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Working Capital Management and Profitability: A Case Study of Automobile Industry in India

Dharmendra S. Mistry¹

Abstract

Working capital management directly affects profitability and is considered as one of the most important factors of financial decision making. It affects the risk factor of the firms, and hence can result in increased value. The present study aims to examine the association of profitability with some working capital management attributes, such as Current Ratio, Liquidity Ratio, Debtors' Turnover Ratio and Inventory Turnover Ratio, of selected automobile companies in India. It concludes that the higher the Debtors' Turnover and Inventory Turnover Ratios, the greater the profitability of automobile companies. It also arrives at the conclusion that higher Current Ratio and Liquidity Ratio have adverse impact on profitability of automobile companies.

Keywords

Profitability, Working Capital management

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Impact of Foreign Direct Investment on Indian Economy: An Empirical Assessment

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Abstract

Foreign Direct Investment (FDI) inflows to economies in general and developing economies in particular are crucial in terms of contributing to the total productivity of the economy by bringing in new technological know-how, efficient managerial skills, etc. However, it is very critical for an emerging economy like India, where there is sustainable growth potential and existing gap between domestic savings and investment. There is an established argument in favour of positive impact of FDI inflows on the overall macro economy of the host country. Keeping in view the existing literature on this area this study attempts to empirically establish dynamic relationship between FDI inflows and relevant macroeconomic factors. The short-term and long-term impact of FDI inflows on macroeconomic variables in India is measured by using time series technique, i.e., cointegration (Engle-Granger cointegration test). The cointegration test suggest that long run relationships exist between FDI inflows and all the macroeconomic variables under consideration, viz., Gross Domestic Product (GDP), Gross Domestic Capital Formation (GDCF), Employment, Foreign Exchange Reserves, Exports, Capital Market growth (BSE SENSEX) except nominal exchange rate (NEER). However, the test results reveal that no short-run relationship exists between FDI inflows and any of the above macroeconomic variables. The findings are complementing some of the existing literature in this area.

Keywords

Foreign Direct Investment; Capital; Export; Growth; Macroeconomic variables; Time series analysis

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Performance of Domestic and Foreign Companies in India: A Comparative Study

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Abstract

Since liberalisation, Indian business sector has gone for many structural, legal, technological and demographical changes. These changes have created many opportunities and challenges as well for business organisations. Opening of the economy has resulted in the closure of many companies, while many new companies have taken birth. Indian firms are generally criticised for their poor performance compared to their foreign counterparts, the MNCs. An attempt has been made in this paper to analyse the performance – both financial and market – of domestic and foreign companies operating in India. Findings highlight that even after 23 years of liberalisation, many Indian companies are lagging behind in terms of organisational performance compared to the foreign companies. This study presents a number of imperatives for researches, professionals and academicians.

Keywords

Indian companies; MNCs; Foreign companies; Performance; Liberalisation

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Sustainability of Social Enterprise for Financial Self-Reliance

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Abstract

This paper examines the resource generation methods of various social enterprises by analysing cases. While dealing with the issue, the non-commercial sources of funding such as appeal to foundation, franchising, revenue from income of economic activity, venture capital funding, social stock exchange market, resources from social investment organization, online fundraising, charity mall and payment service providers have been analysed. The audited statements of some social enterprises have been studied to understand the quantum of income from entrepreneurial activities and same from grants and donations. The nature of work of social enterprise determined its entrepreneurial income. As a concern, absence of specific regulation for social enterprise is a hindrance for generating resources. Government needs to realize this and take initiatives for effective legislation.

Keywords

Social Entrepreneurship, Financial Sustainability, Social Investment.

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Non-Performing Assets and Banking Stress: Some Issues

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Abstract

Economic progress of a country and the development of its banking system are invariably interrelated, and are necessary for the orderly growth of the economy. The global financial crisis in 2008-09 struck the international financial system and affected virtually the entire banking sector across the globe, with declining credit growth in economies like the USA, the UK and the Euro zone. The effect of the crisis on the Indian economy was not significant in the beginning. But as the intensity of global financial crisis shifted and started affecting emerging economies, impact was also felt in India. Thereafter, Non Performing Assets level and stressed assets of the banking sector have been steadily increasing. Considering the systemic importance of the banking sector, this paper attempts to study the levels of NPAs and the stressed assets of Indian Banks in general and those of State Bank of India in particular. The paper argues that menace of NPAs cannot be fought in isolation and both demand and supply sides must be addressed, with focus on short-term achievements and long-term goals.

Keywords

Non-Performing Assets, Public Sector Banks, Stressed Assets, Stressed Assets Ratio, Bank Led Growth, Assets Quality.

