

## A STUDY ON EFFECTIVENESS OF A SOFT SKILLS WORKSHOP ORGANIZED UNDER YOUTH –LED DEVELOPMENT OUTREACH PROGRAMMES.

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**Abstract :**India is one of the nations having most favourable demographic feature of having majority of the population in the youth category. To capitalise on this feature National Youth Policy 2014 seeks to empower youth to achieve full potential. Soft skills are the personal attributes of an individual generally related to emotional intelligence quotient of a person. In today's competitive and global market soft skills have become the need of an hour. Nagindas Khandwala College conducted a soft skills workshop under Youth-led Development Outreach Programme of Rajiv Gandhi National Institute of Youth Development in consonance with National Youth Policy 2014. The topics covered in workshop were 7 pillars of life, career opportunities and building confidence, job readiness and interview skills and business communication etiquettes. The workshop was specially organised for scheduled caste students only. 150 participants from various colleges attended the workshop.

This paper is an attempt to analyze the effectiveness of this workshop. The objective of the paper is to understand the ultimate outcome of the various programmes organised in consonance with national youth policy. To examine the effectiveness of the workshop, researchers have analyzed feedback of participants on important factors like training design, content of programme, various technical sessions, resource persons, infrastructure, methodology of training and learning outcome.

**Key words:**Effectiveness , favourable demographic , business communication .

### 1.1 INTRODUCTION:

Soft skills are the personal attributes of an individual. It describes the ability of an individual to interact with others. It is often correlated with emotional intelligence quotient of a person. Soft skills are complementary to the technical skills required for any job. In this competitive world an employee is required to match up with the global standards and hence soft skills is the need of an hour. Unlike hard skills which are specific to a job, soft skills are general in nature. Soft skills are also known as people skills. Various studies have concluded that soft skills play a very important role in job performance. Considering this importance of soft skills, National youth policy 2104 has listed soft skills development as one of the priority areas. Rajiv Gandhi institute of youth development conducts various youth led programmes in consonance with national youth policy. Nagindas Khandwala College conducted soft skills workshop under one of the youth led programmes.

### 1.2 Objectives of the study:

- To study the salient features of National Youth Policy 2014 and Rajiv Gandhi Institute of Youth

Development.

- To examine the effectiveness of various training sessions of the workshop.
- To evaluate the aptness of training methodology of the workshop.

### **1.3 National Youth Policy 2014:**

National Youth policy 2014, Ministry of youth affairs and sports, Government of India was given approval by Union Cabinet on 9th January 2014 to replace National Youth Policy 2003. Youth age-group is defined differently by different countries and agencies and by same agency in different contexts. United Nations defines 'youth' as persons between 15 and 24 years of age. In the National Youth Policy-2003, 'youth' was defined as a person of age between 13-35 years, but in the current National Youth Policy 2014, the youth age-group is defined as 15-29 years which constitutes 27.5 per cent of the population according to Census-2011, that is about 33 crore persons.

The eleven priority areas listed in the policy are as follows:

- Education
- Employment and Skill development
- Entrepreneurship
- Health and healthy lifestyle
- Sports
- Promotion of social values
- Community engagement
- Participation in politics and governance
- Youth engagement
- Inclusion
- Social justice

### **1.4 Rajiv Gandhi Institute of Youth Development:**

Rajiv Gandhi institute of youth development, Sriperumbudur, Tamil Nadu is an institute of national importance by the act of parliament no 35/2012 under the Ministry of youth affairs and sports, Government of India. It was set up in 1993 as an apex national agency for youth development. Functions of the institute can be summed up as follows:

- Policy and action research
- Capacity building and development
- International cooperation and coordination
- Youth led development programmes
- Skill development programmes
- Academic programmes

### **1.5 Soft Skills Workshop conducted by Nagindas Khandwala College:**

Nagindas Khandwala College conducted a soft skills workshop under Youth-led Development Outreach Programme of Rajiv Gandhi National Institute of Youth Development in consonance with National Youth Policy 2014 on 7th Feb 2015. The objective of the workshop is to empower students to achieve their full potential through soft skills development. Professionals with high expertise conducted the workshop. The said workshop was totally free for the participants and a certificate of participation was issued to the participants. The highlight of the workshop was that the workshop was specially organised for scheduled caste students only. The invitation for the workshop was sent to more than fifty colleges and interested students were required to do prior registration along with the copy of caste certificate specifying that they belong to schedule caste. 150 participants from various colleges participated in the workshop. The workshop was inaugurated by Shri Mahadev Jagtap, member of management council, University of Mumbai. The workshop was divided into four technical sessions as follows:

**Table 1: Technical sessions**

Technical session	Topic	Resource person
1	7 Pillars of Life	Sagar Chudasera
2	Career Opportunities and Building Confidence	Darshika Dedhia
3	Job Readiness and Interview Skills	Madhuri Dadia
4	Business Communication Etiquettes	Sujata Chauhan

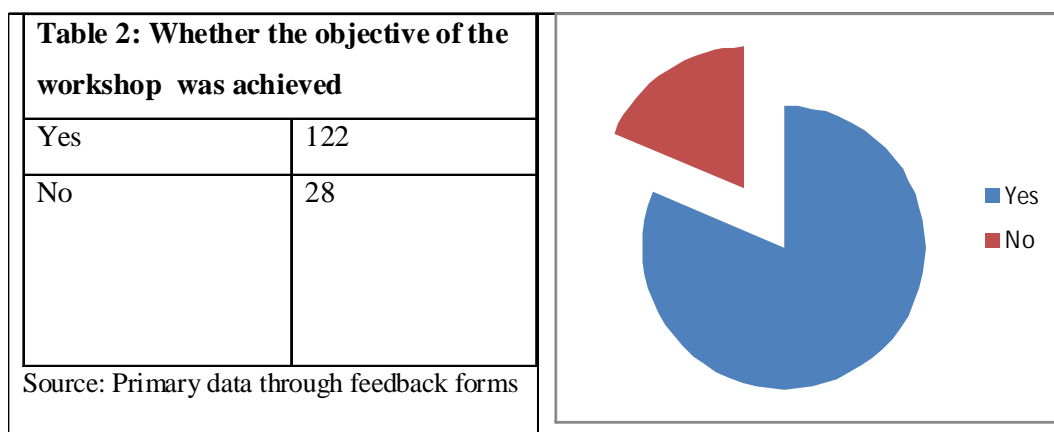
Source: Workshop report by Nagindas Khandwala college

The duration of each session was one and a half hour each. All the sessions were very interactive and interesting with related videos played on the topic. Also participants were made to play games to keep the learning experience enthusiastic.

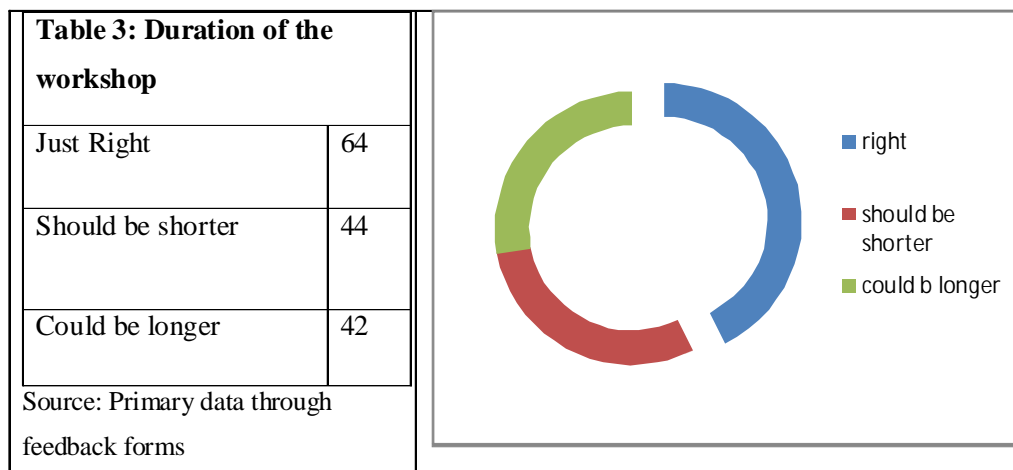
**1.6 Feedback of the participants:**

The feedback was collected from the participants of the workshop and it generated following outcomes:

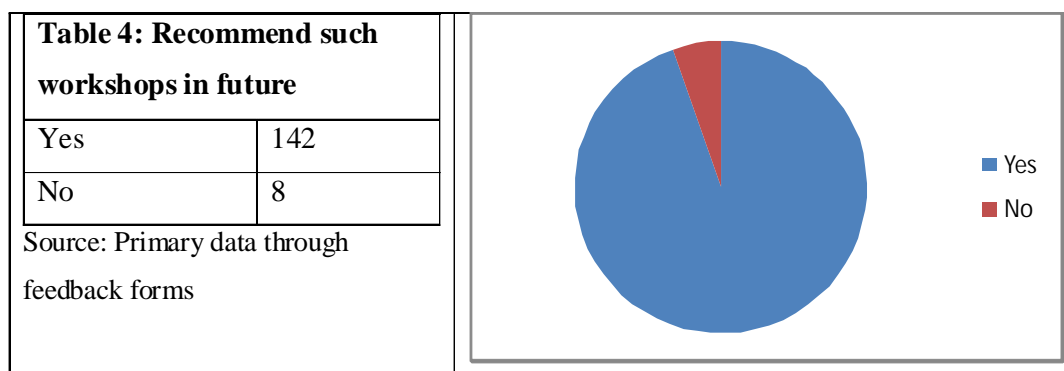
- The most important question asked in the feedback was whether the objective for which participants had attended the workshop was achieved and majority of the participants replied that it was achieved. The data of the same is tabulated and presented below:



- The next question was regarding the duration of the workshop; whether it was just right or whether it should have been shorter or whether it should have been longer. The response of the participants was as follows:



•Another important question asked was whether the participants would like to recommend to conduct such programmes in future also and the response of the participants was very positive as indicated below:



•The feedback of participants on various factors influencing the effectiveness of workshop are tabulated as follows:

**Table 5: Factors influencing effectiveness of workshop**

Sr.No.	Factors	Excellent	Very good	Good	Fair	Total	Mean
1	<b>Training design</b>						
1.1	Selection of topics	54	38	35	23	150	2.82
1.2	Timing	25	36	44	45	150	2.27
1.3	Sequencing	45	42	36	27	150	2.70
1.4	Size of grp	17	20	41	72	150	1.88
	Total	141	136	156	167	600	2.42
2	<b>Content of prog</b>						
2.1	Relevance	65	59	23	3	150	3.24
2.2	Coverage	69	58	21	2	150	3.29
2.3	Conceptual clarity	79	62	9	0	150	3.47
2.4	Applicability	71	51	24	4	150	3.26
	Total	284	230	77	9	600	3.32
3	<b>Training sessions</b>						
3.1	1	102	48	0	0	150	3.68
3.2	2	33	45	44	28	150	2.55
3.3	3	78	53	11	8	150	3.34
3.4	4	55	45	31	19	150	2.91
	Total	268	191	86	55	600	3.12
4	<b>Methodology</b>						
4.1	Appropriateness	71	52	17	10	150	3.23
4.2	Effectiveness	68	61	18	3	150	3.29
4.3	Practicality	55	59	32	4	150	3.10
4.4	Innovativeness	35	56	41	18	150	2.72
	Total	229	228	108	35	600	3.09
5	<b>Resource persons</b>						
5.1	Subject proficiency	42	44	47	17	150	2.74
5.3	Resourcefulness	48	43	41	18	150	2.81
5.4	Presentation	55	57	37	1	150	3.12
5.5	Clarity of concepts	69	62	19	0	150	3.33
5.6	Creativity	41	39	46	24	150	2.65
5.7	Commitment	89	51	10	0	150	3.53
	Total	344	296	200	60	900	3.03
6	<b>Infrastructure</b>	99	45	6	0	150	3.62
7	<b>Learning</b>						
7.1	Depth of knowledge	52	58	25	15	150	2.98
7.2	Applicability	89	54	7	0	150	3.55
	Total	141	112	32	15	300	3.26
8	<b>Overall experience</b>	69	64	11	6	150	3.31

Source: Primary data analysed

In the above table weights given are 4 for excellent, 3 for very good, 2 for good and 1 for fair. It can be observed that mean score for each factor indicating effectiveness is more than 2 representing that the participants feel that effectiveness is more than good. The only exception being the size of group where mean score is slightly less than 2 indicating that participants would have preferred smaller group to make the workshop more effective. The highest mean score can be seen for infrastructure facilities at the workshop as an air conditioned auditorium with projector and all technical support was made available by the college. Out of the four technical sessions, highest mean score can be seen for technical session one which was conducted by the enthusiastic youngest successful entrepreneur and participants could relate to him. The content of the programmes has also marked a high mean score as the topics selected for the sessions were very useful, practical and have high applicability. The effectiveness of any workshop is highly dependent on the methodology of training and training design which has also shown a good mean score, hence we can conclude that workshop was highly effective. The learning outcome of the workshop has resulted in value addition to the knowledge of participants.

### **1.6 CONCLUSION:**

India has a very favourable demographic feature of having maximum population in youth category. Soft skills development is very crucial to empower youth in today's global competitive world. National youth policy 2014 has listed important areas of development for youth and soft skills development is one of them. Rajiv Gandhi institute of youth development conducts various youth led development programmes in consonance with national youth policy. The soft skills workshop conducted by Nagindas Khandwala College under such youth led programme was very effective and resulted in positive learning outcome. The participants gave a favourable feedback on training design, content of programme, resource persons, methodology of training, infrastructure, learning outcome, etc. The overall experience of the participants at the workshop was good. Hence it can be concluded that the Government policies if implemented properly result into effective outcome.

