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**A STUDY ON INVESTORS PERCEPTION TOWARDS FINANCIAL
DERIVATIVES WITH SPECIAL REFERENCE TO JAIPUR DISTRICT
RAJASTHAN**

**PERSONAL CHARACTERISTIC DETERMINING
THE SUCCESS OF THE ENTREPRENEURS**

**HOW CHANGING VALUES OF FINANCIAL RATIOS HAS IMPACTED
THE GROWTH OF THE FERTILIZERS INDUSTRY OF INDIA**

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A STUDY ON INVESTORS PERCEPTION TOWARDS FINANCIAL DERIVATIVES WITH SPECIAL REFERENCE TO JAIPUR DISTRICT RAJASTHAN

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ABSTRACT

This study basically describes the various types of instruments available in the market and the investors trading perception towards derivatives market. Majorly Arbitraders, Hedgers, and Speculators are the three main categories of participants in the derivative market. Prices in the organized derivatives market basically reflect the perception of market participants about the future. In the recent times, this market has gained importance in terms of their vital role in the economy. The study conducted the investor perception towards market reluctant regarding risk and other side as for expected returns. The paper also focuses the major drawbacks that clients are not pretending more attention towards Derivative Investments. In this research paper, 100 of the new and existing client where asked to fill the questioner as prepared. In which, the clear questions were asked to the clients about Financial Derivatives and its Market investment.

Key Words:

Risk Reluctant, Financial Derivative, Derivatives Market, Risk, Hedger, Arbitraders, Speculators.

Introduction

Firstly to know about Financial Derivatives –“Financial Derivatives are financial instruments that are linked to a specific financial instruments or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right.” The main purpose for trading in this market is risk management between markets. Majorly three categories of participants are included these participants participates as Arbitraders, Hedgers and Speculators. The investment options that are available in this market involves Forwards, Futures, Options and Swaps.

A Forward Contract is nothing but an agreement to sell and buy something at a future date. The price at which this transaction will take place in future is decided in the present date. Forward contract is a cash market transaction in which delivery of the instrument is deferred until the contract has been made.

A Futuers Contract is an agreement between two parties to buy or sell a specified quantity of an asset at a specified price and at a specified time and place. Futures contracts are normally traded on exchange, which sets the certain standardized norms for trading in the futures contracts.

The Options Contract, binds one party whereas it lets the other party decide at a later date that is at the expiration of the option. So one party has the obligation to buy or sell at a given time for specified price but the other party can make a choice. Options are of two types – Call Option (Teji) and Put Option (Mandi).

A Swap is a contract between two parties in which the first party promises to make a payment to the second party and the second party promises to make a payment to the first. Both payments take place on a specified date. Different formulas are used to determine what the two sets of payments will be.

OBJECTIVES

- To study the investors perception and preference towards financial derivatives.
- To study the most preferable derivative instruments of investors.
- To study the risk & return perceptions in Financial Derivatives Market.

Limitations

Every Research conducted has its limitations. These limitations are being brought forward such that when any further research is conducted the limitations given below may be taken into consideration.

- Most serious limitations concerns the fact that the Investor's response is absolutely comes from subjective questions and there is no way to reliably assess whether their actual behaviour would mimic their answers.
- There is always sampling error. Investor's response may be biased.
- An attempt has been made to conduct a detailed study, still there are areas which have not been covered.
- The respondents to the study were restricted to the selective ones.
- Time was a limiting factor.

Research Methodology

Research Type - Type of research is Descriptive research, which is Quantitative in nature.

Sample Area – Respondents selected for sampling is Jaipur District based clients.

Sample Size - A sample of 100 respondents were chosen for the purpose of the study.

Sampling Technique - A Simple Random Sampling technique is used for the research purpose.

Data Collection – The primary data has been collected for this study by using Questionnaire Tool.

Data Analysis And Interpretation

1. Occupational

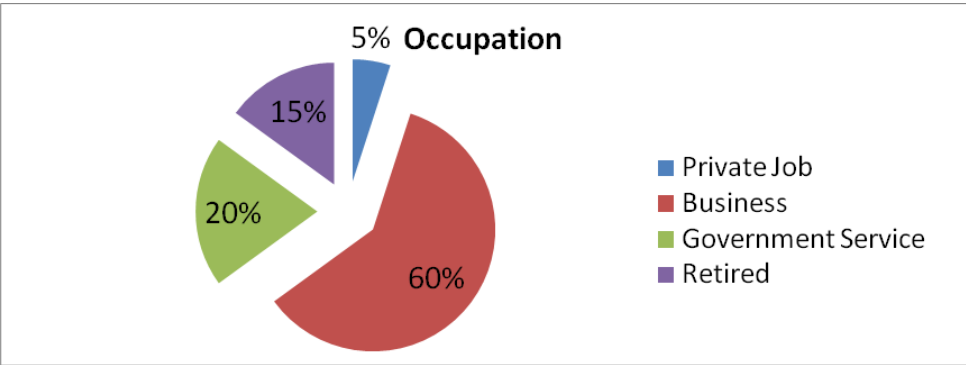


Figure no.5.1

INTERPRETATION :- According to the data collected, about 5% people said that their occupation is Private job. About 60% people said that their owned their own Business. About 20% people said that their occupation is Government Service. About 15% are those who Retired from their profession. This result shows that most of the people are having their own business.

2. Annual Income

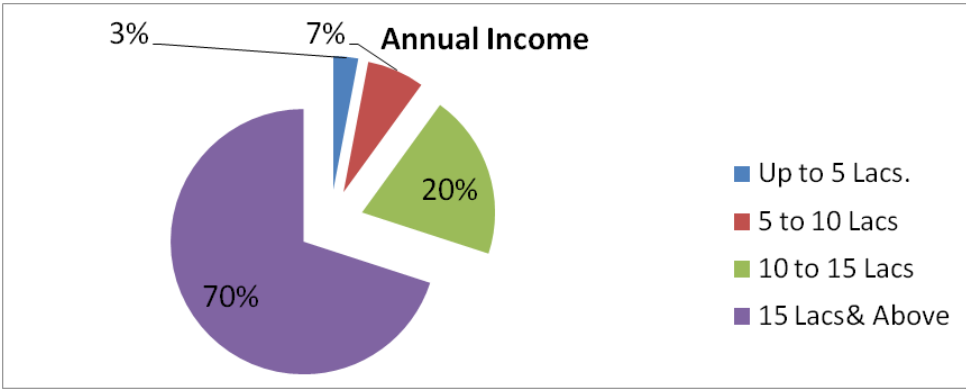


Figure no.5.2

INTERPRETATION :- According to the data collected, about 3% of people has that their annual income up to 5 Lacs. About 7% people has annual income between 5 to 10 Lacs. About 20% of people has that their annual income between 10 to 15 Lacs. And lastly About the 70 % of people has their annual income above 15 Lacs.

