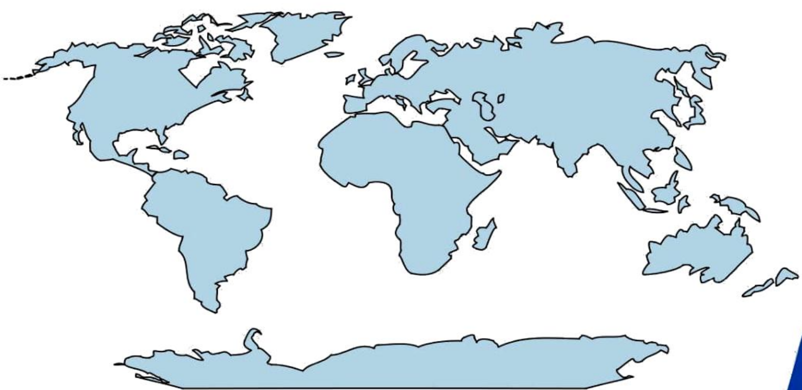

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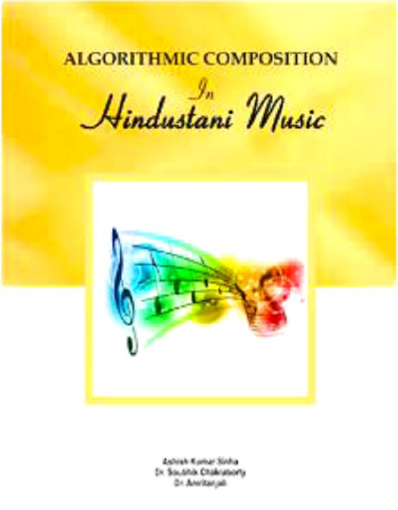

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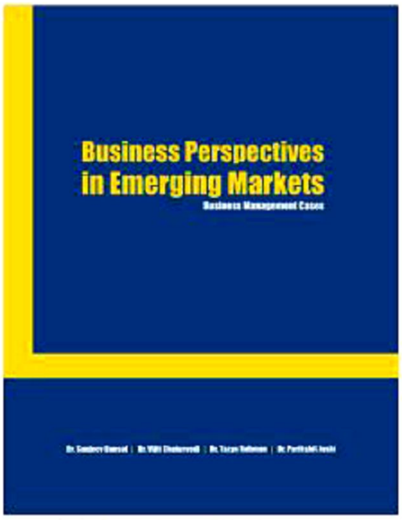

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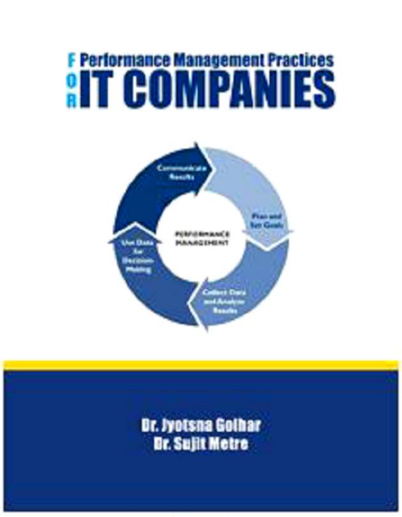

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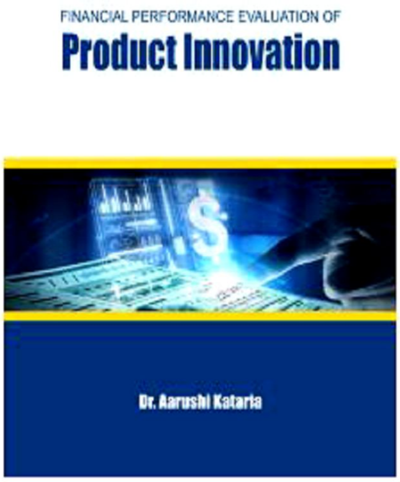

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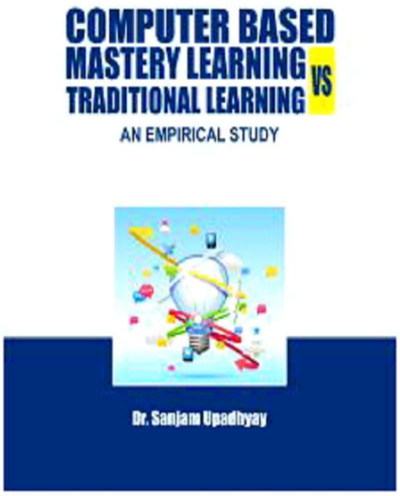

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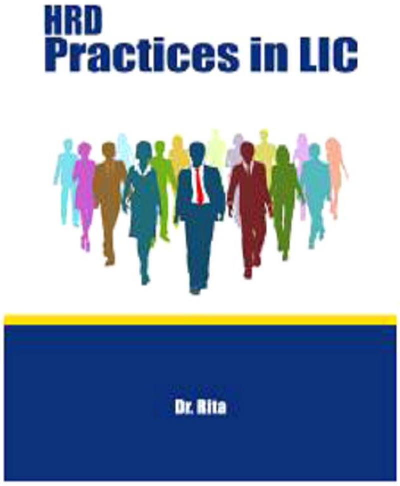