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## UNCONVENTIONAL ADVERTISING

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**Abstract :** In a marketplace overflowing with advertisements, grabbing the attention of consumers has become an extremely difficult task. Every day, consumers are bombarded with large number of advertisements. As a result, they have virtually become immune to commercial messages. Hence, advertisers are trying to find new, alternative and unexpected ways to reach the customers. One of such strategies is unconventional advertising. Unconventional advertising involve selecting those media options which are not preferred by mainline advertisers. Such type of advertising is suitable mainly for small businesses operating in local areas. Very few studies have been undertaken in this area. Our study tries to find out the objectives of undertaking of unconventional advertising, the scope of unconventional advertising and the different techniques of unconventional advertising

**Key words:** Advertising, unconventional advertising.

### 1.1 INTRODUCTION:

In this highly competitive era, consumers are bombarded with advertising messages day in and day out. Newspapers, magazines, television, internet, and even the streets outside, all of them are cluttered with ads that are trying to get the customer's attention. The ads have become part of our lives. The increasing number of advertisements that the viewers are exposed to every day has made them virtually immune to the commercial messages. Hence the advertisers have to find new, alternative and more subtle ways to reach the customers and to create brand awareness. Some of the advertisers are taking measures to stand out from the crowd, one of which is unconventional advertising. Unconventional advertising also referred to as guerrilla advertising, often consists of all those unusual, non-traditional, innovative and inventive means, methods and strategies of promoting a product, service or brand.

Unconventional advertising is often ideal for small businesses who have limited budget for promoting their products. It also is used by big companies in grassroots campaigns to compliment on-going mass media campaigns. It helps the advertisement to stand out of the advertising clutter, creating a lasting image of the brand in the mind of the consumer.

Coca Cola was one of the first brands to use unconventional advertising in their marketing campaigns. In India, this form of advertising is relatively new. However, with the boom of retail outlets and malls, many Indian companies have started using Guerilla Advertising to promote their products. The first amongst such companies were Sony Ericsson, Nokia, McDonald's etc.

Unconventional advertising delivers messages in unexpected forms that most of the time surprises and entertains the viewers. Such advertising is unexpected and it catches audience in locations and situations where they aren't expecting to be advertised at and where they are off guarded. Also, unlike traditional advertising, the unconventional ads don't use persuasive messages trying to convince the audience to buy, but rather they address to customer's subconscious creating memorable images of the promoted brands which last in the mind of the consumer.

## OBJECTIVES OF THE STUDY

- 1) To understand the objectives of unconventional advertising
- 2) To find out for whom unconventional advertising is suitable
- 3) To find out the techniques of unconventional advertising

## REVIEW OF LITERATURE

The term Unconventional advertising is derived from the Spanish term ‘guerrilla’ which was used to describe the irregular troops, who fought with Wellington against Napoleon Bonaparte, during the Peninsular War (1808-14). The guerrillas were not professionally trained troops and resorted to unconventional tactics to achieve their aims. In 1984, US marketing Guru, Jay Conrad Levinson, coined the term “guerrilla advertising” to describe an equally unconventional and unorthodox, but nevertheless effective, approach to marketing.

Hutter and Hoffmann explain that guerrilla advertising is an umbrella phrase that includes multiple techniques such as ambush, ambient, sensation, buzz and viral advertising.

Ay, Aytakin and Nardali (2010) have said that because of economic insecurity, companies have been forced to reconsider their promotional and advertising budgets while trying to maintain and exceed their brand reach, impact, and profitability, resulting in a surge in guerrilla advertising.

Bigat (2012) explains that guerrilla advertising offers companies the opportunity to deliver low-cost and innovative advertising strategies in order to gain a powerful competitive edge and react to the changing environment. He further stated that while traditional advertising has only a handful of methods from which to choose, guerrilla advertising has a full arsenal of tactics that can reach very specifically targeted audiences, making it a powerful marketing tool.

From review of literature, we have observed that significant amount of research has not been done on unconventional advertising. Although the concept of unconventional advertising can be effectively used in the present competitive scenario, very little literature exists on the said subject. Hence we have undertaken this study. We feel that our study will provide more insight into the said subject.

## METHODOLOGY

The data has been collected from primary and secondary sources. Primary data includes discussions with people from advertising agencies and marketing executives from organizations who have undertaken both conventional and unconventional advertising. Secondary data is collected from books, magazines, journals, newspaper articles, Internet etc.

