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Editor-in-chief Message

Dear Reader,

It has been rightly said, 'Excellence is a journey, not a destination'. In this direction, JSSGIW Journal of Management has been putting constant endeavours to improve the quality of research. We are thankful to authors who have contributed their papers and case studies for this volume.

The current issue of the journal highlights relevant issues in various functional areas of management including Marketing mix from Marketing area; Leadership style, Organizational commitment from HR area; Option Pricing, Activity Based Costing from Finance area along with two cases. The PDF copy of the journal is available on our website www.jssgiwfom.com.

We expect getting similar patronage from academicians and researchers for further volumes of this journal. Unpublished papers and case studies are invited as per the guidelines mentioned at the last page of the journal. The papers would get published after extensive review process by the panel. Lastly, I would like to my sincere express thanks to editorial committee for their continuous support.

Your feedback for improving the quality of our journal would always be appreciated.

Thanks and Regards,

Dr. Rakesh Anand
Director,
JSSGIW
Bhopal

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Age Effect on Consumers' Perception towards Marketing Mix of Ice creams

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Abstract

Changing socio-economy status and life style backed by increased purchasing power of Indian consumers created a potential for growth of Ice cream industry in India. Indian consumers are shifting from traditional eating habit to western eating habit like –parting, mall culture and outing culture. Due to this customer prefer to eat outside from home and attraction towards ice cream eating is continuously increasing compare to traditional deserts.

The study was intended to know Age Effect upon Consumers' Perception towards Marketing Mix of Ice creams. The study revealed significant difference in perception among different age group of respondents towards Prices of ice creams. Lower age group of respondents was found to be highly price conscious for ice cream purchase.

Key words – Ice Cream, Age, Marketing Mix, Consumer Perception, Sales Potential

Introduction

With vast population base, growing middle class population and strong macroeconomic environment, the Indian food & drinks market has emerged as the rapidly growing segment in the Indian retail industry. Rapid transformation in the lifestyle of Indians, particularly those living in Urban India, has resulted in a dramatic increase in the demand for processed or health food, packaged and ready-to-eat food products. Arrival of food multinationals and proliferation of fast food outlets has further added to the growth in this industry. The changing scenario of Indian retail industry, like opening up of new supermarkets/hypermarkets, shopping malls and fast food outlets, coupled with favorable industry trends, is about to bring radical shifts in Indian food and drink industry.

The Indian ice cream market was reserved for the small-scale sector. It was opened to large-scale manufacture only in 1997. De-reservation of ice cream industry along with eliminating the import ban by the government allowed mergers and acquisitions among producers and opening up the market to multinational brands. Dairy cooperatives entered the market, touching off a price war that forced most small operators to merge with larger firms. The market has been witnessing fierce battles and huge investments on the part of major players in cold chains and infrastructure. The overall industry has been growing at a sluggish rate of 3-4 %. But the organized sector has been growing in the region of 15 % over the last five years. Ice cream market in India is characterized with High profit margins ranging between 30-50% and currently, the ice-cream market is worth Rs 2,000 crore. It is divided between branded and grey-market players. The branded market is of 60 million litres, worth Rs 500 crore. The main players here are Amul, Kwality Walls, Mother Dairy, Vadilal, Dairy Fresh, Baskin Robbins. Apart from these national names, there are other premium international brands like Movenpick, Haagen Dazs and Snowberry which are in expansion mode through their planned number of outlets. Many others have carved out a niche for themselves in regional markets, some with even a prominent share in the metros. This second tier, taken along with the grey market, has close to 2,000 units and is dominated by Tulika, Metro Daily and Rollicks in the east; Nature World, Pastonji, Naturals, Dinshaws, Havmor and Yum in the west; Nirula's in the north; and Arun, Joy, Aavin and Nandini in the south. However, despite the presence of so many players, per capita consumption of ice-cream in India is one of the lowest in the world. Indians consume just 106 ml of ice-cream per year, while it is 22 litres in the US, 18 litres in Australia, 14 litres in Sweden and 5 litres in the UK.; per capita ice cream consumption is still far less for India than for its neighbors Pakistan (400ml) and Sri Lanka (300ml).

Indian Ice Cream market can be segmented in three different ways, namely on the basis of flavors; on the basis of stock keeping units / packaging and on the basis of consumer segments. On the basis of flavors the market today has a number of flavors like vanilla, strawberry, chocolate, mango, butterscotch a number of fruit flavors; dry fruit flavors traditional flavors like Kesar- Pista, Kaju- Draksh etc. The market is totally dominated by Vanilla, Strawberry and chocolate, which together account for more than 70% of the market followed by butterscotch and other fruit flavors. Ice cream market in india can be characterized as northern and western regions together account for 70% of total market consumption, 60% of ice cream sales occur during the summer months of April-June and Profit margins range from 30% to 50% depending on the product segment.

A well established unorganized sector with market share of more than 55% creates a fiercely competitive environment for the larger players, occupying nearly 45% of market share. Amul has combated competition like Kwality Walls, Mother Dairy and achieved the No 1 position in the country. This position was achieved in 2001 and it has continued to remain at the top with 38% market share in organized sector. Ice cream distribution in India typically involves a distributor, wholesaler and retailer. Most domestic brands have small regional operations, with plants situated near their major markets due to the lack of cost-effective cold chain facilities. National brands have owned or leased cold storage facilities in major metropolitan areas, which ship to distributors or direct to retailers. Some major brands have begun serving smaller cities by acquiring smaller plants and improving distribution networks. Distributors' margins are about 18-20%.

Justification of Study

Food habits of Indian customers are shifting from traditional eating habit to western eating habit like –parting, mall culture and outing culture. Due to this customer prefer to eat outside from home and attraction towards ice-cream eating is continuously increasing compare to traditional deserts. An ice-cream represents status along with the taste especially in the young generation. The present study has revealed the age effect of consumers on their perception towards marketing mix of Ice Creams.

Brief Review of Literature

Kroger (1992) conducted a research to measure the effect of sugar and fat on the acceptability of ice cream. The research concluded that sugar and, to a lesser extent, fat were key determinants of ice cream acceptability and that too little or too much sugar or fat was detrimental to ice cream quality'.

Guinard (1996) revealed that male participants rated the flavor of ice creams higher than the female participants, although no gender differences were found for overall degree of liking of ice creams.

Wansink et al. (2003) examined the consumption of 'comfort foods' and found that ice cream was the second most popular comfort food. Women preferred candy and chocolate, whereas men preferred meal-related foods.

Ice cream has global market, as ice creams is made and eaten in almost every county in the world. However, sales of ice cream is substantially affected by the weather conditions and certain periods have substantial impacts on sales for example in France, 65% of sales are made between June and September (C. Clarke 2004)

Ben & Jerry brand of ice creams has redesigned its consumer market on various social media platforms specific to consumer preference for its ice creams for children, youth, gender-specific and health conscious consumers (Rajagopal, 2015).

Research Gap

A few researches have been carried out to analyze the Ice cream market. However, most of the researchers have studied the Ice cream market from product specific approach, In which product attributes like sugar content, different flavors of Ice cream etc. have been studied. Some researchers have also attempted to reveal the health issues related to Ice cream consumption and also gender effect on consumer preference for Ice cream consumption have been studied. However, the research gap has been identified to study the age effect of consumers on their perception towards marketing mix of Ice Creams.

Objective of the Study

- To study Age Effect on Consumers' Perception towards Marketing Mix of Ice creams

Hypotheses

Derived from the objective of the study following Null Hypotheses formulated:

- H₀₍₁₎** Age wise there is no significant difference in consumers' preference for Test of Ice creams.
- H₀₍₂₎** Age wise there is no significant difference in consumers' preference for Quality of Ice creams.
- H₀₍₃₎** Age wise there is no significant difference in consumers' preference for Availability of Ice creams.
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- H₀₍₄₎** Age wise there is no significant difference in consumers' consumption frequency of Ice creams.
- H₀₍₅₎** Age wise there is no significant difference in consumers' preference for Ice creams as Menu Item.
- H₀₍₆₎** Age wise there is no significant difference in consumers' preference for Ice creams as substitute of sweet or desert item.
- H₀₍₇₎** Age wise there is no significant difference in consumers' preference for Flavors of Ice creams.
- H₀₍₈₎** Age wise there is no significant difference in consumers perception that Price influences their preference for Ice creams.
- H₀₍₉₎** Age wise there is no significant difference in consumers perception that Advertisement influences their preference for Ice creams.

Research Methodology

Research Design

The present study is descriptive in nature. During the study consumers of Ice cream were contacted and their preferences were recorded as a source of data generation.

Data Collection

This study is based on Primary data collected through self structured questionnaire. Secondary sources of information reviewed from Business magazine, News papers, trade journals, white papers, industry portals, government agencies, trade associations, monitoring industry news and developments and research survey. Secondary sources of information provided an insight to understand the concept of Ice cream sales potential and inclusion of items in questionnaire for the study. Preferences of consumers are measured with the help of Three point Likert scale ranging from 1 to 3. 1 for agree, 2 neither agree nor disagree, 3 to disagree.

Sampling Plan

The present study has been conducted at Indore city of Madhyapradesh. Convenient Judgmental sampling method used for data collection. Ice cream consumers of Indore city were considered as sampling unit. 125 questionnaires were distributed at random. Responses from 13 respondents were not received and insufficient data provided on 11 questionnaires, so only 101 responses were considered for further analysis of the study.