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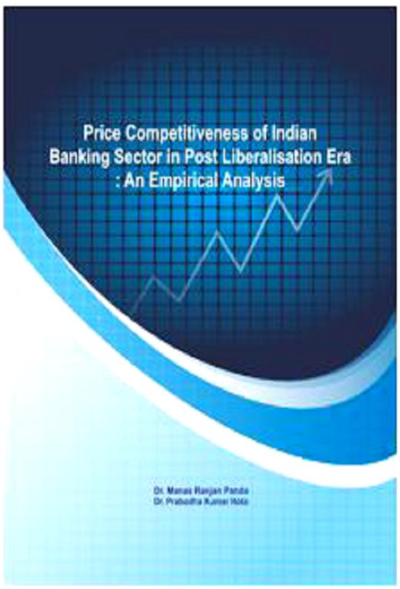

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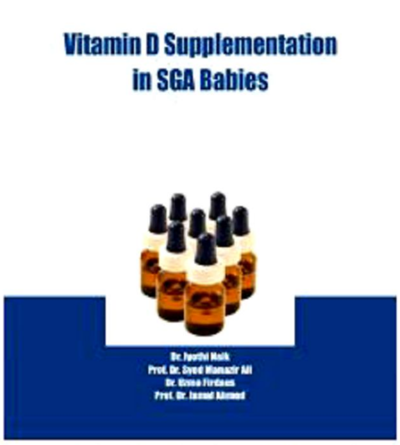

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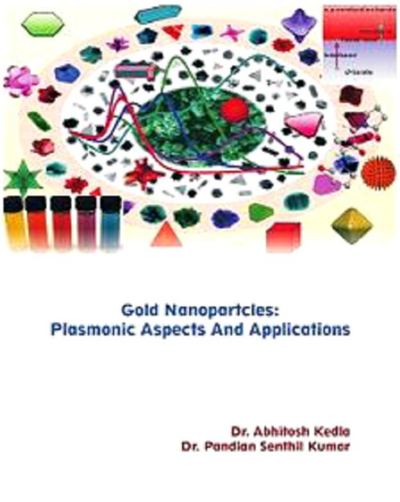

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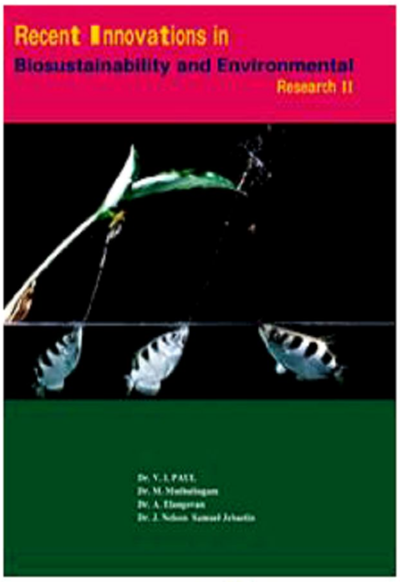

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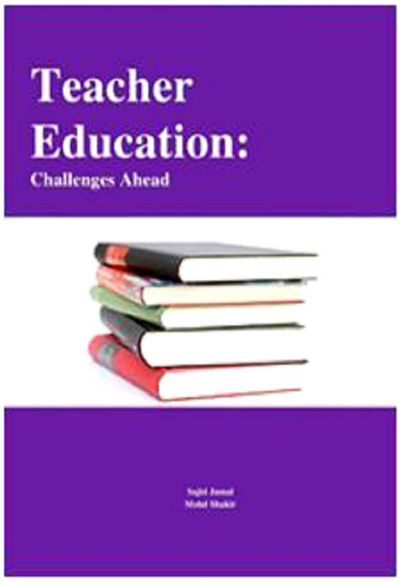

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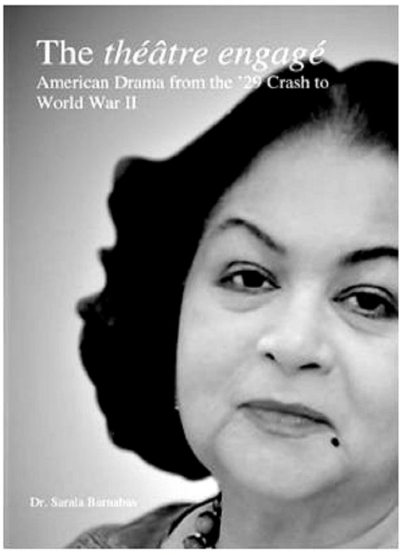

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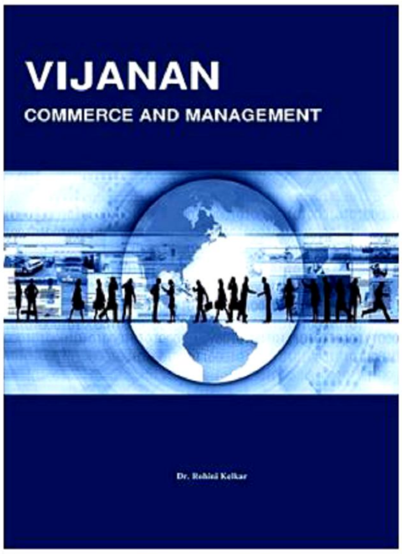