1.Percentage of your Income you prefer in investing in Stock Market

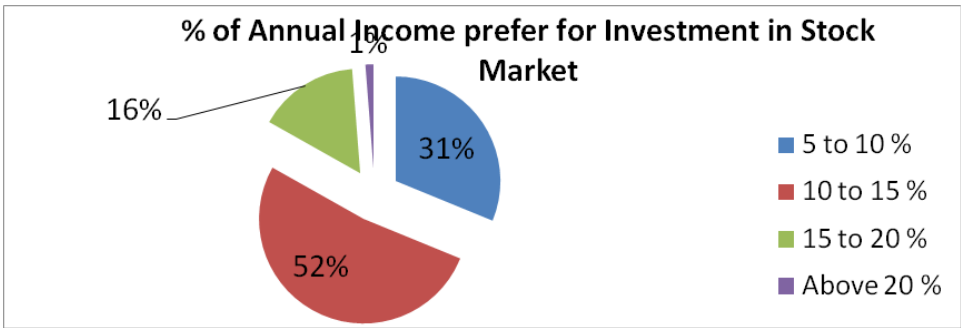


Figure no.5.3

INTERPRETATION :- According to this data about 30% of the people prefer 5 to 10 % of their annual income for investment in the Stock Market. About 50% people stated that they would prefer to invest 10 to 15 % of their annual income in Stock Market. About 15% of people said they would prefer to invest 15 to 20 % of their annual income in Stock Market. And about 5 % of people said to invest 20% of their annual income in Stock Market

4.Percentage of your Investment Amount you would Prefer to invest in Derivatives Market

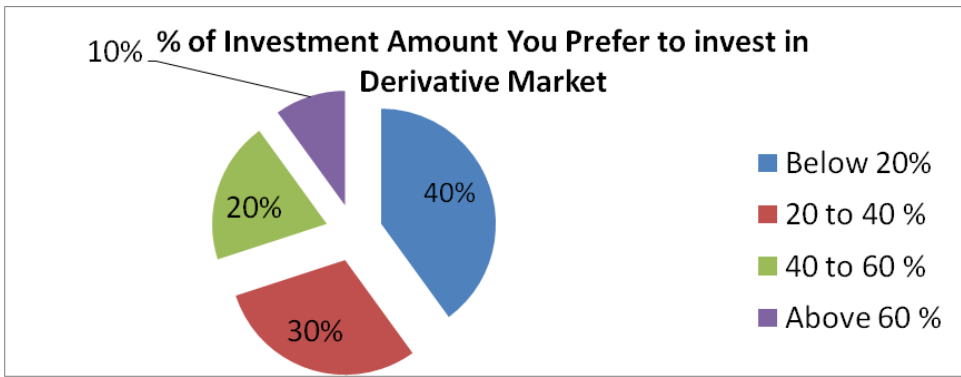


Figure no.5.4

INTERPRETATION According to the data collected, 40% of people invest below 20% of their total investment amount in derivative market. About 30% of people invest between 20 to 40%; About 20% of people invest between 40 to 60%. And about 10% of people invest above 60% of their total investment amount in the derivative market.

5.In Derivative Market You Participate as

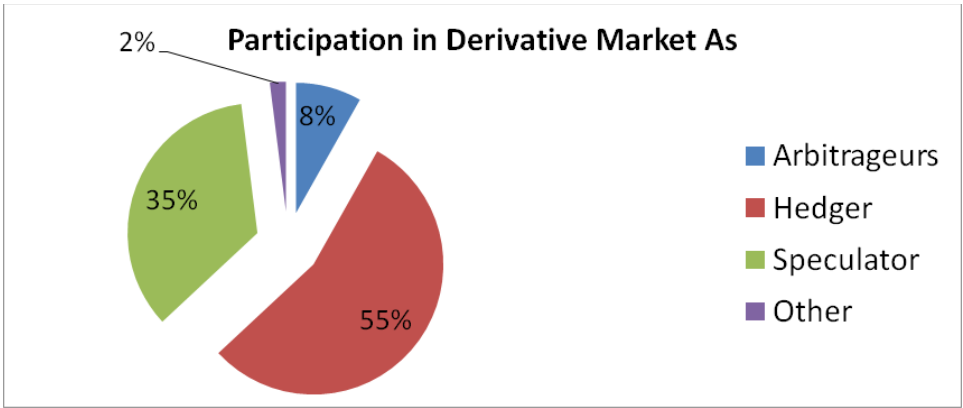


Figure no.5.5

INTERPRETATION :- According to this data collected, most of the people as in 55% among respondents where participating as Hedgers, 35% people as Speculators, 8% where as Arbitrageurs and 2% as Others as in individual investors or bankers..

6.Expected Rate of Return in the Derivative Market

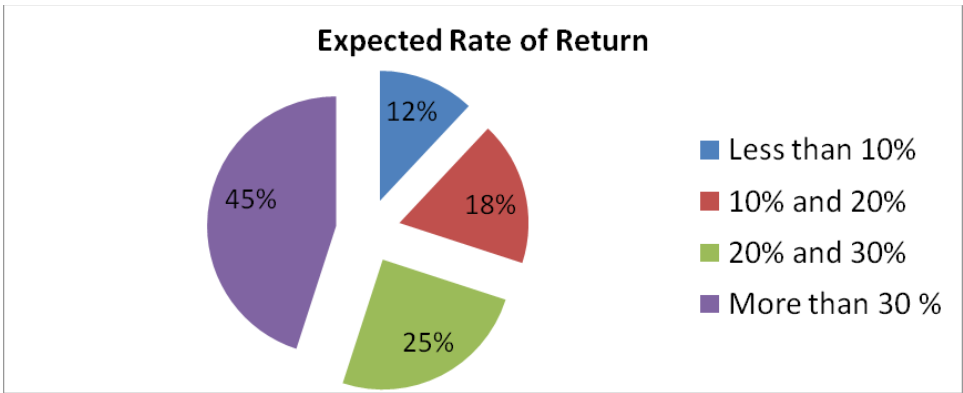


Figure no.5.6

INTERPRETATION :- According to this data 45% of the investors expects the rate of return more than 30% from this market; 25% of people expects between 20 to 30%, 18% of investors expects the rate of return between 10 to 20%, and 12% of investors expects the rate of return Less than 10% .

7.Most preferable derivative instrument for investment in the Derivative Market

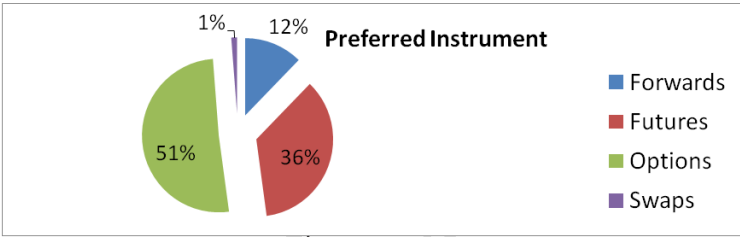


Figure no.5.7

INTERPRETATION:- According to this data, 50% of respondents where preferring to invest in Options by getting put to hedge the market. 35% of investors where preferring Future; 12% of respondents where preferring Forwards instruments and only 3% of the investors where preferring swaps.