## TECHNIQUES OF UNCONVENTIONAL ADVERTISING

**1) Stealth advertising:** It refers to the method of advertising that is done secretly i.e. the advertiser tries to get people interested in a product without them realizing that it has been done intentionally. In other words, this type of advertising communicates the message in a subtle and unnoticeable way. Many experts believe that advertising is more effective if people aren’t aware that it’s occurring. Different methods of stealth advertising are commonly used. One common method is product placement in movies or television shows. For instance, a cooking show is paid to use a certain brand of cookware, a movie company is paid to use a certain model of car in its chase scenes and so on. A common version of stealth advertising that is used online is fake news articles or reviews. For example, a person may post an article that seems to be a critique of a product, when in reality, it is actually an advertisement. In some cases, the person may go out of his way to make some kind of negative point about the product while staying mostly positive. This is generally done to make the review seem more credible so that people don’t become suspicious.

**2) Ambient advertising:** It refers to placement of unique advertising in unusual and unexpected places often using unconventional methods to communicate to target markets. Advertisements are put up on unusual places where we normally don’t see ads. Examples are messages on the back of car park receipts, on the handles of supermarket trolleys and so on. It also includes such techniques as projecting huge images on the sides of buildings, outdoor places or messages on hot air balloons.

**3) Elevator advertising:** is another form of unconventional advertising that has been frequently used in the past years. The walls and even the floors of the elevator units can be used to promote products, services and brands either by placing stickers, posters or even products inside the units.

## UNCONVENTIONAL ADVERTISING

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**4) Ambush advertising:** It is a planned effort of a company that is not a sponsor of a particular event to give the impression that it is by associated its name indirectly to that event, in order to gain at least some of the advantages of a real sponsor. The main purpose of ambush advertising is to confuse the audience about who the sponsors are. This strategy is typically targeted at major sporting events - like the Olympic Games or the world cups in various games - and is a strategy adopted by rivals of the official sponsors.

**5) Bait-and-Tease:** It is the strategy of getting people interested in something that later is revealed to be something quite different. Quite often, a celebrity uses or talks about a product or a brand without it appearing conspicuous.

**6) Viral marketing:** It is a promotion technique that focuses on spreading information and opinions about a product or service from person to person, especially by using unconventional means such as the Internet or email. It's a marketing strategy that involves creating an online message that's novel or entertaining enough to prompt consumers to pass it on to others — spreading the message across the Web like a virus at no cost to the advertiser. The message can take the form of video clips, images, text messages or even interactive games and e-books.

**7) Bathroom advertising:** It has recently become an attractive form of promotion. The location of this form of advertising is unusual i.e. the restroom area. Bathroom ads can take any form, from billboards placed on the walls of the stalls or close to the dryers, to adhesive stickers glued to the floors and mirrors and even interactive or scented displays.

**8) Body advertising :** This strategy refers to the promotional clothing elements wore by people. Body advertising also includes placement of promotional messages directly on human skin. It is also known as tattoo advertising.

### Examples of unconventional advertising





## CONCLUSIONS AND RECOMMENDATIONS

- 1) Unconventional advertising involves placing advertisements in places where the customers least expect. Thus it serves as a surprise tool in the hand of the advertiser to amaze the prospects.
- 2) Unconventional advertising helps the advertiser to come out the clutter which otherwise he would face in conventional advertising like television or press.
- 3) The cost of unconventional advertising is relatively less and it is less standardized. So advertisers with smaller budgets can find this as an effective tool.
- 4) Unconventional advertising is suitable for small business houses operating at the local level. This is because the appeal of most of unconventional advertising tools is restricted to limited area. So such businesses can opt for it.
- 5) It is difficult to measure the actual impact of unconventional advertising like for example, a bench in a park covered with advertisement or a zebra crossing conveying advertising message as it is difficult to find out how many have actually noticed it.
- 6) Ambient advertising which is one of unconventional advertising techniques includes sidewalk painting, sculptures and colorful additions to buildings etc. This if not done properly can spoil the beauty of the surrounding. Furthermore it can also cause some legal wrangles if necessary permission is not sought of the owner of the building.
- 7) For a national advertiser this may not be a useful media as compared to TV, press etc which have national coverage and appeal.
- 8) For costly and luxury products it is better to select conventional medium like magazine as the image of the medium also gets attached to the image of the brand as unconventional medium like elevator advertising or bathroom advertising may not have the same image.
- 9) There are various techniques of nonconventional advertising like sunlight billboard, press kits, novelties etc. Lot of creativity and originality is required to make effective unconventional ads. Further, each technique is different from another, the reach, frequency and appeal also varies considerably from one another. So the advertiser before selecting any tool should try to precisely understand the potential impact of it.
- 10) While traditional advertising can reach large numbers of people, unconventional advertising can better target smaller groups. It is impossible to say that one or the other is better. However, a combination of the two can deliver excellent results.