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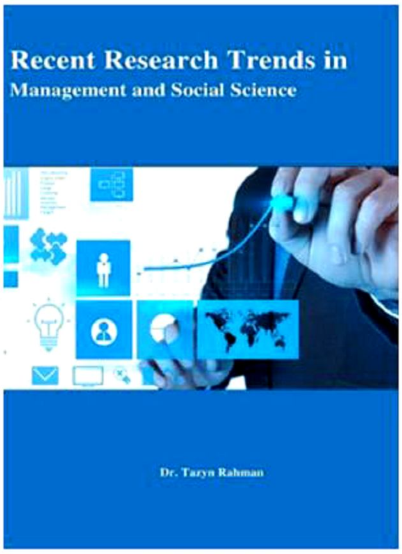

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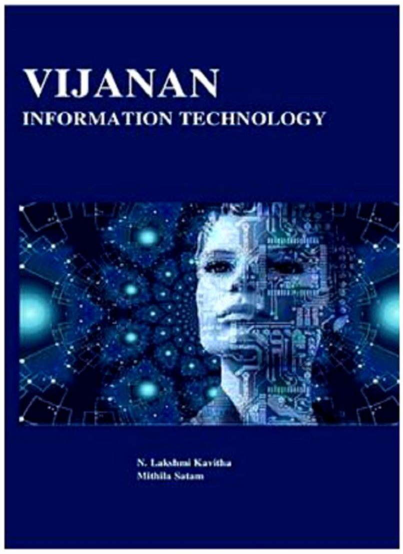

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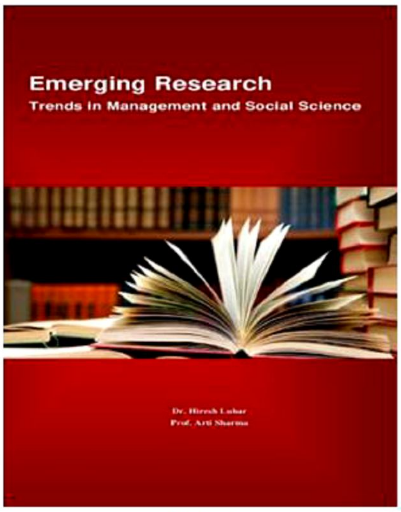

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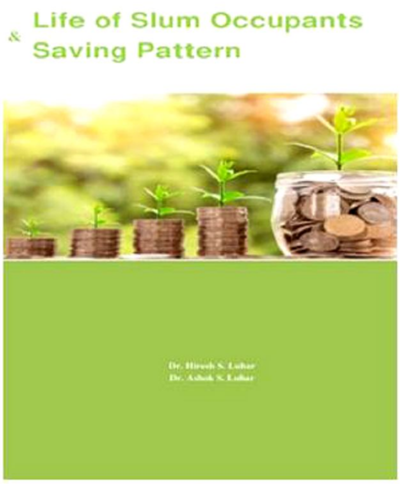

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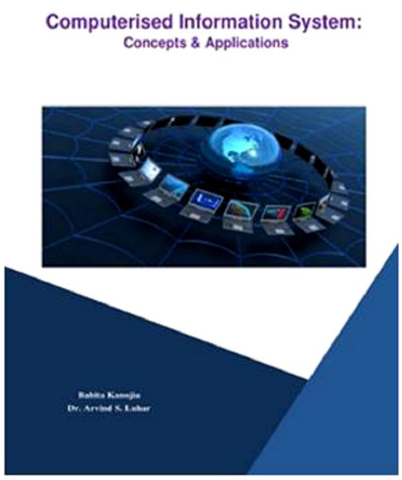

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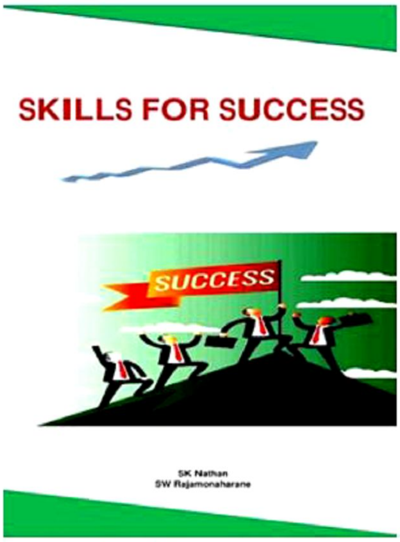

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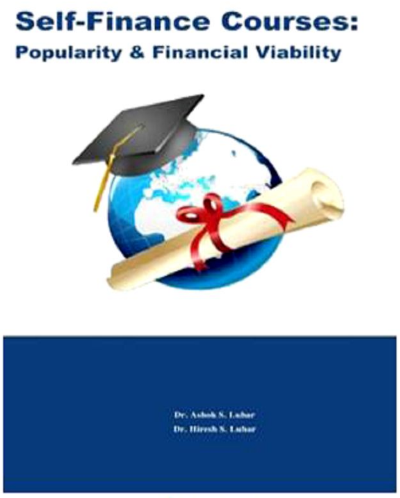