Results and Discussion

The result of Age wise Analysis of Variance for consumer's perception towards marketing mix of Ice creams is exhibited in **Table 1**. It exhibits significant difference in perception among different age group of respondents towards Price of ice creams. Hence the Null hypotheses $H_{0(8)}$ was rejected. Age effect was found significant for pricing influence on ice cream purchase. It was observed significant difference in purchasing preference of higher and lower age group of respondents that price of ice creams influences their purchasing. Lower age group of respondents was found to be highly price conscious for ice cream purchase. (**Table2**)

Findings of the study also revealed that Age wise there is no significant difference in consumers' preference for Taste of Ice creams, Quality, Availability, consumption frequency of Ice creams, consumers' preference for Ice creams as Menu Item, Ice creams as substitute of sweet or desert item, preference for Flavors of Ice creams and that Advertisement influences their preference for Ice creams. Hence the Null hypotheses $H_{0(1)}$, $H_{0(2)}$, $H_{0(3)}$, $H_{0(4)}$, $H_{0(5)}$, $H_{0(6)}$, $H_{0(7)}$, and $H_{0(9)}$ were not rejected at 5% level of significance (**Table 1**).

However it was observed that higher age group of respondents have given relatively more importance to taste, quality, flavors of ice creams, frequency of consumption then lower age group of respondents. Findings of the study revealed that availability of ice cream was given relatively higher purchase preference among lower age group of respondents. Findings of the study revealed that the chances of selection of ice cream as a dessert in menu increases with advancement in age of respondents. Lower age group of respondents preferred ice cream as substitute of sweet dishes and to be included ice cream in menu for special occasions. They were also found to be relatively highly attracted by advertisements of ice creams (**Table 2**).

Key Findings of the Study

1. Significant difference in perception among different age group of respondents towards Prices of ice creams have been revealed in the study
 2. Lower age group of respondents was found to be highly price conscious for ice cream purchase then higher age group of consumers.
 3. Higher age group of respondents have given relatively more importance to taste, quality, flavors of ice creams, frequency of consumption then lower age group of respondents.
 4. Availability of ice cream i.e. nearness to retail stores was given relatively higher purchase preference among lower age group of respondents.
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5. Lower age group of respondents preferred ice cream as substitute of sweet dishes and to be included ice cream in menu for special occasions.

Conclusion

Changing socio-economy status and life style backed by increased purchasing power of Indian consumers created a potential for growth of Ice cream industry in India. Indian consumers are shifting from traditional eating habit to western eating habit like –parting, mall culture and outing culture. Due to this customer prefer to eat outside from home and attraction towards ice-cream eating is continuously increasing compare to traditional deserts. The study revealed significant difference in perception among different age group of respondents towards Prices of ice creams. Lower age group of respondents was found to be highly price conscious for ice cream purchase. Findings of the study will provide an insight for understanding the preferences of consumers toward ice cream consumption. Players of Ice cream market have to understand the different needs of consumers, be it health conscious people, kids, youngsters, young etc, and should come up with variety of products specific for them and with portfolio of flavors. The consumer is increasingly conscious about what they eat, both in terms of evolved health, i.e natural and functional foods, and in terms of ethics and provenance. Innovations from the ice cream industry required in order to meet these challenges with introducing new innovative products like Fruit Crunch and Sugar free probiotic.

Table 1 Age wise Analysis of Variance for consumer's perception towards Marketing Mix of Ice creams

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
TEST	Between Groups	.453	3	.151	.465	.707
	Within Groups	31.487	97	.325		
	Total	31.941	100			
QUALITY	Between Groups	.638	3	.213	.604	.614
	Within Groups	34.193	97	.353		
	Total	34.832	100			
AVAILABL	Between Groups	1.370	3	.457	.779	.509
	Within Groups	56.868	97	.586		
	Total	58.238	100			
FREQUENC	Between Groups	.855	3	.285	.644	.589
	Within Groups	42.947	97	.443		
	Total	43.802	100			
MENUDESR	Between Groups	1.300	3	.433	1.382	.253
	Within Groups	30.403	97	.313		
	Total	31.703	100			
SWEET	Between Groups	.862	3	.287	.669	.573
	Within Groups	41.672	97	.430		
	Total	42.535	100			
FLAVORS	Between Groups	.907	3	.302	.894	.447
	Within Groups	32.796	97	.338		
	Total	33.703	100			
PRICEPRF	Between Groups	5.805	3	1.935	4.580	.005
	Within Groups	40.987	97	.423		
	Total	46.792	100			
ADVRTSMN	Between Groups	.501	3	.167	.467	.706
	Within Groups	34.628	97	.357		
	Total	35.129	100			

Table 2 Age wise Mean and Standard Deviation of consumers' perception towards Marketing Mix of Ice creams

	Age							
	Below 18		18-26		26-40		Above 40	
	Mean	Std. Devn	Mean	Std. Devn	Mean	Std. Devn	Mean	Std. Devn
Taste	1.46	0.5774	1.4286	0.5903	1.294	0.5239	1.4286	0.5976
Quality	1.43	0.58	1.5238	0.7067	1.353	0.4851	1.381	0.4976
Availability	1.75	0.9574	2.3333	0.7544	2.235	0.741	2.3333	0.7958
Frequency	2.5	0.5774	2.119	0.7055	2.029	0.6735	2.1429	0.5732
Menu Item	1.5	0.5774	1.5	0.6717	1.265	0.4478	1.2857	0.4629
Sweet	1.08	0.3	1.45	0.705	1.38	0.652	1.48	0.601
Flavors	1.25	0.5	1.48	0.671	1.265	0.448	1.38	0.59
Price	1.75	0.488	1.97	0.68	2.235	0.654	2.57	0.6
Advertisements	1.25	0.47	1.55	0.6	1.59	0.61	1.48	0.601

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A Study on the Application of Activity Based Costing System in Centrally Funded Technical Institutions like NITs in India

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Abstract

Many educational institutions are funded by Central Government in India viz. IIMs, IITs, NITs, Central Universities etc.. Every financial year the institutions submit their budget and based on the budget the government approve the fund. Use of budgeted fund efficiently is very difficult for those centrally funded educational institutions under classical costing methods. Therefore, the present paper is attempted to use a comparatively new approach in cost management known as Activity Based Costing (ABC) in the higher educational institution in India. The present study considers National Institute of Technologies which are funded by the Central Government for this purpose. How the ABC method can be utilized is discussed in the paper. For the discussion purpose the paper has considered Dean Students' Welfare division of NITs.

Key Words: Centrally Funded Educational Institutions, Activity Based Costing, Cost Drivers, Cost Pool.

INTRODUCTION

In today's competitive and complex business environment more and more stress is given in the skill development because if the skill is not developed, the business organization can't survive in this competitive business environment. India's rank in the Human Capital Index is 105th position that was released by the World Economic Forum (WEF) indicating the skill development and the education system prevailing in India. However, the present government launched the skill development program in the previous year, i.e. 2015 for developing skill manpower which will ultimately lead to the development of the nation.

Now, the educational institution plays a significant role in the skill development specially the technical and professional institutions. For this purpose every year the government allocates huge sum of money through the Union Budget for education. In the current F.Y. 2016-2017, the Budget allocation was of 68,968 cr. Managing this huge fund is very important. The role of educational institutions especially higher educational institutions is no doubt immense in the society. For this purpose the higher educational institutions should perform well. The country's future depends upon these higher educational institutions. Therefore, to perform well in the society, these institutions should be efficient from every angle like teaching, research etc. To be efficient a higher educational institution should soundly manage their costing part. As it is a service giving organization, managing cost structure is very difficult. Therefore, this paper is concentrating on the management of cost of the higher educational institutions. In India, the central government is funding many higher educational institutions, called Centrally Funded Higher Educational Institutions like IIMs, IITs, NITs, and Central Universities etc. The central government is providing fund for the various functions of those institutions. And on the other hand, those institutions have to submit their budget for each financial year to the central government and based on those budgets the government supplies fund to them. They have to publish annual report at the year end. Therefore, management of fund in an efficient way is very important. It is seen in many literature that the classical technique of costing is not effective for those educational institutions. There are many loopholes. Therefore, in 1980 a new system of cost accounting developed known as Activity Based Costing (ABC) which has mitigated the problems of the classical costing system. Many foreign universities are using this ABC system efficiently and

effectively. They can manage or control the cost in efficient manner by using ABC system. The following literature review shows the efficiency of ABC system in higher educational institutions.

LITERATURE REVIEW

Abraham and Fred (2006) studied that ABC helps in determining the true cost of production and services and avoids the cost distortion. The main strength of ABC is the correct handling of overhead either in the service sector or in manufacturing sectors. Moreover, ABC can extensively use in the non-profit organizations particularly in the educational institutions. The main stakeholders of the non-profit organization is the taxpayers, they want to know how the funds have utilized that they provided in various modes like taxes. But the implementation of ABC helps to link the program inputs and outcomes, improve services, etc. Thus, ABC which is considered as a strategic management tool and now used in the educational institutions, the impact of ABC is positive so far as the resource allocation and decision making is concerned.

Krishnan (2006) highlighted the importance of Activity Based Costing (ABC) in the service sector especially in the educational institution. According to the author, it is not only the manufacturing sector where only the cost and management accounting tools and techniques are used but also in the service sector because decision making , planning and control has to be taken both in the manufacturing and service sector through various cost information. At present, in the competitive business environment most of the industries are using ABC system for providing the management with quality information for the purpose of decision making. Moreover, the ABC system eliminates all those activities which are categories as non-value added activities. However, ABC supplies true and accurate cost information to the management of educational institution which will ultimately lead to calculate the true cost per student.

Azizi (2010) viewed that in the era of digital revolution, the educational institutions are facing a lot of challenges. In the dynamic environment, the educational institutions invest mostly in the Information and Communication Technology which will lead to raising the cost of higher education. Therefore, in order to accurately

determine the cost per student in the educational institute the ABC system is the most appropriate tool.