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## UNDERSTANDING THE IMPACT OF WORKING CAPITAL MANAGEMENT PRACTICES ON FIRM'S PROFITABILITY

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**Abstract :** The rapid and un-predictive business changes make the business market all over the world more competitive and exert pressures on the firms. It is characterized by a considerable amount of uncertainty regarding the demand, market price, and availability of raw materials. The markets in which real firms operate are not perfectly competitive. Hence, this necessitates the firms to have working capital to meet the demand.

Working capital management is a very important aspect of corporate finance. This study has been undertaken to examine the management of finance playing a crucial role in the growth. It is concerned with examining the structure of liquidity position and profitability position of *BILENERGYLTD*, and *TRANSFORMER LTD*.

The purpose of this paper is to examine the trends in working capital management and its impact on firm's profitability. The dependent variable, return on total assets (ROTA) is used as a measure of profitability and the relation between working capital management.

**Keywords:** Working Capital Management, Profitability.

### INTRODUCTION

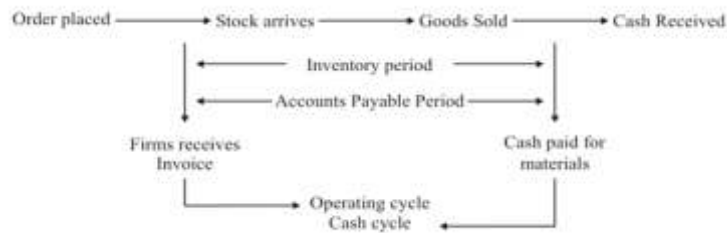
The real world fact is characterized by considerable amount of uncertainty regarding the demand, market price and availability of suppliers. These all transaction costs for purchasing or selling goods or securities. Information is costly to obtain and is not equally distributed. There are spreads between the borrowing and lending rates for investments and financing of equal risk. Similarly each organization is faced with its own limits on the production capacity and technology it can employ. There are fixed as well as variable costs associated with producing goods. Above problem necessitate the requirement for working capital.

Working capital management is the functional area of finance that covers all the current accounts of the firm. Working capital management involves the relationship between firms short-term assets and its short term liabilities. A firm is required to maintain a balance between liquidity and profitability while conducting its day to day operations. Liquidity is a precondition to ensure that firms are able to meet its short term obligations and its continued flow can be guaranteed from a profitable venture. The importance of cash as an indicator of continuing financial health should not be surprising in view of its crucial role within the business. The goal of W.C. management is to ensure that a firm is able to continue its operations and that it has sufficient ability to satisfy both maturing short term debt and upcoming operational expenses. The management of W.C. involves managing inventories, accounts receivable and accounts payable and cash.

The basic objective of financial management is to maximize shareholders wealth. This objective can be achieved when the company earns sufficient profits. The amount of profits largely depends on the magnitude of sales. But sales do not convert into cash instantly. There is a time lag between the sale of goods and the receipt of cash. Working capital is required to purchase the materials, pay wages and other expenses

in order to sustain sales activity and the time gap between the sale of goods and realization of cash is called operating cycle.

A firm can be very profitable if it can translate the cash from operations within the same operating cycle otherwise the firm would need to borrow to support its continued working capital needs. Thus, the twin objectives of profitability and liquidity must be synchronized. Investments in current assets are inevitable to ensure delivery of goods or services to the ultimate customers and a proper management of same should give the desired impact on either profitability or liquidity. If resources are blocked at the different stage of the supply chain, this will prolong the cash operating cycle. Although this might increase profitability due to increase sales it may also adversely affect the profitability if the costs tied up in working capital exceed the benefits of holding more inventories and or granting more trade credit to customers.



### LITERATURE REVIEW:-

Many researchers have studied working capital from different views and in different environments. The following are the pioneer studies in this area for better understanding gap in the area:-

1. Smith and Begemann 1997 emphasized that working capital theory comprised of shared goals of profitability and liquidity. The problem was because, the maximization of the firm's returns could seriously threaten its liquidity, and the pursuit of liquidity had a tendency to dilute the returns. The problem under investigation was to establish whether the more recently developed alternative working capital concept showed improved association with return on investment to that of traditional working capital ratios or not. Results indicated that there were no significant differences amongst the year were with respect to the independent variables.