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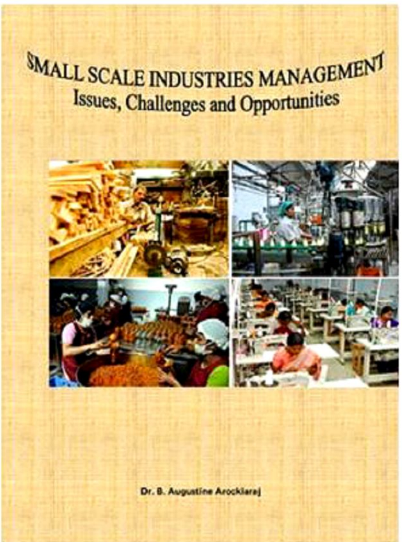

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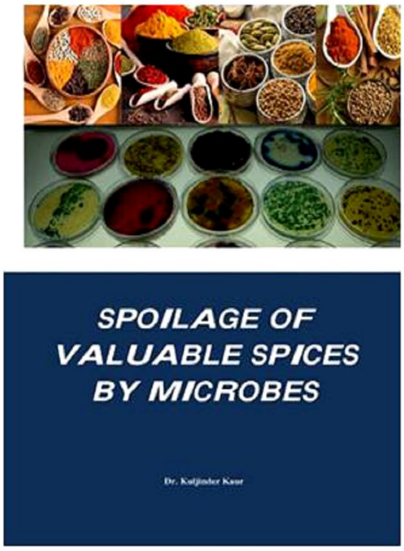

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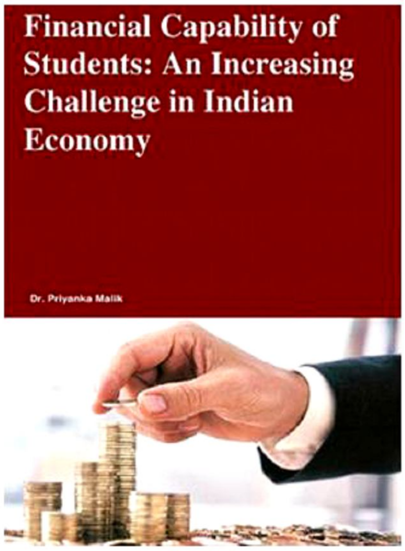

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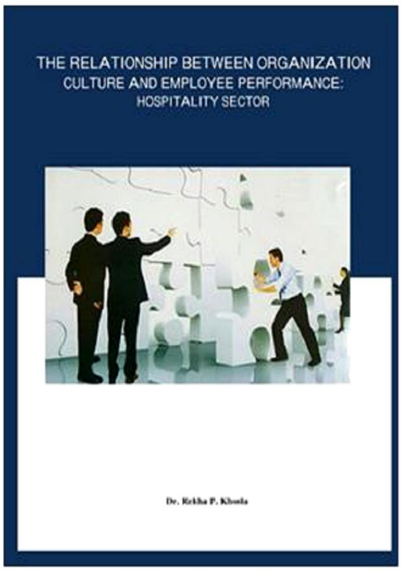

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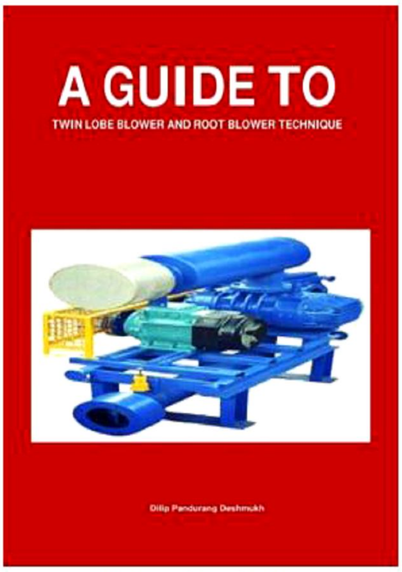

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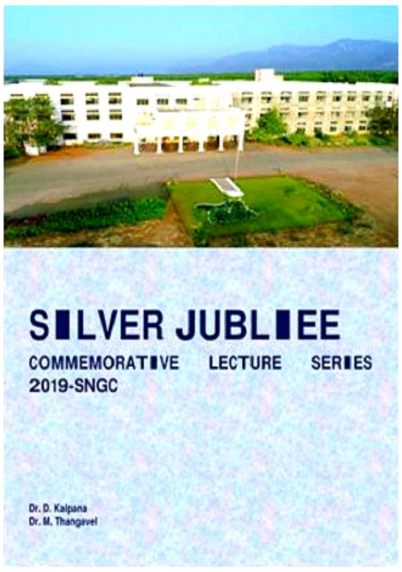