8. Source of your knowledge about Financial Derivatives as an investment option

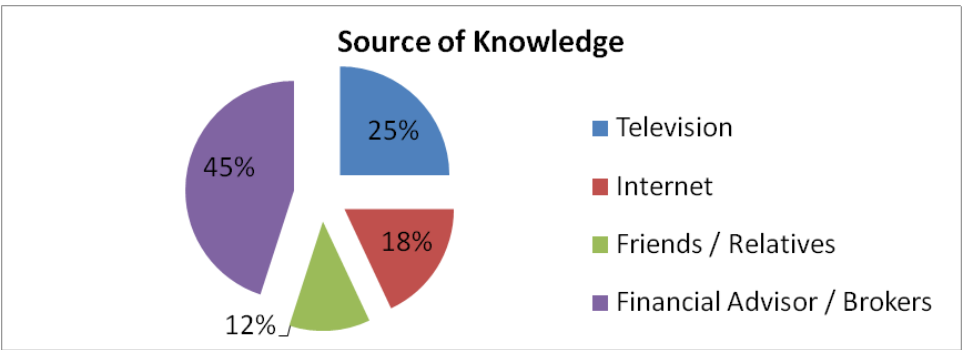


Figure no.5.8

INTERPRETATION:- According to this data around 45% people have their primary source of knowledge regarding financial derivatives from their financial advisor / Brokers, 18% people got to know about financial derivatives through internet, around 12% people came to know about financial derivatives through their friends / relatives and about 25% people got their knowledge about financial derivatives through television.

9.Kind of risk perceive while investing in /derivative Market

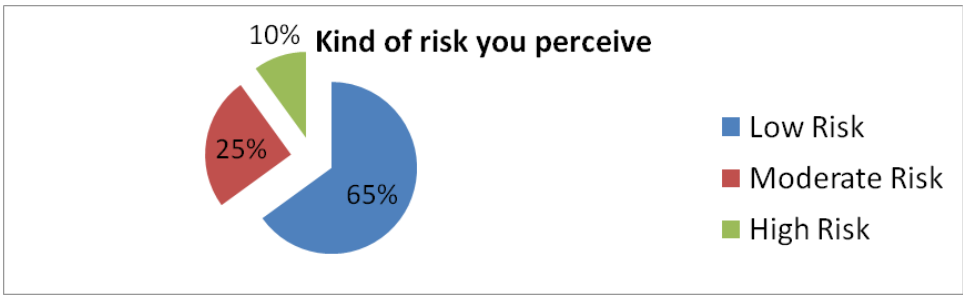


Figure no.5.9

INTERPRETATION :- According to the data collected about 65% people say that derivatives has low risk, while of to 25% people says that derivative investment perceives moderate of risk and 10% of people responded that to have high risk.

10. Time Period you choose for derivative Market investment

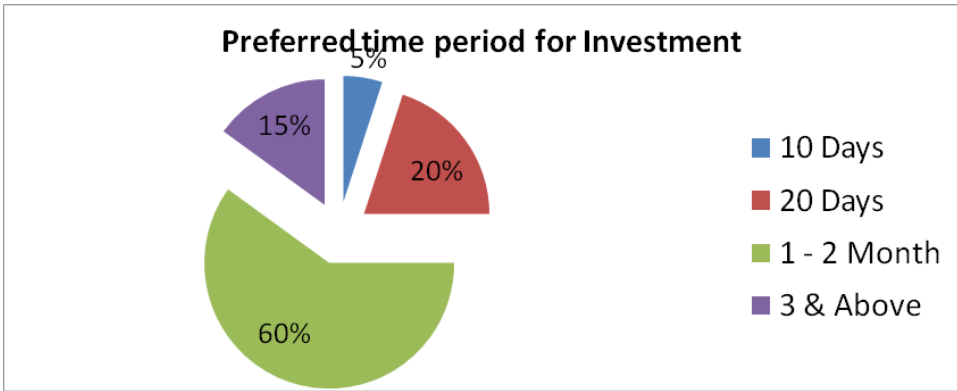


Figure no.5.10

INTERPRETATION:- According to the data collected, 60% of people prefer 1 – 2 Months time period for investment. 20% people prefer 20 Days of time period for investment. 15% of people prefer for 3 Months & Above and only 5 % of people prefer to invest for 10 Days of time period.

11.Frequency of investments in Derivative Market in a year

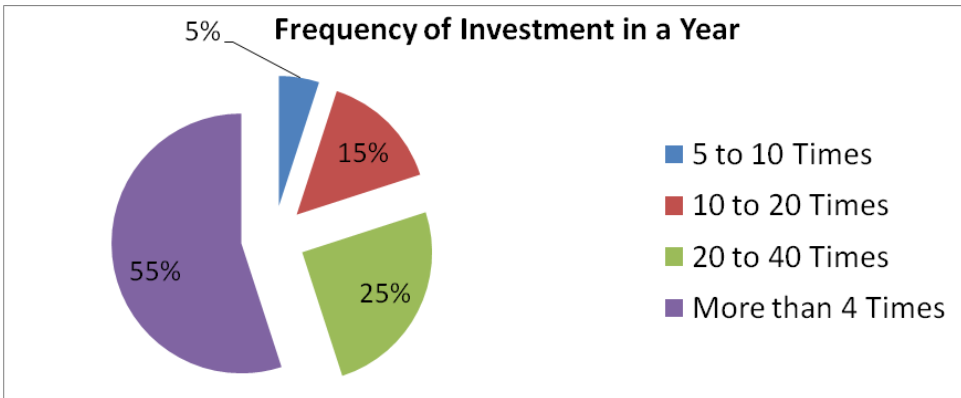


Figure no.5.11

INTERPRETATION:- According to the data collected, 55% of people frequently invest more than 40 Times, 25% of people invest 20 to 40 Times in a year, 15% of people invest between 10 to 20 times frequently in a year and only 5 % of people frequently invest 5 to 10 Times in a year.

12.Reason of not investing in Derivative Market

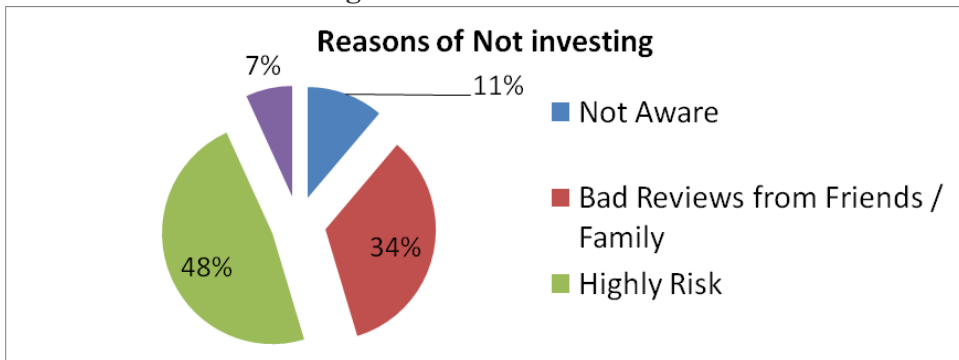


Figure no.5.12

INTERPRETATION:- According to the data collected, 35% people were not even aware about this and just were working on the beliefs of brokers and 35% of people has myth that it's the highly risk market. 25 % of people has bad reviews from their neighbor once and 5% of people were having no Reasons.