Ashford (2011) viewed that ABC assigns the cost based on the cost-effect-relationship. ABC can provide an insight to the spending and profitability of products, services, etc. In the service industries the most important overhead cost is the personnel. Moreover, the overhead cost occurred when the services are rendered. So, there is a need to allocate overhead cost most appropriately which will reduce the cost of services and can compete in the competitive market. Ruhanita et al (2011) viewed that ABC is the strategic accounting tool which is an improved costing system over the traditional costing system. The ABC provides the most accurate information to the management on cost, price and utilization of resources which are used to make planning, decision making, controlling and continuous improvement. Use of ABC in the service sector is rare but in the competitive environment, ABC costing system replaces the traditional costing system which is considered as an ineffective method for allocating overhead cost. Earlier in the case of traditional costing system, only one cost driver is used to determine the cost per student and in the case of ABC multiple cost drivers are used to determine cost per student thus identifying the most appropriate allocation of overhead cost.

Alinezhad et al (2012) studied the calculation of the cost of the deposit in Refah Bank in Iran. They stated in the article ABC help to calculate the cost of units, sections and deposits of the bank more accurately and efficiently. Although, it is used in the production industries in the earlier but now it can be used in the banking industries also because almost overhead cost took the half of the total cost. So the need is arises to handle overhead cost properly with the most sophisticated managerial tool.

Amir et al (2012) stated that in the continuous changing environment created more opportunities lead many organizations to adopt changes. Therefore, cost management is very essential. The state owned educational institutions are still depending on the conventional costing system. For the purpose of effective organizationally planning and for decision making, the conventional costing system is enough. Therefore, an effective cost accounting system should be adopted, because ineffective costing system hinders the success of the institution. And therefore an effective costing system should be followed which will be extensively used for communication,

motivational and evaluation tool. So, ABC method was considered as an effective tool as compared to conventional costing system. ABC is considered as a strategic management accounting tools which tries to like the relationship between the activities performed and the output produced. Under the ABC system the overhead are not arbitrarily allocated rather allocated based on some basis which can be called as activities. Likewise, ABC is also considered as an effective tool in the educational institution as the cost of higher educational cost is increasing rather than products/services. However, it reveals that the ABC system establish the linkage between the resources and the final output.

Jayaraj (2015) stated that the lifeline of any economy is the service sector. Due to increase the competition in the service sector in the economy the control of cost is essential and particularly the overhead. ABC system helps us to understand the true cost of service rendered. Moreover, the ABC system is also used as a strategic management accounting tool. However, the ABC system represents a symbol which is used to improve the competitiveness and efficiency in the service industries.

Mahal and Hossain (2015) observed that since management accounting is considered as a tool for managerial decision making but the complex business environment leads to the shortcomings of traditional costing system in terms of its validity, consistency, etc. which ultimately results in emergence of modern management accounting tool like the ABC. According to the author, the implementation of ABC is not possible without the support of top management. The article also reveals that ABC helps to calculate the cost of product or service most accurately than the traditional costing system and also more accurately allocation of overhead. This system may also extensively used as a performance evaluation tool. However, the application of this system is also useful in the dropping of any unprofitable product or department.

Cardos and Pete (2011) argued that the global competition and technological innovation demands more information of cost and performance of various organizational activities. The paper reveals the fact that both the Activity Based Costing (ABC) and Activity Based Management (ABM) are same. Moreover, the article further stated that the use of ABC in USA and Europe in the 90's is very low. Besides, the company which considers the ABC implementation as a future target adopts ABC.

ABC IN THE EDUCATIONAL INSTITUTION

ABC (Activity Based Costing) which was developed by Robert Kaplan and Robin Cooper of Harvard University in the late 1980's is considered a powerful management accounting tool for the purpose of decision making and controlling. ABC which was initially developed and used as an important tool for the purpose of taking various decisions in the manufacturing industries, now it is extensively used in the service sector especially in the educational institutions with the same issue as in the case of manufacturing industries.

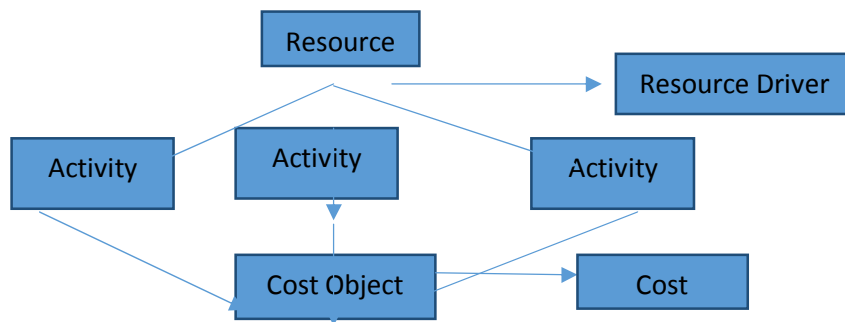
Activity Based Costing is considered as an effective tool in the service sector for properly tracing the cost of services produced and is also helpful to determine their value to the customers. Moreover, the application of ABC system in the educational institutions will help the authority to better access to operations and will use as an yardstick to compare between or among the other government institutions and also with other private institutions. In this paper, it will be discussed how the cost per student is to be calculated and comparison of cost per student between the ABC and traditional standard costing. This paper will also reveal the opportunities for cost saving and also for improved performance of the institution.

ABC system will eliminate all those activities which are non-value added activities that consume resources without any benefit to the organization. With ABC analysis, the educational institutions will focus and will allocate the resources on those activities that will add value to the services produced by the institution.

RESEARCH OBJECTIVE & METHODOLOGY

The concept of Activity Based Costing (ABC) was first developed by Robert Kaplan and Robin Cooper (1988). Activity Based Costing may be defined as a costing methodology or technique that identifies the activities in an organization and on the basis of the activities performed, the overhead is allocated to the cost object. In the traditional costing system, allocation of overhead using a single cost driver i.e. machine hours was very difficult and sometimes the cost object may be either underpriced or overpriced. Therefore, calculation of proper cost was not correct. Information obtained from the traditional costing system was not fruitful for

effectively and efficiently managing the organization. On the other hand, the ABC method focuses on allocation of overhead cost to activity cost pools using resource drivers and later allocating costs in the activity cost pools to product using cost driver. The ABC methodology can be shown in the following figure:



The main elements of the ABC are as follows:

1. Resource: Economic elements that is used to perform any kind of activities.
2. Activity Centre: A cluster of related activity.
3. Resource Driver: Is the basis for tracing resources to activities.
4. Activity cost pool: Total cost assigned to an activity center.
5. Cost driver: A factor that is used to assign cost from an activity center to the cost object. A cost object is an activity which generates costs.
6. Cost object: The purpose for which the activities are performed.

The main steps involved in the activity based costing are as follows:

1. Identification of activities.
2. Assigning costs to activity cost center.
3. Selection of appropriate cost drivers.
4. Assigning the cost of activities to the cost object.

The purpose of the study is to understand the application of the Activity Based Costing in the higher educational institution as compare to traditional volume based costing system. In India many higher educational institutes are funded by the Central Government like, IITs, IIMs, NITs, and Central Universities etc. Here the main

objective is to apply the ABC system in NITs. However, in the competitive educational environment there is a need to reduce the cost of the education without compromising the quality of education. So, the objective of the current paper is to study the application of ABC system in NITs cost structure.

The research methodology of this paper is a combination of both descriptive analysis and quantitative analysis. The Descriptive analysis includes a study of the NIT's Annual Report while Quantitative analysis includes the computation of cost per student. The study is based on the information collected from the Dean of Students Welfare of one of the NITs. However, the present study focuses more on the theoretical aspect application of ABC in NIT system and tries to determine the cost per students based on the collected information.

COST STRUCTURE OF NIT

NEW ABC MODEL OF NIT: The first step in designing the ABC system is to identify the various activities a department performs. Since the study is exclusively based on the students welfare in NITs, so the activities which the Dean, Students Welfare perform is taken in to consideration for framing the ABC model. Like the manufacturing sector, in the service sector also the activities may be classified as: i) unit activities, ii) batch activities, iii) product activities and iv) facilities and v) organizational activities. The various activities performed in the Dean, students' welfare and the activity classifications are shown in the following table:

Table 1

Dean, Students Welfare		
Activity Centre	Activities	Activity Classification
1. Students Affair Division	<ul style="list-style-type: none"> • Student counselling • Orientation • Social Activity • Career Placement • Graduation • Post graduate • Ph.D. 	Unit
2. International Students Division	<ul style="list-style-type: none"> • Visa/Permit 	Batch
3. Housing Accommodation	<ul style="list-style-type: none"> • On campus and off campus accommodation 	Unit
4. Admission and enrolment	<ul style="list-style-type: none"> • Students enrolment • Recording students' academic performance 	Unit Batch
5. Examination Division	<ul style="list-style-type: none"> • Examination Result • Examination rules and procedures • Invigilation Duties • Unit/Mid-term Examination 	Unit Batch
6. Medical Care/Facilities	<ul style="list-style-type: none"> • Students treatment 	Unit

The next is to develop the cost assignment model for NITs, for using ABC model. The model shown in the figure 1