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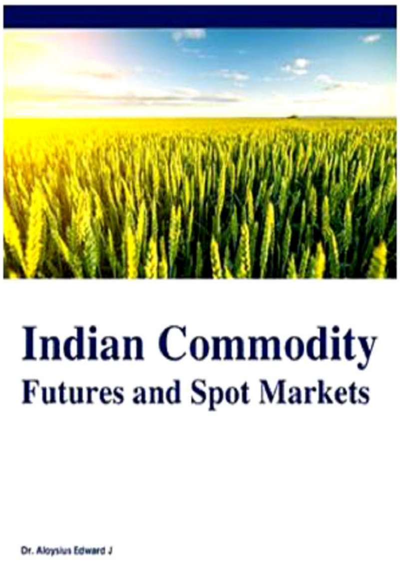

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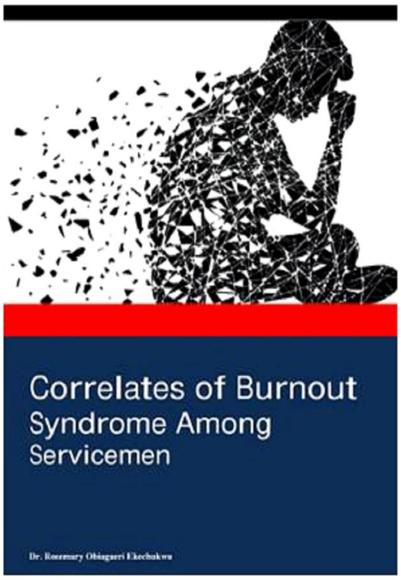

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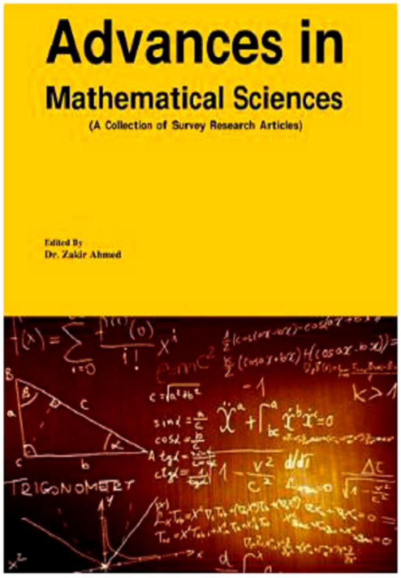

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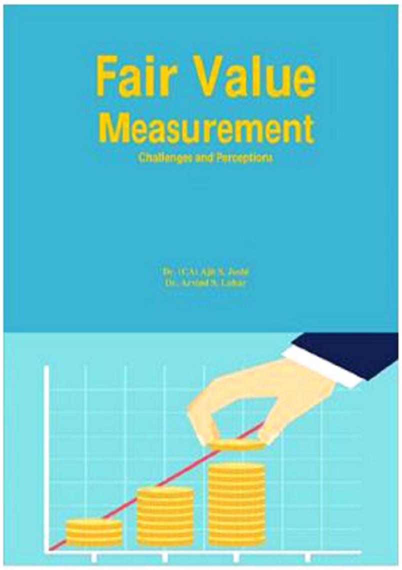

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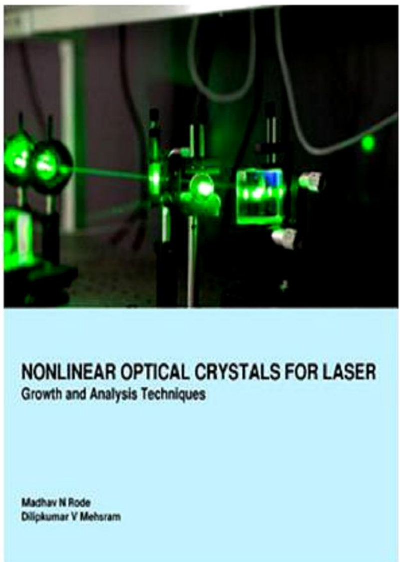

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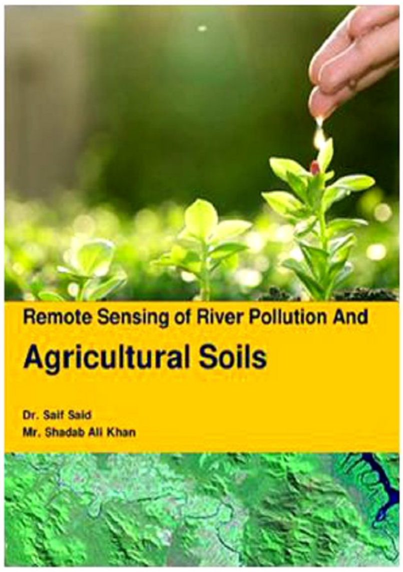

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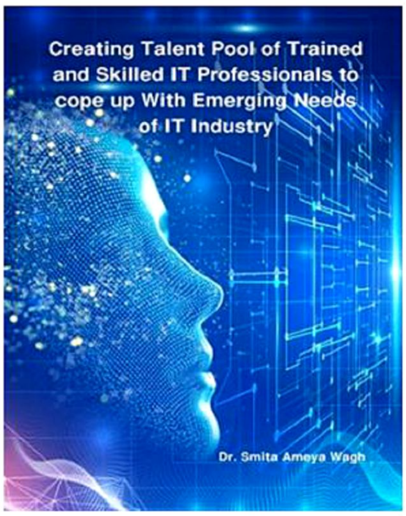