CONCLUSION

- The present scenario in the derivative market is extending day by day and the investors with the age group between 30 – 50 are deliberately showing their interest in this market.
- Most of the investors are under graduate and only through the help and guidance of brokers and advisors they prefer investing in the derivative market.
- Most of the investors with partial knowledge or professionals with good knowledge in this market pay full attention to the market trends and it was found that derivatives are used as risk Hedging tools and the trend of the spot market affects the trading of Derivatives.
- The regulatory Authorities should take corrective measures to create awareness among investors and need to educate individual investors through training and national seminars regarding the advantages and risk management factors associated with derivative instruments in the market.

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PERSONAL CHARACTERISTIC DETERMINING THE SUCCESS OF THE ENTREPRENEURS

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ABSTRACT

Entrepreneur's role in the economy is vital. Their ability of using skills and knowledge anticipates the need of the market and brings new ideas. Entrepreneurs have been successful in taking risks, the fruit of their hard work in the form of profits, fame, and continued growth opportunities. The underlined study has been done to know and analysis the factors that have an effect on entrepreneurs and their entrepreneurship. For the study purpose, close ended questionnaire was framed, where the entrepreneurs were ask to respond through telephonic interview. On the bases of the responses, data was analyzed and conclusion was drawn. The finding depicts that innovative ideas, knowledge and experience are the core factors for entrepreneurs success, whereas education came out to be the least influential factor of all.

Key Words:

Entrepreneurs, innovative idea, knowledge, experience and education

Introduction

Today's Indian economy is visualizing phenomenonal change in its system. Where the world has seen and faced the recession of 2008, it still has not come up with those aftermath. To bring about the change, entrepreneurs came up with the concepts which started influencing the economy, which resulted in favourable outcomes.

An entrepreneur is a person who generates a new business, bearing most of the risks and enjoying most of the rewards. They are the innovator, a dwell house of new ideas, creativity and unusual business/or procedures.

Kao(2017), stated that the entrepreneur have the skills, and mindset associated with operating large corporations with greater flexibility, innovation, and responsiveness. They are visionary and self-confident, good communicators with unlimited energy, and have a strong passion for what they do.

Churchill(1992), defined that entrepreneurship is seen as the process of uncovering and developing an opportunity to create value through innovation and seizing that opportunity without regard to either resources (human and capital) or the location of the entrepreneur – in a new or existing company.

Literature Review:

The dynamism of global world has somewhere influenced to work by oneself. Entrepreneurs are those people who are competitive, risk bearers, and advantageous.

Sharma (2019) in his book Entrepreneurship Development, defined entrepreneurs as a person who has the possession of a new enterprise, venture or idea and assumes significantly accountability for inherent risks and the outcomes. He also needs to manage and synchronize all the possible works of the members in his unit in order to ensure that they also get best possible results. Even Drucker (2012) in his book on Innovation and Entrepreneurship, has defined entrepreneurs as one who always searches for changes, responds to it and exploits it as an opportunity.

Entrepreneurs possess some individual characteristics which differentiate them from other people. Peters (2000) in his book on Entrepreneurship, concluded that out of all, they use their cognitive qualities more.

Uike (2012) in his book on Entrepreneurship Development, stated that entrepreneurs are self confident when they are in control of what they are doing and working alone. They tackle problems immediately with confidence and are persistent in their pursuit of their objectives. He also mentioned that entrepreneur are risk takers .They tend to attempt either very difficult task, so that if they fail, it is no reflection on themselves or very easy tasks where failure is virtually impossible.

Creativity is the core capability of the Entrepreneurs creativity and innovation are seen as synonyms to Entrepreneurs. G.S. Sudha(2011) has emphasized that creativity and innovation are seen as being the key to survival in an ever more competitive and global economy. Infact change and innovation are becoming the way of life for most entrepreneurs. Entrepreneurs work hard for the existence of their business. Working hard is one of the many factors which act as an impetus for lasting Entrepreneurship. Sukhlecha, and Gupta, (2018) stated that the magnitude of innovation in entrepreneurship is the key assessment factor for the longevity of a business.

Research Methodology

Objectives of the Study:

To know the various factors affecting the success of the entrepreneur.

Hypotheses:

H0: Individual personal characteristics affecting the success of the entrepreneur.

Ha1: Characteristics affecting positively on the success of the entrepreneur.

Ha2: Characteristics affecting negatively on the success of the entrepreneur.

Research Methodology

The study focuses on the underlined factors (independent variable) which contribute to success of the entrepreneurs (dependent variable). Factors like: **innovative idea, experience, knowledge, creativity, risk-taking, self-**

confidence, attitude and entrepreneurial skill have been taken as independent variable for the research purpose.

Descriptive Research Design is used for the research, where a structured closed ended questionnaire has been framed, with 18 questions and the entire questionnaire is based on the underlined independent factors(two from each factor). Simple Random Probability sampling technique and Judgemental Non Probability sampling technique has been used, as the list was generated and on the bases of researchers judgement, entrepreneurs were selected from Jaipur city. Sample size of 33 entrepreneurs has been taken. Consideration has been made that these entrepreneurs had the experience of 4 years only and belonged to Jaipur city only. Sample drawn is based on the telephonic responses. Cronbach's alpha test of reliability came out to be 0.76, which shows that the items of the questionnaire are reliable and acceptable. The questions were rated on 5 point scale. The entire questionnaire has been divided into innovative idea(A1.1 & A1.2), knowledge (A2.1 & A2.2), experience (A3.1 & A3.2), creativity(A4.1 & A4.2), risk-taking (A5.1 & A5.2), self-confidence (A6.1 & A6.2), education (A7.1 & A7.2), attitude (A8.1 & A8.2) and entrepreneurial skill (A9.1 & A9.2).

Descriptive Statistic, where N=33

Statement	Mean	Std. Deviations
A1.1- your innovative idea helped in your success	3.43	.899
A1.2 - innovative idea was appreciated which motivated you	3.94	.763
A2.1- knowledge related to the business you want to go	4.44	.539
A2.2- source of knowledge source	2.35	.968
A3.1 –learnt from other experience	4.67	2.98
A3.2 – your own experience made you more observant	4.09	2.68
A4.1- creativity plays a crucial role in success	4.02	.804
A4.2 – your creativity lead you to attain what you wanted to	4.13	.886
A5.1 – biggest risk that you felt to be an entrepreneur	4.50	.642
A5.2- thought about failure or success	3.69	1.213
A6.1- confident about success	2.85	.642
A6.2- testing and re-testing of idea made your confident.	4.21	.457
A7.1- education helped you to an entrepreneur	2.31	.853

A7.1- education helped you to an entrepreneur	2.31	.853
A7.2- education increases the scope of success	2.62	.953
A8.1- your positive attitude for entrepreneurship made you successful	3.33	.234
A8.2- failure is a contributing factor for success	3.31	.489
A8.1 your entrepreneurial skill of problem solving helped you	4.08	.675
A9.2- challenging situation broadened your vision	2.34	.965

Here, Descriptive Statistics has been used to calculate the mean value(M) and Standard Deviation(SD). A1, A2,...A18 symbolises the number of items in the questionnaire.