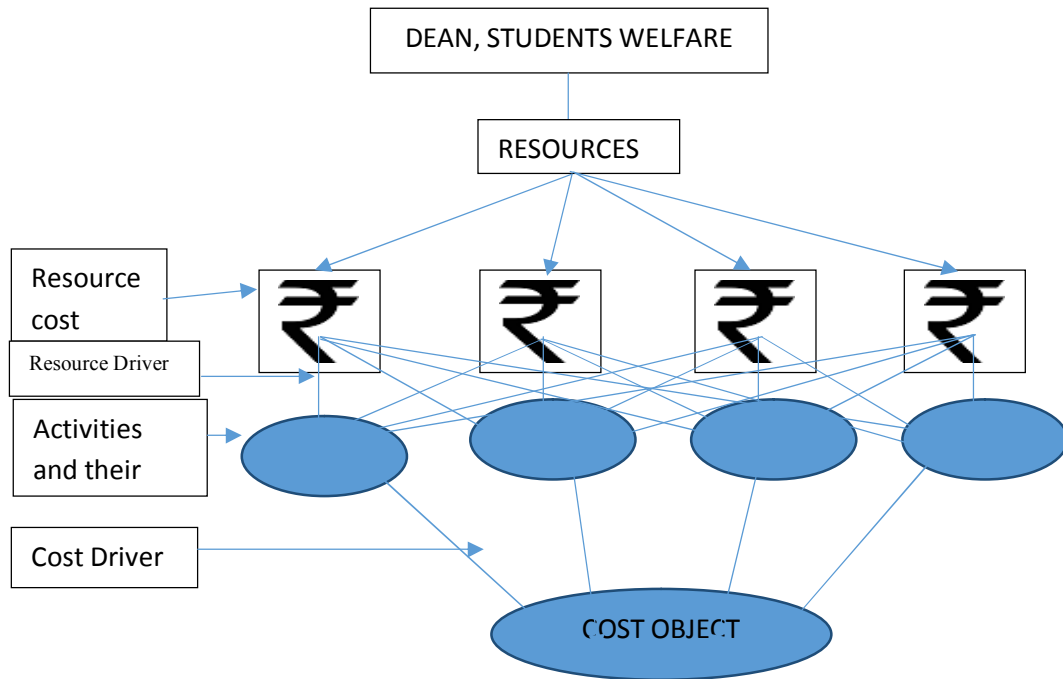


Figure 1 ABC Cost Assignment Model

The organizational chart in the NIT will be the starting point to ABC cost model. However, the students' welfare at Dean, Students Welfare may be shown in figure 2.

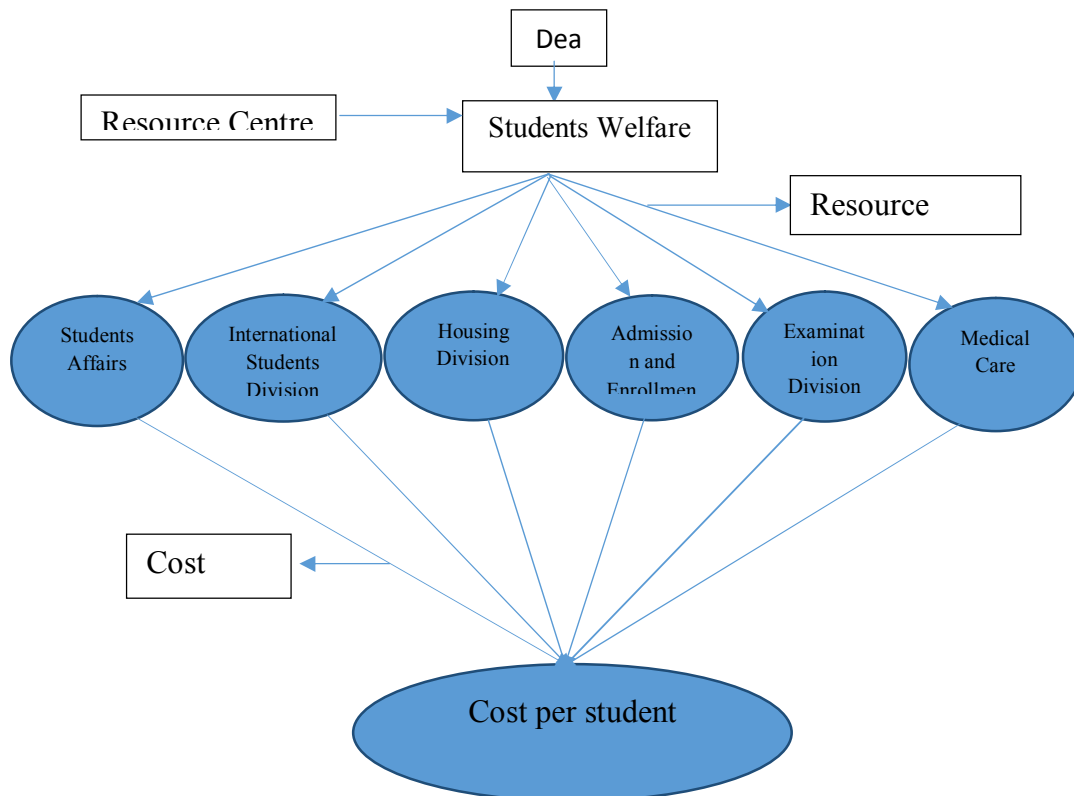


Fig.2: ABC model for Students Welfare for Dean (SW)

Identifying the driver is the main important task in the activity based costing. There are mainly two types of driver. They are a) Resource driver and b) Cost driver. In ABC the quantity of resources consumed or required by an activity is measured with the help of Activity Based Costing. It serves the purpose of linkage between the resources and the activities. On the other hand, the cost driver is a factor that can causes a change in the cost of an entity. However, the resource driver is used to identify the different general ledger items.

Once the general ledger items are identified at the resource center, the resource driver will be used to allocate all the cost to the different activities at the students' welfare division i.e. students affairs, housing division, admission and enrollment division etc. However, if any activity does not fall under any of the activity center will be eliminated. This system was not used to allocate the overhead in case of traditional costing system and leads to the emergence of activity based costing. The general ledger items which can be considered for the calculation of cost per student of NITs is shown below.

Table 2: Resource Driver

General Ledger Item
1. Graduation Expenses
2. PG Expenses
3. Ph.D. Expenses
4. Depreciation Expenses
5. Orientation Expenses
6. Printing & Stationary
7. Maintenance Expenses
8. Transportation Expenses
9. Electricity
10. Examination Related Expenses
11. Hostel Related Expenses
12. Honorarium
13. Academic Expenses
14. Insurance
15. General Expenses (e.g. cache, school, etc.)_

The final stage in the ABC analysis is to calculate the cost pool rate. Cost pool rate can be calculated by allocating the sum of all the cost in a particular resource center by the cost driver. However, in the case of educational institution the cost driver is the number of students and the cost object is the student. The cost per student in each sub division of resource centre is to calculate. In the paper there are six sub divisions of Dean, Students' Welfare division. Therefore, cost per student in each subdivision should be added to get the total cost per student in that particular department.

CONCLUSION

After calculating the cost pool rate, the ultimate objective is to allocate every activity cost consumed to products or services. However, in the case of educational institution the cost is assigned to student as each activity center incurred cost for the services rendered to the students. Under the ABC analysis, it shows how much cost is incurred by the department to each student. When cost to per student is known and cost to per subdivision is known then the cost can be easily control for efficiency purpose. If the cost cannot be controlled efficiently the higher educational institution cannot fulfill their objective.

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An Empirical Analysis of Black-Scholes Option Pricing Model for Selected Banking Stocks

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Abstract

As Option pricing is a very important in the derivatives market. Proper pricing of options eliminates the arbitrage opportunity. Mainly hedgers and speculators are found the derivatives market. Quantum of speculation is more in case of stock market derivatives. Pricing is relevant for both speculators and hedgers. There are two important models for option pricing – Binomial Model and Black-Scholes Model. Black-Scholes model is widely accepted. The present study is an attempt to study the relevance of Black-Scholes model in Indian. Derivative market with specific reference to selected Options of NSE

Keywords: Derivatives, Option Pricing, Stock Pricing, Black-Scholes.

INTRODUCTION:

In India, there are two major markets namely National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) along with other Exchanges of India are the market for derivatives. Here we may discuss the performance of derivatives products in Indian market.

Table.1 Derivatives Turnover at National Stock Exchange (in Rs. Cr)

Year	INDEX FUTURE	VOL FUTURE	STOCK FUTURE	INDEX OPTION	STOCK OPTION	TOTAL	Average Daily
	Turnover	Turnover	Turnover	Notional Turnover	Notional Turnover	Turnover*	Turnover
2014-15	4107215	2256.43	8291766	39922663	3282552	55606453	228833.1
2013-14	3083103	2193.24	4949282	27767341	2409489	38211408	152236.7
2012-13	2527131	-	4223872	22781574	2000427	31533004	126638.6
2011-12	3577998	-	4074671	22720032	977031.1	31349732	125902.5
2010-11	4356755	-	5495757	18365366	1030344	29248221	115150.5

(Source: National Stock Exchange)

At NSE, Various future and Derivative are traded, as shown in Table.1, There is constant increase in turnover, which shows Derivatives traded at NSE have potential to attract Investors as there is turnover of Rs.29248221 Cr in 2010-11 has increased to Rs.55606453 Cr in year 2014-15.

Table.2 Derivatives Turnover at Bombay Stock Exchange (in Rs. Cr)

Year	Total Contracts	Total Turnover	Avg. Daily Turnover
2014-2015	50,54,78,869	2,03,62,741.42	83,797.29
2013-2014	30,19,42,441	92,19,434.32	36,730.81
2012-2013	26,24,40,691	71,63,576.66	28,654.31
2011-2012	3,22,22,825	8,08,475.99	3,246.89
2010-2011	5,623	154.33	0.61

(Source: Bombay Stock Exchange)

At BSE, as shown in Table 2, There is constant increase in turnover, which shows Derivatives traded at NSE have potential to attract Investors as there is turnover of

Rs. 29248221 Cr in 2010-11 has increased to Rs. 55606453 Cr in year 2014-15. The NSE and BSE are two major Indian markets have shown a remarkable growth both in terms of volumes and numbers of traded contracts. Introduction of derivatives trading in 2000, in Indian markets was the starting of equity derivative market which has registered on explosive growth and is expected to continue the same in the years to come. NSE alone accounts 95% of the derivatives trading in Indian markets. Introduction of derivatives has been well received by stock market players. Derivatives trading gained popularity after its introduction in very short time.