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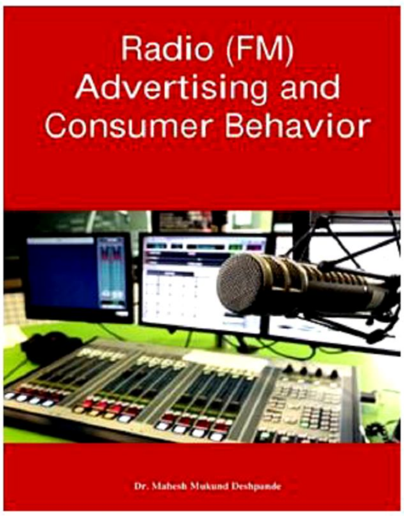

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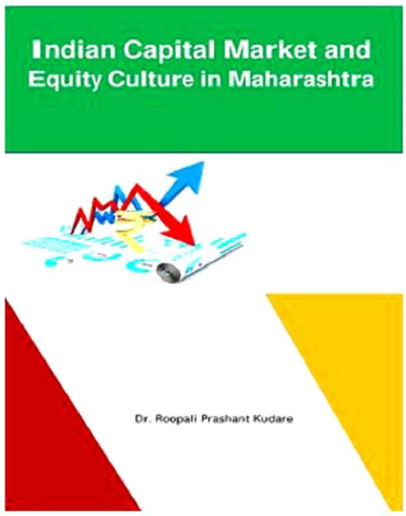

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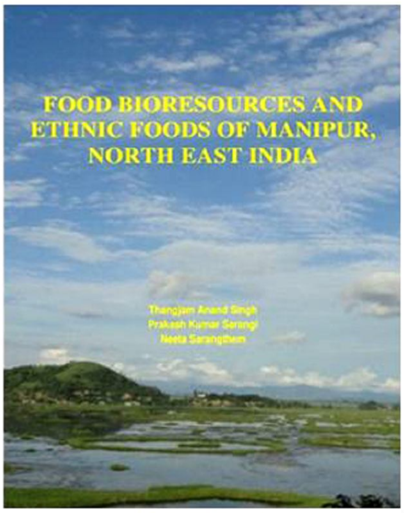

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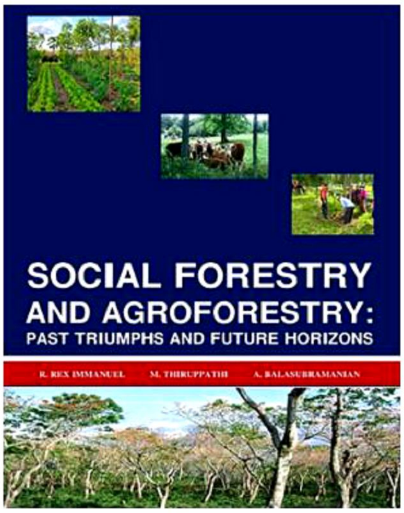

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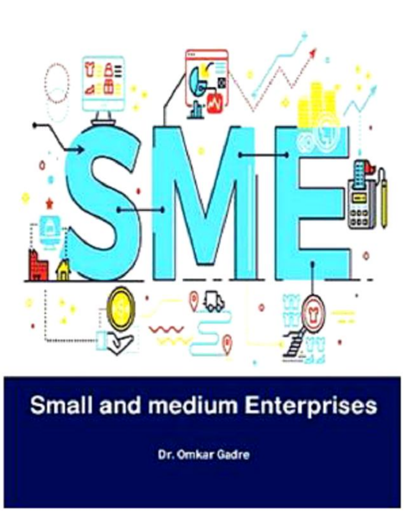

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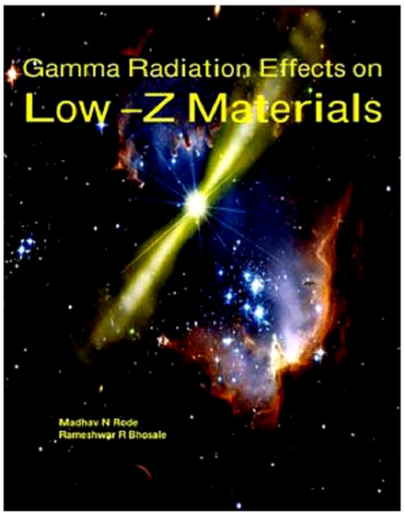

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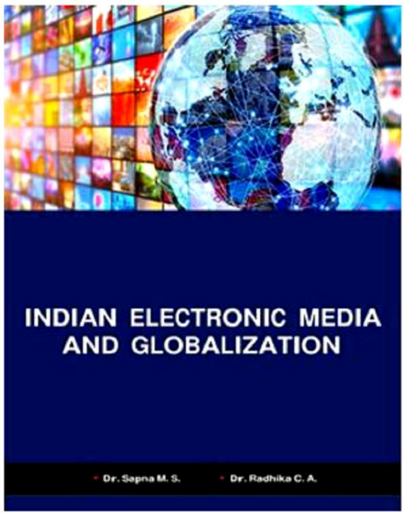