2. The study conducted by De Chazal Du Mee (1998) revealed that 60% of enterprises suffer from cash flow problems. The pioneer work of Shin and Soenen (1998) and the more recent study of Deloof (2003) have found a strong significant relationship between the measures of WCM and corporate profitability. Their findings suggest that managers can increase profitability by reducing the number of days accounts receivable and inventories. This is particularly important for small growing firms who need to finance increasing amounts of debtors.

3. Narasimham and Murty (2001) stress on the need for many industries to improve their return on capital employed (ROCE) by focusing on some critical areas such as cost containment, reducing investment in working capital and improving working capital efficiency.

4. S.K. Khathik & P.K. Singh (2003) made a study on working capital management in Indian Farmers fertilizers co-operative limited. For this, they employed several statistical tools on different ratios, to examine the effective management of working capital. It was concluded that the overall positions of the working capital of IFFCO are satisfactory but there is a need of improvement in inventory.

5. Ghosh and Maji, 2003. In this paper made an attempt to examine the efficiency of working capital management of the Indian Cement Companies during 1992-1993 to 2001-2002. For measuring the efficiency of WCM (Working Capital Management), performance, utilization and overall efficiency. Indices were calculated instead of using some common working capital management ratios. Finding of the study indicated that the Indian Cement Industry as a whole did not perform remarkably well during this period.

6. Eljelly, 2004 elucidated that efficient liquidity management involves planning and controlling current assets and current liabilities in such a manner that eliminates the risk of inability to meet due short term obligations and avoids excessive investment in these assets. The relation between profitability and liquidity was examined, as measured by current ratio and cash gap (Cash conversion cycle) on a sample of joint stock companies in Saudi Arabia using correlation and regression analysis. The study found that the cash conversion cycle was of more importance as a measure of liquidity than the current ratio that affects profitability.

All the above studies provide us an idea regarding working capital management and its tools.

#### **OBJECTIVES OF THIS STUDY:**

- 1.To study the combined effect of the ratio relating to working capital management.
- 2.To analyze the relationship between WCM (Working Capital Management) efficiency and firms profitability.

#### **RESEARCH METHODOLOGY:-**

The data has been collected from the financial statements of the two sample firms have a legal entity and have filed their annual return to the Registrar of companies. Data for years 2010-2011 and 2011-2012 has been considered.

#### **DATASET & SAMPLE (VARIABLES) :**

This study undertakes the issues identifying the key variable that influence working capital management of Indian firms. Choice of the variables is influenced by the previous studies on working capital management. The variables used in our study are:-

- (i)Current ratio establishes the relationship between current assets and current liabilities. Normally, high current ratio is considered to be a sign of financial strength. It is the indicator of the firm's ability to promptly meet its short term liabilities.
- (ii)Quick ratio represents immediate solvency position of the business.
- (iii)Inventory turnover ratio is the number of times inventory turned over in a year. It is the relationship between cost of goods sold and average inventory at cost.
- (iv)Cash position ratio is the relationship between absolute liquid assets and current liabilities. The purpose of preparing this ratio is to find out the absolute liquidity position. The standard norm is 0.5:1.
- (v)Return on total assets (ROTA) Profitability is measured by return on total Assets (ROTA). It is the ratio which measures company's earnings before interest and taxes (PBIT) against its total net assets. The ratio is considered as an indicator of how effectively a company uses its assets to generate earning before meeting contractual obligations. The greater the company's earning in proportion to its assets, the more effectively the company is said to be using its assets.
- (vi)Cash conversion cycle is a measure of working capital efficiency; it determines the health of a business. The cycle measures the average number of days that working capital is invested in the operating cycle.
- (vii)The working capital management efficiency is measured in terms of the "Days of Working Capital" (DWC). DWC value is based on the amount in each of equally weighted receivable, inventory and payable accounts. The DWC represents the time period between purchases of materials on account from suppliers until the sale of finished product to the customer, the collection of the receivables and payment of payables. Thus it reflects the company's ability to finance its core operations with vendor credit. Days inventory outstanding (DIO), Days Sales Outstanding (DSO) and Days Payable Outstanding (DPO) are independent terms which are dependent variables for  $DWC = DSO + DIO - DPO$ .

The firm's profitability is measured using the ROTA (Return on Total Assets). This measure is indicator of the earning power of the firm's assets. To measure the liquidity of the firm, the cash conversion efficiency (CCE) and current ratio (CR) are used. The CCE is the cash flow generated from operating activities related to the sales.