Literature Review:

Frino et al. (1991) carried out cross sectional tests of the model using the most recent data available. The conclusion, unlike earlier studies, is that the Black-Scholes model cannot be rejected, and thus that the market is efficiently pricing options in an unbiased manner (in a Black Scholes sense). Panduranga (2013) An attempt is made in this paper to test empirically the relevance of Black-Scholes options pricing model in Indian Derivative market with specific reference to select banking stock options. Results of the paired sample T-test revealed that there is no significant difference between the expected option prices calculated thorough Black-Scholes Model and market price of options, in three out of four cases. It can be inferred that model is relevant for banking stocks.

Ray (2012) studied the Black-Scholes Model of option pricing and makes a more detailed analysis of the assumptions of the model and the mathematical derivation process of the model and also analyses the inherent loopholes in the theory. The concepts behind the Black-Scholes analysis provide the framework for thinking about option pricing. It also reveals some loopholes in Black-Scholes Model. Soniya et al (2013) have conducted a study to analyze operation concept of derivative market and how Buyers and seller of derivative can make their position in market, by taking ICICI Bank and SBI Contract as sample, Their study had made conclusion that If the buy price of the future is less than the settlement price, than the buyer of a future gets profit. If the selling price of the future is less than the settlement price, than the seller incur losses.

Nagendran and Venkateswar (2014) used more than 95,000 call options to test the validity of the Black-Scholes (BS) model in pricing Indian Stock Options and By using Mean Absolute error and mean implied volatility. The results show the robustness of the Black-Scholes model in pricing stock options in India and that pricing is further improved by incorporating implied volatility into the model. Gencay and Salih (2003) with implementation of Non Parametric Methods and Free forward Network Concluded that Black-Scholes mispricing worsens with increasing volatility and feed forward networks handle pricing during high volatility with considerably lower errors for out-of-the-money call and put options. This could be invaluable information for practitioners as option pricing is a major challenge during high volatility periods.

McKenzie et al (2007) evaluated the probability of an exchange traded European call option being exercised on the ASX200 Options Index. Using single-parameter estimates of factors within the Black-Scholes model, this paper utilized qualitative regression and a maximum likelihood approach. Results indicate that the Black-Scholes model is statistically significant at the 1% level. The results also provide evidence that the use of implied volatility and a jump-diffusion approach, which increases the tail properties of the underlying lognormal distribution, improves the statistical significance of the Black-Scholes model.

RESEARCH METHODOLOGY

Research Design

This study is an applied research as it intends to find the relevance of Black-Scholes Model in Indian Derivative Market. Annualized volatility has been computed based on the daily closing prices of the calendar year 2015. 7.23% of 91 days T-Bills is taken as proxy for risk free rate. Actual option prices of January, February and March 2016 are used for comparing with the model prices. Depending on the strategy; option trading can provide a variety of benefits including the security of limited risk and the advantage of leverage. Can Options protect or enhance an investor's portfolio in rising, falling and neutral markets? Is it important to understand the factors that determine the value of options?

Justification of Study:

Options may be under-priced or overpriced in the market. Investors or traders are advised to find expected option price through BSOP Model can be computed before entering into an option contract. This study has been conducted to see difference between Expected Price and Market Price of the Option.

Objectives of the Study:

- To study the relevance of Black-Scholes Option pricing model.
- To examine the difference between Expected Price and Market Price of the Option.
- To study the model prices and market prices.

Hypothesis:

Ho: There is no significant difference between the model prices and market prices.

H1: There is significant difference between the model prices and market prices.

Data Collection: Majorly, Input of Black-Scholes Model to be used in analysis is historical data of selected Banking stock option to be collected from website of National Stock Exchange of India.

Population

- As analysis is of valuating Options traded at NSE,
 - Banking stock options are selected, as banking stocks are less volatile.
 - Banking Stock options on Bank Nifty are;
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Table.1 List of Banks under Bank Nifty

Sr. No.	Company Name	Symbol	ISIN Code	Notional Turnover
1	Axis Bank Ltd.	AXISBANK	INE238A01034	60,583.92
2	Bank of Baroda	BANKBARODA	INE028A01039	24,091.37
3	Bank of India	BANKINDIA	INE084A01016	4,644.36
4	Canara Bank	CANBK	INE476A01014	12,466.22
5	Federal Bank Ltd.	FEDERALBNK	INE171A01029	3,058.78
6	HDFC Bank Ltd.	HDFCBANK	INE040A01026	47,851.26
7	ICICI Bank Ltd.	ICICIBANK	INE090A01021	52,331.80
8	IndusInd Bank Ltd.	INDUSINDBK	INE095A01012	19,339.85
9	Kotak Mahindra Bank Ltd.	KOTAKBANK	INE237A01028	35,711.90
10	Punjab National Bank	PNB	INE160A01022	10,327.74
11	State Bank of India	SBIN	INE062A01020	59,961.80
12	Yes Bank Ltd.	YESBANK	INE528G01019	75,696.59

Sampling Method

- Simple Random Sampling Method is used to select Samples.
- Five Actively Traded Banking Stock options are selected as Sample for Study. These are sample to be considered during analysis,

Table.2 Samples of Study

Sr No.	Name of Bank	Symbol	Notional Turnover
1	Yes Bank Ltd.	YESBANK	75,696.59
2	Axis Bank Ltd.	AXISBANK	60,583.92
3	State Bank of India	SBIN	59,961.80
4	ICICI Bank Ltd.	ICICIBANK	52,331.80
5	HDFC Bank Ltd.	HDFCBANK	47,851.26

Tools and Techniques:

- Statistical Tool Paired T-test is used to test Hypothesis
- SPSS Software

Data analysis and Interpretation

The call and put option price for calculated of select stocks through Black-Scholes Option Pricing Model. The inputs used for the study are: Annualised volatility computed on the basis of Calendar year 2016 data of Selected Banking Stock Options.

Table.3 Annualized Volatility of selected Bank

	Name of Bank	Annualized Volatility
1	Yes Bank Ltd	0.34677325
2	Axis Bank Ltd.	0.341705924
3	State Bank of India	0.314354554
4	ICICI Bank Ltd.	0.318949906
5	HDFC Bank Ltd.	0.184545627

Risk free rate is 7.23 % of 91-Days of T-bills Rate as on January 2016, others inputs are portrayed in the relevant tables. Paired sample T-test is applied to compare the

actual option prices prevailing in the market with the option prices calculated as per Black-Scholes Option Pricing Model.

Table 4 - YES Bank Call Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (732.46)	January 28,2016	720	31.05	38.06180579
		740	20.25	27.7734538
January 29,2016 (746.80)	February25,2016	740	32.9	35.54260685
		760	23.4	25.85779973
February26,2016(686.55)	March 31, 2016	680	39.3	32.83578578
		700	29.2	23.20856106

Table 5 - SPSS Output for Paired Sample T- Test for YES Bank Call Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	market premium - model premium	-1.197	6.130	2.503	-7.630	5.236	-.478	5	.653

Interpretation: The p value of SPSS output as shown in Table 6 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the YES Bank Call options.

Table 6 - YES Bank Put Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (732.46)	January 28,2016	720	15.05	21.27684781
		740	22.95	30.86835809
January 29,2016 (746.80)	February 25,2016	740	25.6	24.29751115
		760	35.4	34.4925663
February 26,2016(686.55)	March 31, 2016	680	30.45	22.20110324
		700	40.25	32.4537408

Table 7- SPSS Output for Paired Sample T- Test for YES Bank Put Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	market premium - model premium	.685	6.782	2.769	-6.433	7.803	.247	5	.814

Interpretation: The p value of SPSS output as shown in Table 8 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the YES Bank Put options.

Table 8 - Axis Bank Call Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (449.90)	January 28, 2016	440	20.15	24.43346329
		450	14.7	18.97804411
January 29, 2016 (408.40)	February 25, 2016	400	20.1	21.83499239
		410	14.5	16.48288253
February 26, 2016 (386.35)	March 31, 2016	380	24.15	19.7362073
		390	18.9	14.57837375

Table 9 - SPSS Output for Paired Sample T- Test for Axis Bank Call Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
P a i r e d	market premium - model premium	.591	3.991	1.629	-4.779	3.598	-.362	5	.732

Interpretation: The p value of SPSS output as shown in Table 10 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the Axis Bank call options.

Table 10 - Axis Bank Put Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (449.90)	January 28, 2016	440	7.95	11.89043341
		450	12.1	16.37494537
January 29, 2016 (408.40)	February 25, 2016	400	10.25	11.03223795
		410	14.8	15.62005924
February 26, 2016 (386.35)	March 31, 2016	380	15.75	11.10359059
		390	20.35	15.88568818

Table 11- SPSS Output for Paired Sample T- Test for Axis Bank Put Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	market premium - model premium	-.118	3.912	1.597	-4.223	3.988	-.074	5	.944

Interpretation: The p value of SPSS output as shown in Table 12 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the Axis Bank Put options.

Table 12 - Axis Bank Put Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (227.80)	January 28, 2016	225	8.3	11.23620975
		230	5.85	8.704679731
January 29, 2016 (179.90)	February 25, 2016	175	11.7	10.43161118
		180	9.05	7.66169838
February 26, 2016 (155.90)	March 31, 2016	155	10.5	7.144123193
		160	8.2	4.839445454

Table 13 - SPSS Output for Paired Sample T- Test for SBI Bank Call Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	market premium - model premium	.597	2.854	1.165	-2.398	3.592	.512	5	.630

Interpretation: The p value of SPSS output as shown in Table 14 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the SBI Bank Call options.

Table 14 - SBI Bank Put Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (227.80)	January 28, 2016	225	4.6	7.084660381
		230	6.95	9.523095932
January 29, 2016 (179.90)	February 25, 2016	175	6.05	4.48040612
		180	8.2	6.680458885
February 26, 2016 (155.90)	March 31, 2016	155	9.1	5.31305585
		160	11.55	7.978343681

Table 15 - SPSS Output for Paired Sample T- Test for SBI Bank Call Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
P	market premium - model premium	.898	2.822	1.152	-2.063	3.860	.780	5	.471

Interpretation: The p value of SPSS output as shown in Table 16 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the SBI Bank Put options.