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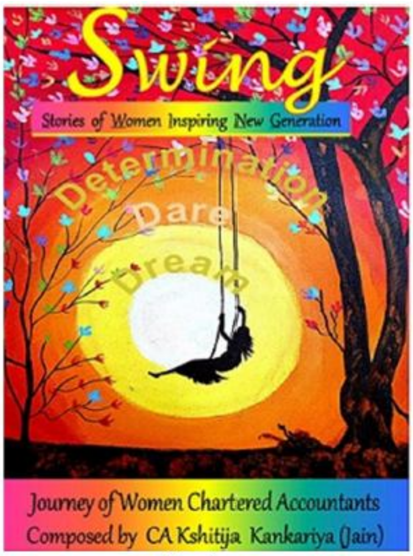

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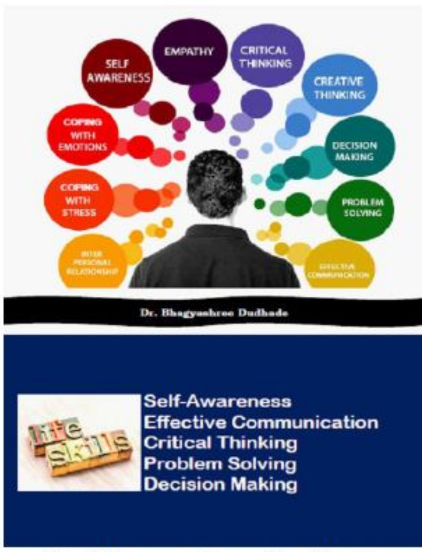

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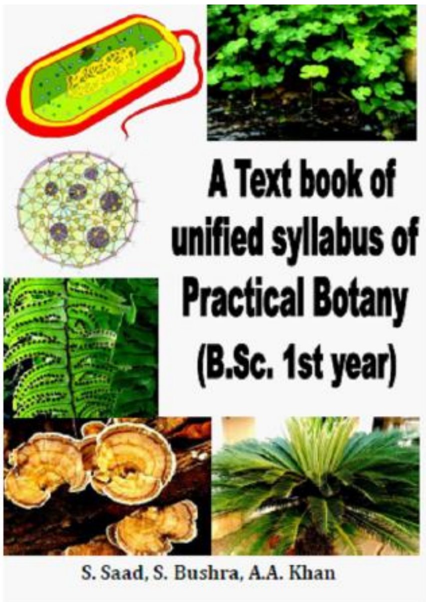

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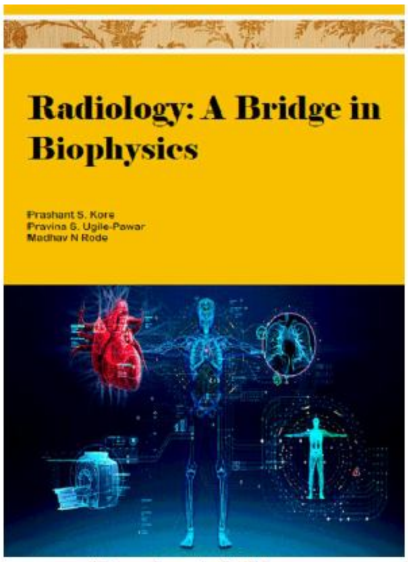

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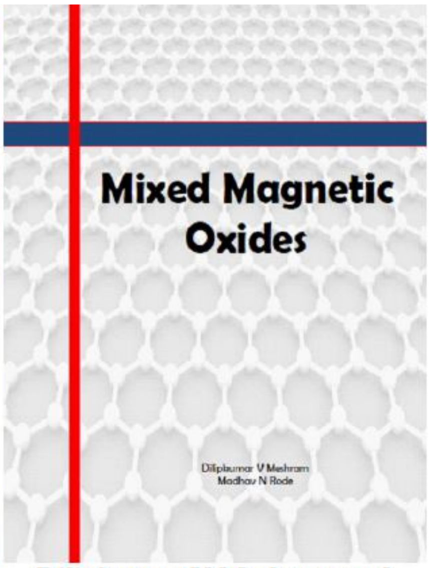

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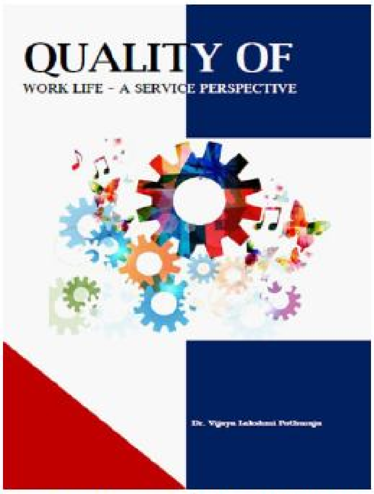

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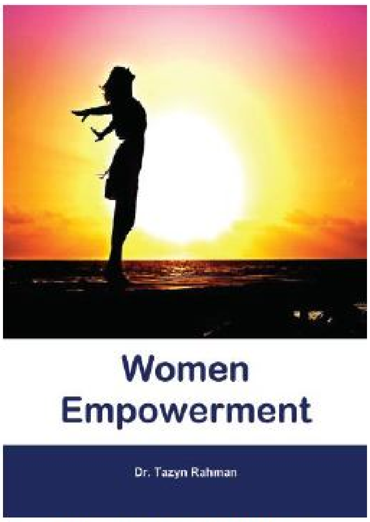