Data Analysis and Interpretation- Hypotheses Testing

The objective of study was to determine those factors which affect the success of the entrepreneurs. On the bases of the objective, some individual characteristic were identified from the literature review, which can determine the success of the entrepreneur. Further hypotheses was framed.

As two questions were derived from each factor, which were nine in number, hence total 18 questions were asked from the enterp.

The respondent said that the innovative idea are helpful in their success (M=3.43). The ideas and its execution were different, hence it was appreciated by the people(M=3.94), who interacted and discussed with them. They said that before starting with the business, they had surveyed and collected all the relevant information related to the business line(M=4.44). Moreover, they said that this information helped them in facing the challenges and obstacles that they could have encountered during the phase of their initiation. Entrepreneurs said that the source of information was internet, their network, feedback from friends and family members, who were previously into the business(M=2.35), here the mean value depicts that these entrepreneurs didn't had any prior information, rather they collected the information to start their own work.

Respondents believe that one learns from his own experience (M=4.67). The gather mean value shows that these entrepreneurs believe that one's own experience in the field will make them confidence to face the adverse situations. Observing the situation, encountering them and finding solutions to them had made them more analytical (M=4.09). Innovation and creativity goes hand to hand. As innovative idea is an important element in success of an entrepreneur (M=3.43), creativity also plays a vital role(M=4.02). Creative ideas are different and are considered as fruitful. Creativity leads to what one desires (M=4.13). The respondent believed that the creative ideas had widen their horizon of success of being an entrepreneur.

Though innovation and creativity are considered as a tool to sharpen the entrepreneurs skill, but the risk involved in been a entrepreneur, far more than expected(M=4.50). The respondents said that being an entrepreneur has always been a risky factor, as the success rate cannot be determined. Rather, the risk involved at times forced or provoked them to step back from the fact of being an entrepreneur. Risk has the high percentage of failure(M=3.69), which at times leads to losing of hope of being successful. Failure is the factors due to which, entrepreneurs felt that the chances of been successful blemishes(M=2.85), as there are number of factors, like luck, network, resources, etc, which contribute to success. Yet they are confident about their success(M=4.21), through testing and re-testing of their entrepreneurial idea. Respondents believe that testing and re-testing helps them to analysis their idea and builds their confidence.

Entrepreneurs feel that education is not a strong the factor which influences the success of being an entrepreneur (M=2.31), even the education also does not increases the scope of the success for the entrepreneur (M=2.62). Respondents believe that experience(M=4.09) and knowledge (M=4.44) has more impact. Positive attitude and not to be failed is a contributing factor for entrepreneurial success. Respondent feel that their attitude towards their entrepreneurial idea (M=3.33), had motivated them to move forward, Failure contribute to success, as it helps them to learn and identify those dimensions which can affect their success. Experience (M=4.44), knowledge(M=4.67), creative idea(M=4.02), testing and re-testing(M=4.21) are the elements for a good entrepreneurial skill in solving the problems and increasing the success rate of the entrepreneurs. Challenges are motivating, but respondents feel that at times they are discouraging , if a way is not made out to face them(M=2.34).

Conclusion

The data was collected through structured closed ended questionnaire, with 18 questions in all. Through telephonic interview, data was collected from 33 entrepreneurs. The findings are based on the responses given by the respondents. These responses justify the objective undertaken for research. The calculated mean for the responses is ranges between 2.31 to 4.67, which significantly shows that the respondents observation for success of being an entrepreneurs.

The research concludes that all the underlined factors determined the success of entrepreneurs. Even the study done by Hill(2001) asserted that entrepreneurs are individuals who are innovate, identify and create business opportunities assemble and coordinate new combinations of resources so as to extract the most profits from their innovation in an uncertain environment. The calculated mean for the variables innovative idea, knowledge and creativity are (3.43, 3.94); (4.44, 2.35); (4.02, 4.13) respectively. Experience is the factor which a strongest factor determining the success of

entrepreneurs. The mean values are parallel to the studies conducted by Quan(2012), who concluded that for deliberate entrepreneurial intention, different types of prior experiences and active involvement in social network can be more important to potential entrepreneurs through helping them identify and configure various resources needed for subsequent entrepreneurial behaviors.

Risk taking factors of entrepreneurs. had the mean value of (4.50, 3.69), which can also be seen in the study of Wang and Poutziouris(2010) , as they concluded that risk-seeking firms are able to secure superior growth performance in contrast to average risk-taking firms and risk avoiders. Entrepreneurial venturing will broaden the knowledge base of family firms and allow them to understand how family firms can survive and prosper with their unique resources, initiatives, and capabilities. Self confidence is the factor which had the mean value (2.85, 4.21), which shows that it grows with pace of time. The same can be seen in the work of Kirkwood (2009) that entrepreneurial self-**confidence grew over their time in business.**

The study conducted by European Commission (2006), conclude that education , positive attitude and entrepreneurial skill are the factors which are conditional and situational. Education is not confined to university level, rather it should be more on application base. The same has been concluded in the research, with the mean value of (2.31, 2.52). Positive attitude can be conditional and dependent on the external factors, which are uncontrollable. The calculated mean value of the study (3.33, 3.31) differs with EC report. The report asserted that entrepreneurial skills are in-build and the present study also reflects the same with the mean value (4.08, 2.34).

Hence the study prove Ha1, which states that there are certain characteristics that affect positively on the success of the entrepreneur.

Future Scope of Study

The study has been limited and conducted on some underlined factors, which can be further broaden its scope by taking other factors for determining the success of entrepreneurs. Factors like team work, leadership, money, labor, luck, etc can be taken to elaborate the success of the entrepreneurs. Moreover the study was confined to Jaipur city, which can be conducted to other cities too. Further only those entrepreneurs were taken in consideration who had an experience of 4 years, which again can be extended. The study has the combined responses from male and female entrepreneurs, which can be done separately taking male or female entrepreneurs.

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ANALYSIS OF COMPETITIVE ENVIRONMENT BETWEEN FERTILIZER FIRMS OF INDIA THROUGH CHANGING RATIOS OVER YEARS

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1. Introduction

The given sets of companies are Zuari Agrochemicals, Chambal Fertilizers, Indian Farmer Fertilizers, and Hindustan Fertilizers are concerned with the agricultural base of the country. These companies produce fertilizers for the betterment of the field of agriculture. In this work of assignment, we have discussed the different concepts and methodologies to explain the relevant data and other information available about the company. The information provided in regards to this assignment is relevant for the financial years of 2014-15 to 2018-19. We have briefly discussed the ratios of gross profit, net profit, operating profit, and return on equity and a few more.