Table 16 - ICICI Bank Call Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (263)	January	260	9.35	12.8449223

		28,2016		265	6.9	10.30189734
January (230.15)	29,2016	February 25,2016		230	7.8	9.941081803
				235	5.6	7.636238209
February (184.80)	26,2016	March 31, 2016		180	13.5	10.57415943
				185	10.65	7.821960521

Table 17 - SPSS Output for Paired Sample T- Test for ICICI Bank Call Option

		Paired Differences					t	df	Sig. (2- tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
P a i r e d	market premium - model premium	-.887	2.979	1.216	-4.013	2.239	-.729	5	.499

Interpretation: The p value of SPSS output as shown in Table 18 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the ICICI Bank Call options

Table 18 - ICICI Bank Put Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (263)	January 28,2016	260	5.85	8.283131921
		265	8.5	10.71007252
January (230.15)	29,2016 February 25,2016	230	9.45	8.409498003
		235	11.95	11.07461998
February (184.80)	26,2016 March 31, 2016	180	7.55	4.692919934
		185	9.75	6.910686595

Table 19 - SPSS Output for Paired Sample T- Test for ICICI Bank Put Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
P a i r l	market premium - model premium	.495	2.341	.956	-1.962	2.952	.518	5	.627

Interpretation: The p value of SPSS output as shown in Table 20 is greater than 0.05. Hence, null Hypothesis is accepted. There is no significant difference between the expected price and actual price of the ICICI Bank Put options.

Table 20 – HDFC Bank Call Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (1088.75)	January 28,2016	1080	24.9	51.19447692
		1100	14.6	41.26378878
January 29,2016 (1045.85)	February 25,2016	1040	29.5	47.82787897
		1060	17.9	38.11962654
February 26,2016 (961)	March 31, 2016	960	27.05	41.69783246
		980	17.05	32.41270899

Table 21 - SPSS Output for Paired Sample T- Test for HDFC Bank Call Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
P a i r l	market premium - model premium	-20.253	5.228	2.134	-25.739	-14.767	-9.490	5	.000

Interpretation: The p value of SPSS output as shown in Table 22 is less than 0.05. Hence, null Hypothesis is rejected. There is significant difference between the expected price and actual price of the HDFC Bank Call options.

Table 22 – HDFC Bank Put Option

Observed Date	Date of Expiration	Strike Price	Market Premium	Model Premium
January 1, 2016 (1088.75)	January 28,2016	1080	13	35.95703995
		1100	19.4	45.90621409
January 29,2016 (1045.85)	February 25,2016	1040	15.25	35.73071744
		1060	23.05	45.90232729
February 26,2016 (961)	March 31, 2016	960	23.1	34.93122182
		980	34.05	45.52596063

Table 23 - SPSS Output for Paired Sample T- Test for HDFC Bank Put Option

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
P a i r l	market premium - model premium	- 19.35 1	6.266	2.558	-25.926	-12.775	-7.565	5	.001

Interpretation: The p value of SPSS output as shown in Table 24 is less than 0.05. Hence, null Hypothesis is rejected. There is significant difference between the expected price and actual price of the HDFC Bank Put options.

Findings:

Pricing of an option is very important for the buyers and sellers of the option contract. Black-Scholes option pricing model is applied for banking stocks in this study. Paired sample T-test results indicate that this model can be applied for banking stock options.

However, in one out of five cases,

- There **is no significant difference** between the expected price and actual price of the YES Bank Call and Put options
- There **is no significant difference** between the expected price and actual price of the AXIS Bank Call and Put options
- There **is no significant difference** between the expected price and actual price of the SBI Bank Call and Put options
- There **is no significant difference** between the expected price and actual price of the ICICI Bank Call and Put options.
- There **is significant difference** between the expected price and actual price of the **HDFC Bank** Call and Put options.

Options may be under-priced or overpriced in the market. Hence, it is advised to find expected option price through BSOP Model can be computed before entering into an option contract.

Conclusion:

Option pricing is a crucial factor for hedging and speculative activates. Pricing plays a vital role for option writers. Black-Scholes option pricing model is a widely accepted for pricing options. An attempt is made in this paper to test empirically the relevance of Black-Scholes options pricing model in Indian Derivative market with specific reference to select banking stock options. Results of the paired sample t-test revealed that there is no significant difference between the expected option prices calculated thorough Black-Scholes Model and market price of options, in four out of five cases. It can be inferred that model is relevant for banking stocks.

Limitation of Study:

All the data are Secondary Data. The research study is based on result of limited period options expires on January, February and March 2016. Hence the result obtained can be applied selected period. A pricing model's limitations are the assumptions that go into it and how representative they are of reality. The options are European and can only be exercised at expiration. No dividends are paid out during the life of the option. Efficient markets (i.e., market movements cannot be predicted). No commissions. The risk-free rate and volatility of the underlying are constant. Follows a log normal distribution; that is, returns on the underlying are normally distributed

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A Comparative Study on Delegation Style between Male and Female Leaders

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Abstract:

A leader is one who charts a purpose, inspires trusts and confidence, goes all the way for the team and shows the way. Transformational leadership is a leadership style where one or more persons engage more persons engage with another in such a way that leaders and subordinates raise one another to higher levels of motivation and morality. Transformational leaders enhances the personal and group improvement, share inspiring organizational visions, objective, motivation, morale for important goals. The current study tries to determine the difference in delegation style between male and female leaders as perceived by the leaders. With selected respondents working as leaders in private and public sector companies, primary data was collected by using questionnaire. The data analysis revealed that gender has not much to impact in this regard.

Key Words: Comparison, delegation style, gender, male, female leaders

INTRODUCTION

Leading is the most important function of management after planning and organizing. Through guiding and motivating Managers have to lead their subordinates. To perform essential tasks leading involves motivating, directing and influencing and motivating, supporting, helping employees for developing organisation. Good leader develop their organisation and help their subordinates for developing of organisation. Leaders are said to be different from ordinary managers. They focus up on to the articulation of mission, direction setting, vision, and strategic thinking. Managers

concentrate on the administrative functions of achieving the goals, administering policies and procedures, and monitoring and controlling (Krantz, 1990). Leaders have huge responsibility. All Academic Institutions, Corporations, Universities, Schools, Professional bodies, trade bodies, Government bodies, NGO's need good leaders to develop their self. Ivancevicti et al (1993), define leadership as the relationship between two or more people in which one attempts to influence the other toward the accomplishment of some goal or goals. According to Davis (1967), leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group tighter and motivates it towards goals.

Every organisation needs strong and able leaders for its success. Leadership is an important aspects and essential ingredient of management. Leadership is an abstract quality in a human being to induce others (his followers) to do whatever they are directed to do with zeal and confidence. It is an ability or quality or ability of an individual to persuade others to seek defined objectives enthusiastically. Do you know that what makes an organisation effective? Some management analysts believe that the basic difference between a successful and an unsuccessful organization is its leadership. In most cases, the failures are caused by poor leadership. Therefore, an organization's leaders are major determinants of its success or failure (Katz & Kahn, 1978). In other words we can say, successful organization is one respect the former are characterizing by dynamic and effective leadership (Hersey & Blanchard, 1977).

Transformational leadership is a leadership style where one or more persons engage more persons engage with another in such a way that leaders and subordinates raise one another to higher levels of motivation and morality. Transformational leaders enhances the personal and group improvement, share inspiring organizational visions, objective, motivation, morale for important goals (Bass, 1985). According to him, transformational leaders attempt and succeed in raising colleagues, subordinates, followers, clients or constituencies to a greater level of awareness about issues of consequence. It provides ideas as to what a leader should be in transforming environment Vision statements create discussion. It can be used in recruitment, selection and promotion, and training and development programs. Transformational leadership, behaving in ways that bring out the best in individuals and organizations, may be a more androgynous style, calling for the best in both masculine and feminine sex-typed behaviour. The best example of transformational leadership are- Mahatma Gandhi, Mother Teresa, Martin Luther King, Nelson Mandela they are demonstrated a form of transformational leadership that was based on values, motivation, morality etc.

Transactional leadership is one who guide and motivates his followers in the direction of established goals by clarifying role and task requirements. Transactional leadership involves exchange relationship between the leader and the followers. Traditional

theory of leadership, Ohio State studies, Fiedler's model and Path Goal theory are all transactional in nature. On the basis of his research finding, Bass concluded that in many instances, transactional leadership is a prescription for mediocrity and that transformational leadership leads to superior performance in organisation facing demands for renewal and change. He suggested that fostering transformational leadership through policies of recruitment, selection, promotion, training and development will pay off in the health, well – being and effective performance of today's organisations.

Followers are more likely to accept a person's leadership if they consider his leadership behaviour to be culturally appropriate and in agreement with their own culture values. Kanungo and Conger (1993). Thus in a traditional organisation which prescribes conservative mode of behaviour for its members. It is hold that there should be a balance between transformational and transactional elements of leadership. Transformational leadership is more attractive than the day to day grind of routine, maintenance – type activities offered by transactional leadership.

LITERATURE REVIEW:

Eagly et al., (2003) studied about the transformational, transactional, and laissez-faire leadership styles. They found female leaders were more transformational than male leaders. They also studied that engaged in more of the contingent reward behaviours that are a component of transactional leadership. Male leaders were generally more likely to manifest the other aspects of transactional leadership (active and passive management by exception) and laissez-faire leadership. Neubert and Taggar (2004) evaluated the strengths and weaknesses of more women moving into positions of influence as much as it is to encourage organizations to consider this trend as an opportunity for transforming leadership roles. It also studied relational view of leaders' authenticity by arguing that much more is required of leaders than transparently conveying and acting on their values.