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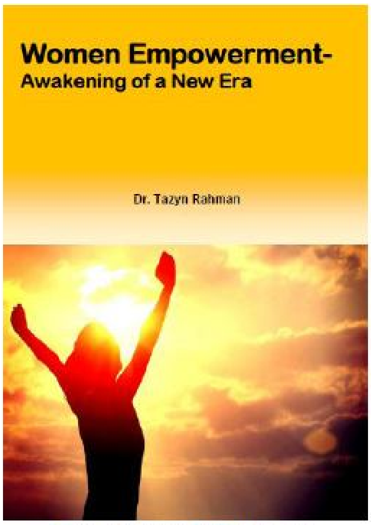

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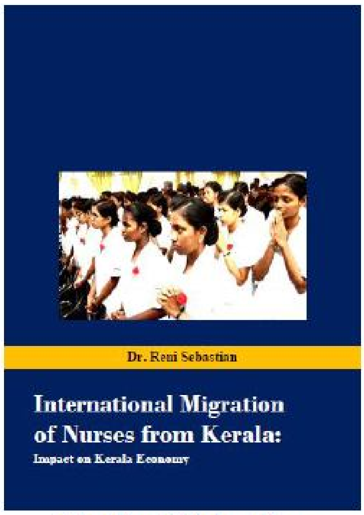

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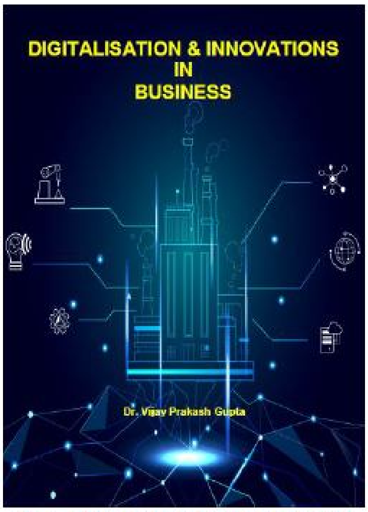

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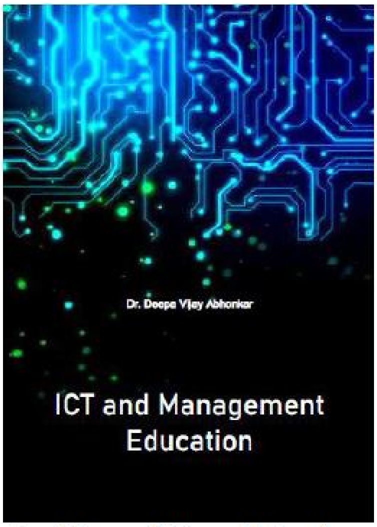

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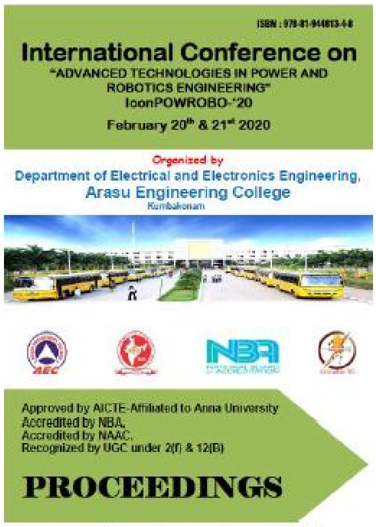

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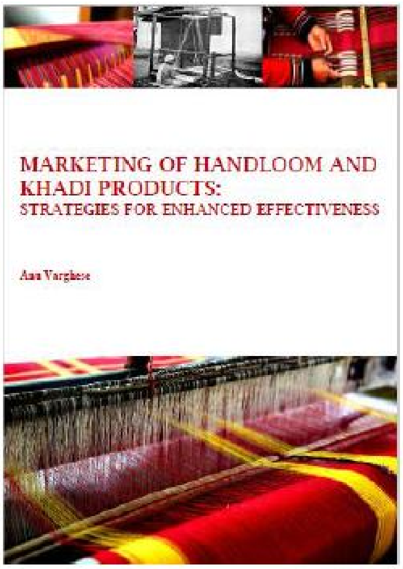

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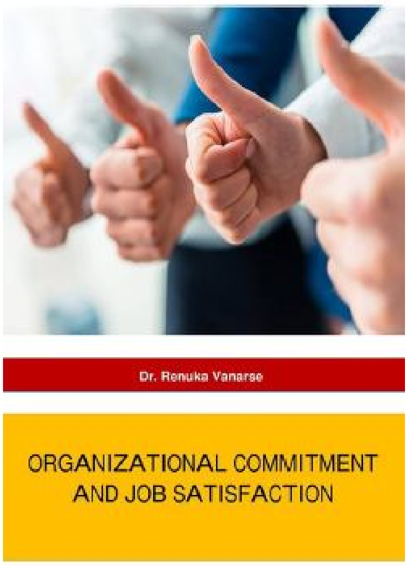

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