2. Literature Review

2.1 Concurrent Situation of Indian Fertilizer Industry

India is largely dependent on its agricultural sector as a large proportion of the population is involved in it (Majumdar and Prakash, 2018). The Indian fertilizer industry consists of both government and private companies which are responsible for producing different varieties of fertilizing products. It must also be noted that India is an agrarian country that is home to millions of farmers. Thus the demand for fertilizers is always at the highest point in order to feed this huge population. Therefore, the production volume has gone up to the extent of 46.2 million metric tons in the financial year 2020. As per Singh *et al.* (2019), urea is one of the most largely produced fertilizers in India and is mostly preferred by farmers for its economical pricing.

2.2 Impact of Fertilizer Industry on the GDP of the Country

The share of agricultural produce in the computation of the GDP or Gross Domestic Product in India has substantially increased from the last financial year. According to Latifa *et al.* (2019), it has touched the margin of 20 per cent and has shown a promising 3 per cent rise from the last year. Researchers have marked this contribution as a landmark performance of this sector. They have also cited that it shall rise in future with contributions coming in from the government.

The growth of GVA or gross value added of the agricultural sector of India

has been seen to fluctuate over the years. As opinionated by Tanveer *et al.* (2021), the fluctuation of GVA in the overall economy has fluctuated in the past year and has resulted in around 7 per cent whereas the sole growth of the agricultural sector in GVA has been around 3.5 per cent.

2.3 Application of Fertilizer Industry in the Growth of the Economy

The products of the agriculture industry play a huge role in the supply of raw materials in the country. According to Kalaiselvi and Brundha (2017), many industries such as cotton, jute, sugar, and a few more industries are largely dependent upon the products supplied by the agricultural sector. With the growing needs in the country and on a global aspect, the production is also required to be at the peak point. Therefore, the fertilizer industry has been a busy applicant to ensure sufficient growth in the agricultural sector. This, in turn, is likely to advance the economy of the country to a great extent. Therefore, emphasizing a positive impact on the entire economy (Rashid, 2018).

2.4 Literature Gap

In this work of assignment, we have only dealt with the financial aspects of the companies. There are various aspects of evaluating the performance of different companies and industries. The growth of an industry is an interesting region of culture. It can be cited with the numerous factors in the given scenario. Governmental policies play a huge role in the development of different industries. But, we have completely avoided discussing the same. Moreover, financial decision making has hardly been discussed throughout the analysis.

3. Methodology

3.1 Research philosophy

The purpose of research philosophy is to complete a given task accurately. Here, we have resorted to the philosophy of ***Positivism Research Philosophy*** since it involves philosophical grouping in regards to the given study matter. Thus, we shall be using systematic knowledge while approaching this work.

3.2 Research approach

As per Hosaka (2019), an essential process and the way to conduct an overall analysis of the given subject is known as the research approach. During this work, we have complied with the ***Deductive Research Approach*** to evaluate the given data and information.

3.3 Research design

A research design can be understood as a block design that is meant to evaluate various treatments. In this case, Exploratory Research Design has been used for understanding the issues for identifying the problems. It is meant to solve the relevant issues in a quick manner.

3.4 Data Collection Method

In this work, we have applied a secondary collection of data which means our source of information has been the internet, books, and magazines.

4. Research Aim and Objective

4.1 Aim

The aim of this work is to define the impact of the Fertilizer industry on the Indian economy and GDP as a whole.

4.2 Objective

- Identifying the contributions of the Fertilizer industry for the growth of GDP in India.
- Objectifying and explaining the implications of the various financial ratios that are provided.
- Identify the probable impacts of the Fertilizers industry for improvement in the economy.

5. Collection of Secondary Data

5.1 Statistical Analysis

Company- Zuari Agrochemicals Ltd.

	Gross Profit Ratio	NET Profit Ratio	Operating Profit Ratio
Average	24.144	-0.56	7.752
SD	3.18	2.03	9.45
CV	0.13	-3.63	1.22

Table 1: GP and NP Ratio of Zuari Agrochemicals Ltd.

The average gross profit ratio of this company implies that the operating expenses are 75 per cent of the revenue collected during the given years. But if we look at the average net profit ratio it is showing a negative trend. Therefore, it can be stated that the direct expenses are in greater proportion to that of the revenue minus indirect expenses. On the other hand, the operating profit ratio shows a positive trend which implies that the company has an advantageous position in the market and is a potential market leader (Tascón *et al.*, 2018).

Company- Chambal Fertilizers Ltd.

Particulars	Gross Profit Ratio	NET Profit Ratio	Operating Profit Ratio
Average	40.81	4.222	8.402
SD	5.98	2.34	2.12
CV	0.15	0.56	0.25

Table 2: GP and NP Ratio of Chambal Fertilizers Ltd.

The gross profit ratio of the given company shows a considerable amount of profit earned in the relevant years. This is a positive feat achieved by the company. It implies that the operating expenses are only 60 per cent of the total revenue earned during this period (Meriç *et al.*, 2017). The net profit shows a positive trend which means the company has sufficiently spent its funds and must look forward to increasing the percentage. The operating profit ratio shows a positive trend which means the company can further spend in terms of raw materials and labour.

Company Name- Indian Farmer Fertilizer Co-operation Ltd.

Particulars	Gross Profit Ratio	NET Profit Ratio	Operating Profit Ratio
Average	19.536	3.112	3.64
SD	2.65	0.83	4.02
CV	0.14	0.27	1.11

Table 3: GP and NP Ratio of Indian Farmer Fertilizer Co-operation Ltd.

The company has a sufficient gross profit ratio and is considered in a good position along with the net profit ratio which means the company can afford to extend its scope of operations. The operating profit ratio of the relevant years implies that the company has a scope of acquiring more amounts of raw material and labor to increase the volume of the business.

These ratios imply that the companies are on the edge of allocating the required amount of funds to extend their scopes of operating in the market.

As per Kalaiselvi and Brundha (2017), the fixed asset ratio of the given companies implies that the sales are generated in a phenomenal manner with

the given value of assets under usage. Simultaneously they can be improved by operating on a greater volume than the existing scenario. Accordingly, the return on capital employed of the companies suggests that the return on the funds acquired is sufficiently on the higher side. This will provide the companies with an edge over the industry to create a positive impact on the GDP and the entire economy. The debt-equity ratio suggests that the companies are on a safer side than many others in the corporate sector. The personal equity funds are more than that of the loan able funds acquired by these companies. The average inventory turnover ratio of these companies shows a very low trend. According to Majumdar and Prakash (2018), this has to be improved in order to increase the flow of funds into the company. This is dependent upon the prevailing debtor and creditor policies in these organizations. Therefore, these terms are required to be stricter than the relaxed terms prevailing currently.

6. Findings and Research
Correlation and Regression

The correlation and regression of the financial ratios have been computed with the provided data and information in the question. The correlation has been done to extract the relationship of the two variables. The regression analysis is carried out to measure the relation of between the average values of two variables in the case of each ratio. These calculations will help us to understand the relationship of the numerator and denominator of each ratio.