Hassan (2008) tried to fill the gap that existed in the literature on gender and leadership behaviors in community development because women contribution is getting bigger but too often they are not documented. Analysis of data showed that leadership understanding and style employed by women leaders is participatory or collaborative in nature and this is in line with some of the finding from other studies in women led organization in other countries.

Ahmad and Nawaz (2010) investigated leadership styles among teaching faculty members of higher education institutes and universities in different cultures,

occupations, organizational settings. In this study seeks to determine the leadership style of regular faculty members employed by public as well as private sector higher education institutes and universities. The results revealed that the faculty members in both public and private sectors were practicing transformational and passive/avoidant leadership styles to the same extent.

Kent et al. (2010) examined the transformational leadership behaviors to differences between men and women leaders. Subordinates of the leaders rated the frequency of use of transformational leadership behaviours from five different categories. Generally, it was found men and women do not differ in their general perceptions of others as leaders.

Khan et al. (2012) examined the role of transformational, transactional, and laissez-faire leadership styles in predicting innovative work behavior among bank managers of Rawalpindi and Islamabad. Multifactor Leadership Questionnaire and Innovative Work Behavior Scale were used for data collection. Study showed that transformational and transactional leadership style positively predicted innovative work behavior whereas laissez-faire leadership style negatively predicted it and transformational and laissez-faire leadership style but inconsistent for transactional leadership style.

Deveshwar and Aneja (2014) the study explored the attention on the most popular leadership style used currently. This study focuses on the existing literature on transformational and transactional leadership style and they also examine the cross – cultural dimensional model given by Greet Hofstede. In this study they focus on two type of objective- Comparative study of Transactional and Transformational Leadership Style, Determine the cultural factors affect the leadership style. Naga (2015) studied about values and attitude of women being a leader. This research focused on the morals and attitudes of women as a leadership positions. They proved on the basis of large evidences women possess more transformational and transactional and participative leadership styles that their male counterparts.

RESEARCH METHODOLOGY:

Objective: To study the difference in delegation style between male and female leaders as perceived by the leaders.

Hypothesis: There is no significant difference in Delegation style between male and female leaders as perceived by leaders.

Data Collection: Secondary data was collected from journals, books, Internet etc. Primary data were collected from employees working in private and public sector companies. Total 100 male leaders and 100 female leaders were the sample size selected purposively. They were asked to fill the questionnaire regarding the leadership styles. In the public and private sectors, the following were included such as IT, healthcare, hospitality, academics, banking & insurance and manufacturing. They were on various designations such as; head of the departments, regional and branch managers, directors/professors, medical professionals etc. T test was applied for data analysis.

RESULTS:

Table 1: Group Statistics for Delegation style between leaders as perceived by leaders.

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Rare_Delegation	Male	100	3.94	1.127	.113
	Female	100	3.81	1.212	.121
Regular_Delegation	Male	100	3.67	1.083	.108
	Female	100	3.57	1.085	.108
Positive_Negative_Consid	Male	100	3.90	.905	.090
	Female	100	3.83	.943	.094
Close_Supervision	Male	100	3.95	1.104	.110
	Female	100	3.75	1.132	.113

The table talks about the group statistics of one of the attribute of transformational leadership called Delegation Style on the basis of gender as perceived by leaders. The mean value of male and female seems to be same which shows their similar opinion for Delegation Style. The values of standard deviation are also very less which shows low degree of variation in their responses.

Table 2: Independent Samples Test for Delegation style between male & female leaders as perceived by leaders

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Rare_Delegation	Equal variances assumed	1.683	.196	.786	198	.433	.130	.165	-.196	.456
	Equal variances not assumed			.786	196.954	.433	.130	.165	-.196	.456
Regular_Delegation	Equal variances assumed	.008	.929	.652	198	.515	.100	.153	-.202	.402
	Equal variances not assumed			.652	197.999	.515	.100	.153	-.202	.402
Positive_Negative_Consid	Equal variances assumed	.381	.538	.536	198	.593	.070	.131	-.188	.328
	Equal variances not assumed			.536	197.651	.593	.070	.131	-.188	.328
Close_Supervision	Equal variances assumed	.981	.323	1.265	198	.207	.200	.158	-.112	.512
	Equal variances not assumed			1.265	197.884	.207	.200	.158	-.112	.512

The p value in Levene's test of equality is higher than 0.05 in all the cases. So, we will look at equal variances assumed i.e. top row for t test result. All the p value of t test > 0.05 this indicates that there is no significant difference in Delegation style between male and female leaders as perceived by leaders. Hence the hypothesis is accepted. These findings stand in line with Neubert and Taggar (2004), Hassan (2008), Kent et al. (2010), Naga (2015).

IMPLICATIONS:

When it comes to delegation style, both male and female leaders were found to have similar approach. Hence, no difference was found. There are many tasks which are handled through delegation and effective delegation ensures better results. Prior studies also suggested that male managers, who scored higher in "management by exception" and laissez faire managerial style, tended to delegate more than their female equivalents. The level of passion and determination is now same in both genders in public and private sectors. Similarly, team working spirit was also exhibited same for both male and female leaders. Leaders were effectiveness in terms of cooperation among the team members. Here in the study, transformational leader was not an ordinary leader; he/she was able to prove his mettle in the organization. After deep study of the organization, the researcher has identified such transformational leaders and approached them for data collection. When most of the hypotheses were accepted, it shows that male and female leaders are same in terms of transformational leadership style. This study explains In terms of transformational leadership approach between male and female leaders in public and private organizations, there was no significant difference found. This was found same as per the response of the leaders themselves as well as their subordinates.

Limitation and Scope of study:

The sample size finally selected for primary data collection was small, which may appear small to represent the population in the region. There may be a possibility of prejudice in the selection of respondents and filling up of questionnaire. There may be time limitation with respondents. The findings of this study may not be generalized for other areas of the state and nation. This study has been undertaken with respect to transformational leadership approaches among male and female leaders in private and public sector in Indore. For researchers, this study can be useful in many ways. Further research studies can be done on large sample size; more sectors can be considered and more cities can be included. Sector-wise comparison can also be done. Detailed studies can be done with respect to other demographic variables like-qualification, experience etc.

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A study on Impact of Organisational Commitment on employees in Banking Sector

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Abstract:

Organizational commitment has impact on employees' motivation and effort to work well. Committed workers are loyal to the company and dedicated to the work they perform. They feel satisfaction with the work content and are certain that a long-term job in the company is meaningful. This study aims at identifying the commitment level among temporary employees who seem to be a predominant sector of the workforce in most organization. This trend seems to be prevailing at all levels of management although it seems to be at smaller sizes when we climb up the career ladder. Many organizations in this country which have staff on short term contract. The findings would bring awareness to them regarding the challenges being faced by other organizations. In particular, the Human Resource Managers can use the research findings and recommendations to lay out strategies for overcoming the challenges.

Keywords: organisational commitment, employees, job, behaviour, banking

Introduction:

Organizational commitment refers to employee's commitment to their employees. It consists of their dimensions based on the three themes identified by Meyer & Allen (1991). Affective commitment is concerned with the extent to which the individual identifies with the organizations. Continuance commitment is more calculative. It concerns the individual's need to continue working for the organization. Normative commitment in some respect is influenced by societal norms about the extent to which people ought to be commitment to the organization. Meyer and Allen suggest

that all three types of commitment levels are related to the relationship between the individual and the organization.

Organization commitment is assumed to influence almost any behavior that is beneficial to the organization. Being part of an organization organizational commitment satisfies the need of belongingness. Organization commitment can be considered as a resource in coping with organizational stress (Koura, 1982). It is related to reduce occupational strain (Teo & Waters, 2002) and higher well-being (e.g. Wiener et al., 1987). It has been questioned in how far temporary workers may from commitment towards the involved organizations, which do not provide secure and unlimited employment (Kullberg & Rogues, 2000). There is some evidence that temporary agency workers might be less committed to the client organization in comparison with core workers (Millard & Hopkins, 1998).

Employees performances at the workplace are found often associated policies for their betterment. The level of commitment decides the tendency of employees to work dedicatedly and perform well. It is the reason at times when the employee loyalty and trust are in a hampered situation often found associated with the work related changes as the changing competitive propositions offered to customer by the banking industry to say with them. The changing requirement creates pressure on employees and they have to meet the specification goal. Commitment is the individual zeal which makes him or her related to the organization and hence the employee with full dedication serves the organization. In the banking sector with the changing competitive requirement, many of the banks are undergoing mergers while others are continuously updating themselves for foreign and local players in the sector. The point that is often left apart is the internal customer that is the employee, whose participation can make the organization a success or a failure. Organizational commitment has attracted considerable interest in an attempt to understand and clarify the intensity and stability of an employee's dedication to the organization. Organizational commitment has an effect on employees, organizations and the world in general. The level of employees' Organizational commitment will possibly ensure that they are better suited to receiving both extrinsic rewards (which include remuneration and benefits related to associations. It is generally assumed to reduce abandonment's behaviors, which include tardiness and turnover. In Addition, employees who are committed to their organization may be more willing to participate in 'extra-role' activities, such as being creative or innovative, which frequently guarantee an organization's competitiveness in the market. In banking sector the privatized and nationalized banks both are providing numerous facilities to customers. But as the competition is going strong the demands of customers are changing as well the internal customers that are the employees have to satisfy as well.