#### **FORMULAE TO CALCULATE THE VARIABLES:-**

- 1.Quick Ratio (QR) = (Current assets inventories) / Current liabilities.
- 2.Current Ratio (CR) = (Total Current assets / Current liabilities).
- 3.NCA/TA = Net Current Assets / Total Assets.
- 4.NCA/NS = Net Current Assets / Net Sales.
- 5.Working Capital Turnover Ratio = (Net Sales or COGS) / Net Working Capital.
- 6.Inventory Turnover Ratio = (COGS / Inventory).
- 7.Cash Position Ratio = (Cash and bank balance + Investments) / Current liabilities.
- 8.Return on Total Assets (ROTA) % = (PBIT / Total assets) \* 100
- 9.Days Sales Outstanding (DSO) = (Receivables / Sales) \* 365
- 10.Days inventory Outstanding (DSO) = (Inventories / (Sales) \* 365

11. Days payable outstanding (DPO) = (Payables / Sales) \* 365.
12. Days Working Capital (DWC) = DSO + DIO - DPO.
13. Cash Conversion efficiency (CCE) = (Cash flow from operations) / Sales.

**CORRELATION ANALYSIS:**

Spearman's rank correlation analysis attempts to determine the degree and direction of relationship, between two variables under study.

**SPEARMAN'S RANK CORRELATION FORMULA:-**

$$r = 1 - \frac{6 \sum D^2}{N(N^2 - 1)}$$

**DATA SOURCES:**

In order to meet the objectives and hypotheses of the study, data were collected from secondary sources mainly from financial report of the BIL POWER LTD and TRANSFORMER LTD.

**DATA ANALYSIS AND INTERPRETATION:**

Table 1:- Comparison of Components of current assets and liquidity ratios for various sectors between periods 2010-11 and 2011-12

Companies	QR		CR		NCA/TA		NCA/NS		WCIR		IFR		CPR	
	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12
BIL POWER LTD.	4.3	3.76	1.07	5.91	0.35	0.44	0.162	0.70	0.207	1.42	8.876	3.25	0.847	0.015
TRANSFORMER LTD.	2.34	1.58	2.84	1.81	0.54	0.50	7.26	1.89	1.54	2.24	0.77	4.20	1.48	0.12

Sources: - Data collected and compiled from Annual Reports.

**DATA ANALYSIS:-**

From the analysis of each component of working capital some interesting trends can be deduced. The ideal ratio for CR is 2:1. An increase in CR represents that there is improvement in liquidity position of the firm and has ability to meet its current obligations BIL POWER LTD has high and desirable liquidity position.

WCTR indicates the velocity of utilization of working capital. This ratio indicates the number of times the W.C. is turned over in the course of a year. Higher ratio indicates efficient utilization of W.C. and lower ratio indicates otherwise.

High CPR signifies that the liquidity is high and the company can meet its obligation. The NCA/TA ratio is almost stable for both the companies.

The standard quick ratio should be 1:1. It is maintained by both the companies. Tarapur transformer Ltd has the high CPR (1.48). Tarapur Transformer Ltd requires high liquidity to meet the changing market demands.

Table – 2:- The following table shows rank correlation between liquidity and profitability for both the companies.

Company	Current Ratio		Return on total assets		R1-R2	
	CR	RANK	ROTA %	RANK	D	D <sup>2</sup>
BIL POWER LTD.	5.91	1	1.21	2	1	1
Tarapur Transformer Ltd.	1.81	2	2.26	1	1	1
r=-1						? D <sup>2</sup> =2

$$r = 1 - (6 \times 2) / 2(3) = -1$$

INFERENCE:-

From the above discussion it could be inferred that CR and ROTA of selected manufacturing sectors are inversely related with each other.

CONCLUSIONS:-

It is the duty of the finance manager to maintain working capital at the optimum level by maximizing the profitability without impairing the liquidity of the concern. Analyzing working capital trends brings out certain important trends in the working capital.

The ROTA shows the direct influences of variations in the independent variables on the profitability of the company. Out of the two ratios namely CR and ROTA has inverse relationship between profitability and liquidity. This study shows that there is disproportionate and inadequate increase in the profitability of the company for a decrease in working capital.

It was found that the study of working capital management of the company is very effective and also the firm has to maintain the liquidity and solvency position to repay its obligations in time.

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## E-BANKING

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**Abstract :** Today, e-banking is used as a strategic tool by the global banking sector to attract and retain customers. E-banking is a generic term for delivery of banking services and products through electronic channels, such as the telephone, the internet, the cell phone, etc. The concept and scope of E-banking is still evolving. It facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably. While E-banking has improved efficiency and convenience, it has also posed several challenges to the regulators and supervisors. Several initiatives taken by the government of India, as well as the Reserve Bank of India (RBI), have facilitated the development of E-banking in India.

**Key words:** E-banking, Efficiency, Effective Payment and Accounting System.

### INTRODUCTION:

#### What is electronic banking?