Gross Profit Ratio				
Year	Zuari Agro chemicals limited	Chambal fertilizers limited	Indian farmer fertilizer co-operation limited	Average
2014-15	22.25	41.07	18.38	27.23
2015-16	20.35	50.94	15.85	29.05
2016-17	27.6	35.67	22.73	28.67
2017-18	27.26	37.88	21.23	28.79
2018-19	23.26	38.49	19.49	27.08
Average	24.144	40.81	19.536	28.16
SD	3.18	5.98	2.65	3.93
CV	0.13	0.15	0.14	0.14
Correlation and Regression	0.04141816	0.0245038	0.0511876	0.03503837

Figure 1: Data

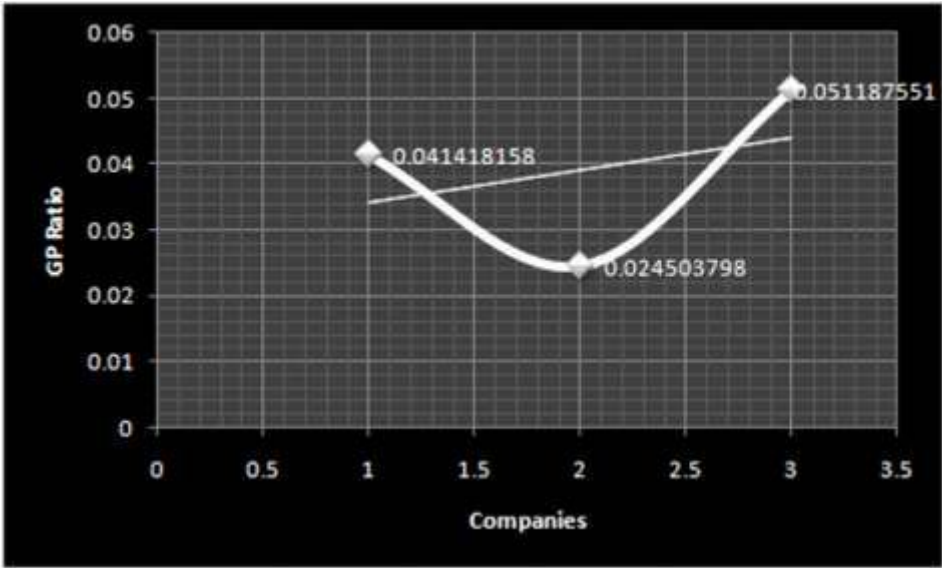


Figure 2: Graphical representation of correlation and regression of GP Ratio

NET Profit Ratio				
Year	Zuari Agro chemicals limited	Chambal fertilizers limited	Indian farmer fertilizer co- operation limited	Average
2014-15	0.22	2.66	2.58	1.82
2015-16	-0.3	0.9	2.37	0.99
2016-17	0.49	5.72	3.09	3.10
2017-18	0.9	6.43	4.5	3.94
2018-19	-4.11	5.4	3.02	1.44
Average	-0.56	4.222	3.112	2.26
SD	2.03	2.34	0.83	1.74
CV	-3.63	0.56	0.27	-0.94
Correlation and Regression	-1.785714	0.2368546	0.321337	-0.538696

Figure 3: Data

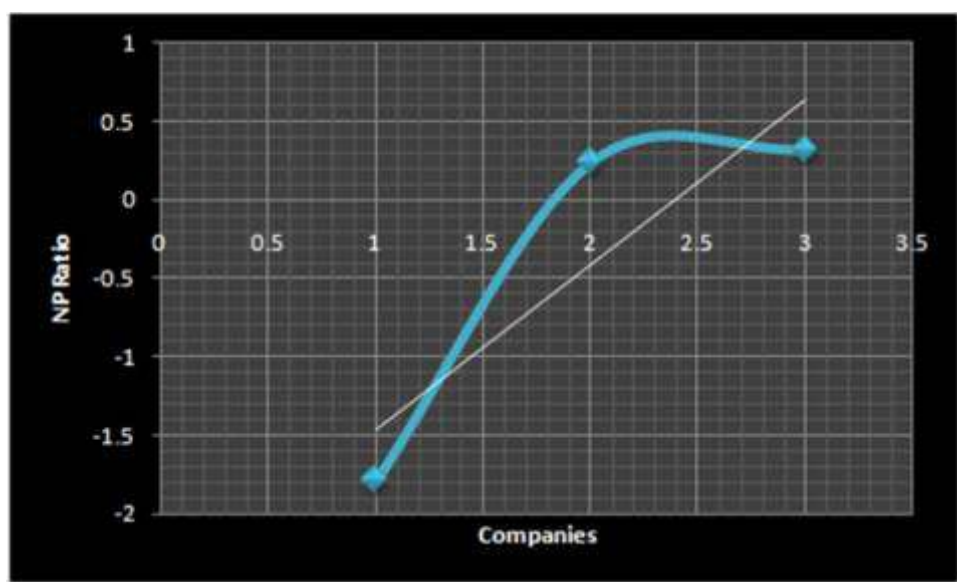


Figure 4: Graphical Representation of correlation and regression of NP Ratio

Operating Profit Ratio				
Year	Zuari Agro chemicals limited	Chambal fertilizer s limited	Indian farmer fertilizer co-operation limited	Average
2014-15	3.71	5.96	5.9	5.19
2015-16	2.65	6.41	4.07	4.38
2016-17	6.51	9.2	6.38	7.36
2017-18	24.34	9.61	-3.39	10.19
2018-19	1.55	10.83	5.24	5.87
Average	7.752	8.402	3.64	6.60
SD	9.45	2.12	4.02	5.20
CV	1.22	0.25	1.11	0.86
Correlation and Regression	0.128999	0.11902	0.27473	0.16525

Figure 5: Data

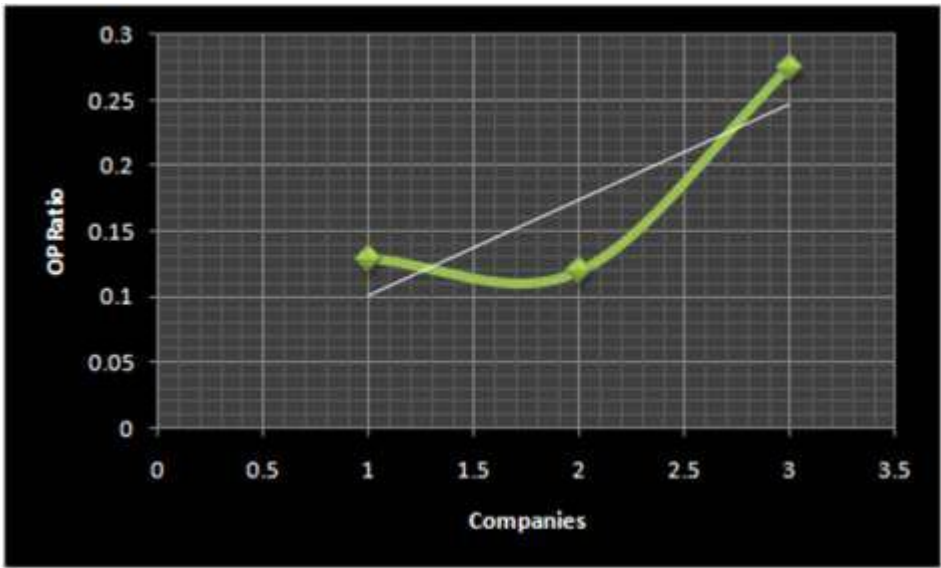


Figure 6: Correlation and Regression of Operating Profit Ratio

Return on Capital Employed					
Year	Zuari Agrochemicals limited	Chambal fertilizers limited	Indian farmer fertilizer co-operation limited	Hindustan fertilizer Co-operation in India	Average
2014-15	28.16	15.7	22.9	1.04	16.95
2015-16	24.3	21.9	23	0.52	17.43
2016-17	24.34	9.74	17.8	1.3	13.30
2017-18	37.6	13.7	11.4	1.9	16.15
2018-19	14.4	16.53	11.8	26.7	17.36
Average	25.76	15.514	17.38	6.292	16.24
SD	8.35	4.43	5.68	11.42	7.47
CV	0.32	0.29	0.33	1.81	0.69
Correlation and Regression	0.03882	0.06446	0.05754	0.15893	0.09208