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Quality of Work - Life Balance: A Study on IT Professionals

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Abstract

Balance in work and family life is an emerging challenge for both employees and employers. The present research categorises selected variables, both organisational and individual oriented factors, to study work life balance. It analyses the factors that contribute to work and life imbalance across the demographic characteristics of IT professionals. A total of 146 IT professionals, both male and female, were included in the study. From Descriptive Statistics, it is found that both organisational factors and individual factors are equally responsible for work life imbalance causing work family strain. It is also found that work life balance is different for different age group of IT professionals. The implication of the study is to enlighten the subject in a broad perspective to employers as well as employees on this societal construct of work life balance.

Keywords

Work life balance, organisational factors, individual factors, work life strain, IT professionals.

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Impact of Energy Efficiency on Consumer Purchase Decision: A Study on Household Products in India

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Abstract

Global depletion of fuel resources like coal, oil and gas has triggered discussions in various fora to emphasize the significance of renewable energy sources like solar, hydro, wind and bio gas. Anticipating a shift of the consumer mindset towards greener technology products, organizations have identified this niche market and have introduced a range of products for various customer segments. The Howard Sheth Model of consumer behavior has been used in this study to understand how consumers generally look at broad range of factors including energy efficiency when purchasing major appliances. This research work aims to study the growing energy saving consciousness and environmental friendly considerations during purchase decision of consumers in India with regard to purchase of two home appliances – the refrigerator and the air-conditioner in Gujarat post 2010. Indicators like star rating have been used as influencing factor on consumers' decision during purchase.

Keywords

Refrigerator, Air-conditioner, Green, Energy, Star rating, Gujarat, Consumer, Buying behavior

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Sustainable Buying Intention in Different Purchase Situations : A Study

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Abstract

This paper aims to evaluate influence of marketing mix elements and macro environmental variables on Sustainable buying intention of consumers in Habitual and Extended Problem-solving-buying Situations. This can help marketers to modify their propositions as per buying situation. Field study was conducted to capture consumer responses for comparing their purchase intention towards green products in two buying situations. The findings indicate that two out of three factors that influence consumers vary with buying situations. Product Quality, Promotion and Governmental Regulations play different roles in different type of purchase situation. Thus the companies would realize higher product demand if they focus efforts towards Promotion and Government Regulations in Extended problem-solving-buying situation. In habitual problem-solving-buying situation, companies would benefit by focusing their efforts more towards Quality. This study can be further expanded by including other factors of consumer behavior like lifestyle, reference groups and their inter-linkages in the global context.

Keywords

Sustainable Marketing, Consumer Behavior, Purchase Intention, Buying Situation

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Health Management : The Role of Primary Care Physician in Nutrition and Functional Food Counselling

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Abstract

India has been identified as a country leading in non-communicable diseases. Poor eating habits and sedentary styles contribute to chronic illnesses like diabetes, heart disease, asthma, cancer etc. Treatment modalities have made healthcare very expensive. There is scope to make responsible lifestyle changes through a strategic shift towards health promotion and wellness with renewed rigor and focus on nutritional counseling and inclusion of functional foods in diets. Primary care physicians could have a positive influence to encourage motivational behaviours and sound purchasing decisions amongst consumers for health promotion. This study was undertaken to understand the role of primary care physician in nutrition counseling. The food items in consideration were breakfast cereal foods. A focus group study with 50 primary care physicians was done using a structured questionnaire and interview technique. The results revealed that physicians were aware of beneficial effects of functional foods and were willing to recommend them as dietary component for chronic disease management through nutrition counseling; however, they would not recommend brands citing strict compliance with medical and professional ethics. It is believed that nutrition counseling by physicians will motivate health consumers make a rational choice to help them maintain their health and wellness.

Keywords

Chronic disease management, functional foods, health promotion, nutrition behaviours, health education, health promotion.

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A Study on Religious Tourism in India with special reference to the States of Andhra Pradesh and Telangana

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Abstract

Travel from the ancient time has held a fascination for mankind. The urge to explore new places and seek a change of environment is not new. Tourism – travel for recreational, leisure or business purposes – is emerging as a leading global economic driver for the 21st century and has enormous potential to become as a catalyst for future social development. In this regard, each region of the world is seeking to exploit its strength. India's competitive advantage lies in the area of religious tourism because of its unique religious heritage and culture. Religions originating in India, be it Hinduism, Sikhism, Jainism or Buddhism, have a vibrant culture and spiritual philosophy. Moreover, the country is richly endowed with ancient temples and religious festivals. Thus, it provides excellent opportunities for pilgrimage tourism. The present study is an attempt to identify demographic and travel pattern of religious tourists, their level of satisfaction, the difficulties faced by them, and their expenditure patterns.

Keywords

Tourism, Pilgrimage, Demographic characteristics, Facilities, Problems

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