Figure 7: Data
Return on Equity Ratio

Year	Zuari Agro chemical s limited	Chambal fertilizer s limited	Indian farmer fertilizer co- operatio n limited	Hindust an fertilizer Co- operatio n in India	Average
2014-15	2.5	10.22	9.3	-4	4.51
2015-16	-2	3.7	9.3	33.5	11.13
2016-17	2.38	17.1	8.4	8.29	9.04
2017-18	6.1	16.5	6.1	42.8	17.88
2018-19	-4.87	16.8	5.1	55.4	18.11
Average	0.822	12.864	7.64	27.198	12.13
SD	4.29	5.87	1.93	24.54	9.16
CV	5.21	0.46	0.25	0.90	1.71
Correlat ion and Regress ion	1.21655	0.07774	0.13089	0.03677	0.18634

Figure 8: Data

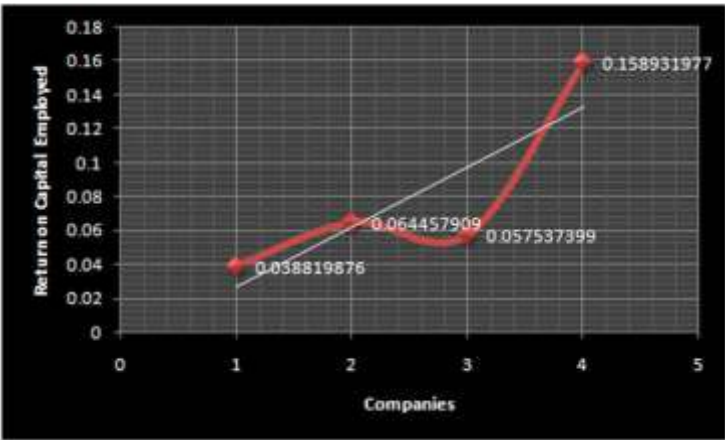


Figure 9: Correlation and Regression of Capital Employed

Return on Total Assets Ratio					
Year	Zuari Agro chemical s limited	Chambal fertilizer s limited	Indian farmer fertilizer co- operatio n limited	Hindust an fertilizer Co- operatio n in India	Average
2014-15	0.27	3.25	3.13	-213.8	-51.79
2015-16	-0.32	1.02	2.82	5.2	2.18
2016-17	0.43	5.3	3	87.7	24.11
2017-18	0.82	5	3.09	10.5	4.85
2018-19	-3.62	3.9	2.4	20.8	5.87
Average	-0.484	3.694	2.888	-17.92	-2.96
SD	1.80	1.71	0.30	114.42	29.56
CV	-3.72	0.46	0.10	-6.38	-2.38
Correlat ion and Regress ion	-2.0661	0.27071	0.34626	-0.0558	-0.0807

Figure 10: Data

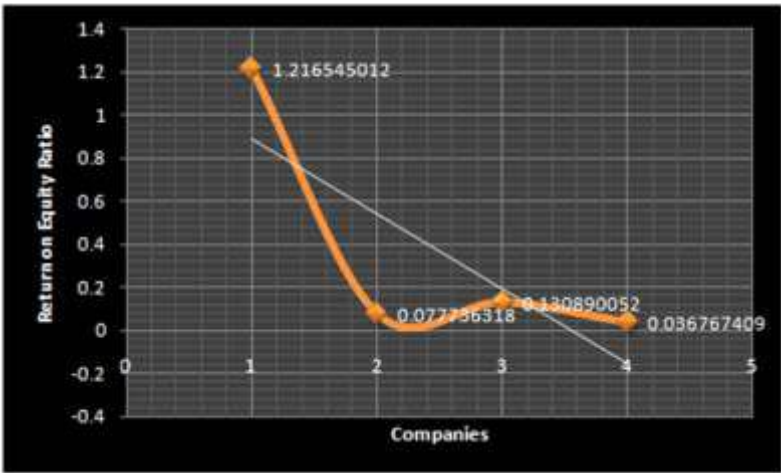


Figure 11: Return on Equity Ratio

Return on Equity Ratio					
Year	Zuari Agrochemicals limited	Chambal fertilizer s limited	Indian farmer fertilizer co-operation limited	Hindustan fertilizer Co-operation in India	Average
2014-15	2.5	10.22	9.3	-4	4.51
2015-16	-2	3.7	9.3	33.5	11.13
2016-17	2.38	17.1	8.4	8.29	9.04
2017-18	6.1	16.5	6.1	42.8	17.88
2018-19	-4.87	16.8	5.1	55.4	18.11
Average	0.822	12.864	7.64	27.198	12.13
SD	4.29	5.87	1.93	24.54	9.16
CV	5.21	0.46	0.25	0.90	1.71
Correlation and Regression	1.21655	0.07774	0.13089	0.03677	0.18634

Figure 12: Data

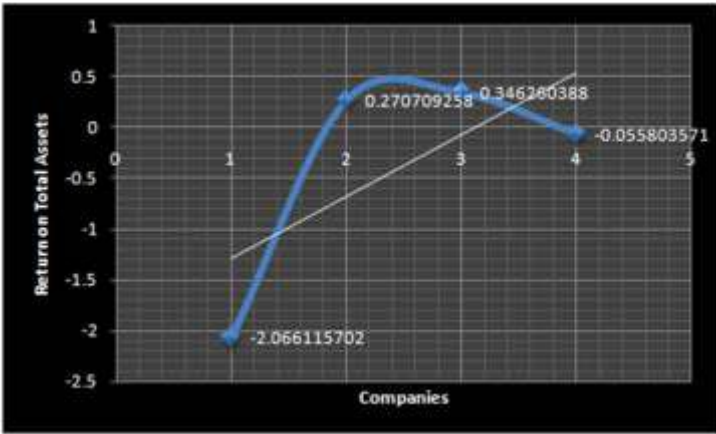


Figure 6: Correlation and regression of Return on Total Assets

Conclusion

The above file has been constructed with the evaluation of various data and information that has been provided in the questions. We have discussed the implications of the various financial ratios which have been computed in the process of preparing the solutions for the same. This work has addressed the correlation and regression of the entire data of financial ratios that have been extracted from the balance sheets of the different companies during the relevant period.

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