Review of Related Literature:

Millard & Hopkins (1998) found that the inexperience of temporary employees added to the lack of induction and investment in their skills, might have a negative influence over the attitudes they have concerning security and the best way to perform their duties. Kullberg and Rogues (2000) observed that lack of trust, perceived unfairness, and lower affection attachment can also be related to transactional contracts. Roberts and Davenport (2002), found that career development and a rewarding work environment also increase the work engagement level of employees. De Witte and Nasals (2003), found no significant difference between temporary and permanent employees. The last authors found similar results about job satisfaction. Organizational benefits gained from employee engagement have been known to include greater achievement of individuals work goals or productivity (Schaufeli & Bakker 2004), customer satisfaction and profitability. This seems to hint at overall favorable effects for the organization, particularly on the temporary and assessed with indicators of economics success. Seemingly missing in this debate is a combination of a Human Resource Management and organizational commitment; namely the effects of temporary versus permanent employment in terms of workers productive and/ or contra-productive behaviors that are important for both organizations and employees in the short and long term. Feldman and Lankau (2005) found similar results, pointing out that contingent worker with expectations of future permanent employment are more likely to perform at higher levels and show more commitment to worker compared to those who do not have these expectation. As pointed out by the author, the temporary employees respond to three characteristics: they have no permanent relationship with an employer, they work less than 35 hours with any employer and the contract is of limited duration.

England and Riphahn (2005) observed even higher levels of employee efforts in temporary workers compared to permanent ones. These authors argue that temporary workers are more likely to work harder, although this performance level is more commonly found among employees that have a possibility of going upwards in the organization. The dominant position is that the evolution towards increasing numbers of temporary employment is driven by the employer's demand for more flexibility and innovation, and by their wish to reduce labor costs (Burgees & Connell, 2006). Olivier and Rothman (2007) also report findings revealing that psychological safety lead to engagement because it reflects one's belief that a person can employ himself/herself without fear of negative consequences.

It has been explored up for gender role on level of commitment by Kmec and Gorman (2010). However no such findings were concluded to be true. Further study done by

Yousaf et al (2011) explored up the commitment level with relationship of age as a variable affecting it. It was also researched further by Ambad and Bahron (2012) to seek relationship between organisational commitment and psychological empowerment and it was concluded that empowerment leads to commitment amongst employees.

Objectives of the study:

- 1:- To study organizational commitment amongst bank employees.
- 2:- To identifying factors responsible for organizational commitment amongst the employees.

Hypothesis:

Ho:-There is no significant difference on organizational commitment amongst employees in privatized & nationalized banking sector.

Research Methodology:

Survey approach is considered as the best method to find out employees job-satisfaction level and various factors related to it. For the purpose of recording responses Privatized and Nationalized employees with special reference to Banking sector was selected in Indore city. The data was collected with the help of structured questionnaire of organizational commitment designed by Dr. Anukool Hyde AND Dr. Rishu Roy on a 30 item scale. The dimensions used to assess were empowerment, work environment, affection towards organization, goal fulfillment, positive thinking, career goals, and empathy. Study was conducted through purposive sampling on temporary and permanent employees of banking sector. Sample size of 50 for privatized and nationalized banking sector employees was selected. The data thus collected was tested with the help of appropriate statistical tool and the results were discussed with the help of pie-chart on various attributes.

Result and Discussion:

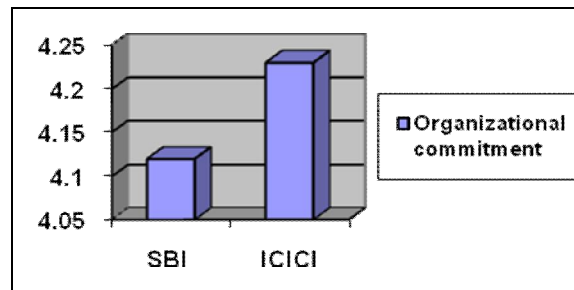
1. Comparison of Organizational Commitment amongst employees

Table 1: Average mean value of bank employees

group	Mean
1.00 (Nationalised)	4.12
2.00 (Privatised)	4.23

t	Sig. (2-tailed)
-2.136	0.35

Fig 1: Showing Average Mean value of bank employees.



Result: On the basis of mean value in table no.1 the value for ICICI bank employees is at higher end as they have better working condition and quality of work life is also good. The mean value of SBI was at lower end which might be related to the post merger situation and expansion in the bank. As the p value is 0.35 that is $<.05$, the hypothesis- H1 'There is no significant difference between on Organizational Commitment amongst employees in privatized and nationalized banks' is Rejected.

Discussion: Organizational commitment plays a key role in keeping the employee boosted. The results depict a higher level of commitment in the ICICI and a lower level in SBI. Similar study done by Bratton and Gold (2007) employee commitment is relative to the workers' attachment or participation in the organizations in which they employed. Employee commitment is significant since it determines whether employees are likely to leave their jobs or improve performance. Numerous studies have related to employee commitment.

2. Comparing factors of Organizational Commitment amongst employees.

	SBI	Rank
Empowerment	4.12	4
Contingent	4.25	3
Career goal	3.94	7
Work environment	4.01	6
Affection	4.04	5
Empathy	4.48	2
Goal fulfillment	4.49	1
Positive thinking	4.48	2

	ICICI	Rank
Empowerment	4.18	7
Contingent	4.57	4
Career goal	4.62	1
Work environment	4.27	6
Affection	4.16	8
Empathy	4.6	2
Goal fulfillment	4.59	3
Positive thinking	4.46	5

Table 2: values of factors of Organizational Commitment.

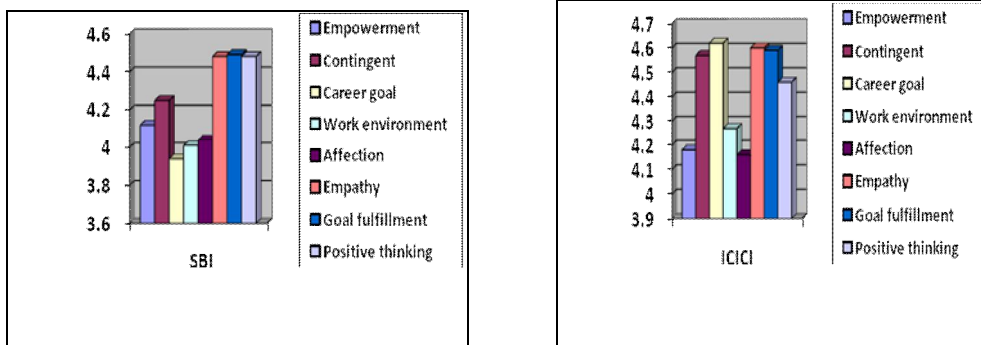


Fig 2: Values of factors of Organizational Commitment.

Result: On the basis of table 1 and 2, the priority given by the banking employee in nationalized bank was found to be Goal of the organization, positive thinking, work environment, contingent reward system and affection and empathy. While on the other hand in the privatized bank the responses recorded showed care giving, contingent reward, empathy and work environment preferences to be good reasons for boosted commitment levels. The results are also inferred in the chart no. 2 and 3.

Discussion: On reviewing both the tables the role of work environment, positive thinking, care giving and contingent reward system play important roles. Similar

study done by Kotze and Roodt (2005) reveal strong correlation empirically established between job satisfaction, employee commitment and retention. Organizational commitment is most probably affected by factors such as type and variety of work, the autonomy involved in the job, the level of responsibility associated with the job, the quality of the social relationship at work, rewards and remuneration, and the opportunities for promotion and career advancement in the company (Riggio 2009).

Findings: Organization commitment is assumed to influence almost any behavior that is beneficial to the organization such as performance attendance and staying with the organization. Organizational commitment has impact on employees' motivation and effort to work well. Committed workers are loyal to the company and dedicated to the work they perform. They feel satisfaction with the work content and are certain that a long-term job in the company is meaningful. Organizational commitment has impact on employees' feeling good and positive approach to work satisfaction.

In this research, the findings indicate that there is no significance difference between organizational commitment amongst employees in privatized & nationalized banking sector. Result shows that ICICI bank employees have better working condition and good quality of work life. While the result further states that mean value of SBI was at lower end which might be related to the post merger situation and expansion in the bank.

Conclusion: The study has highlighted the complexity of research on the organizational commitment amongst temporary employment. More specifically, it has emphasized the lack of theoretical founding in many studies, or has questioned the validity of widely applied theoretical considerations. The review of empirical research on the relationship between temporary employment and job satisfaction, organizational commitment, well being and productive behaviors highlights the fact that findings are inconsistent and inconclusive. This fact has inspired researchers to implement more sophisticated research designs. The Employees in the early stages are having a desire to stay in the organization for longer duration as they have to survive for their career growth. The employee with old belief and attachment to previous organization may react differently. They might resist accepting the present situation mentally and may not be able to maintain high motivation levels.

Limitations: The study was done on small sample so the responses of more vivid form could not be seen. There may be possibility of extremity biasness. The employees of banking sector are very busy in daily routine at workplace so the research work took more time for data collection. Other related variables as job satisfaction, motivation and engagement can be explored in further studies. The study

finds that the banking sector has great challenges with customer handling in their routine and thus commitment is the most important behavioral trait to be handled with utmost care.

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Case: Should POKEMON Go or Not?

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Abstract

This case discusses about the thorns that has been stinging people after the release of the revolutionary game “Pokémon Go” and whether that rose should let be grown or should be cut before it’s a *shrub*. The chances of curbing the addiction of children hooked with tabs and computer games are very slim now and the whole credit goes to Pokémon Go. The overnight sensational game, was downloaded more than 75 million times globally. It has been credited with popularizing augmented reality and location-based gaming and also for inducing physical activity. On one hand, this game has brought up a revolution in mobile gaming, and on the other hand it has become a reason for far too many accidents. People are wandering on high traffic roads and are literally getting hit by cars. World wasn’t over with selfie related deaths, and now “Pokédeaths” have come into picture.

Keywords: Location-based, augmented reality game, pocket monsters, handheld devices

Introduction:

July 6, 2016. History was made on this day when the world was introduced with Pokémon Go. It took \$30 million for Niantic to create this game which made around \$3.9 million to \$4.9 million on the first day of its launch. It has already generated a revenue of \$160 million till date. In mere 13 hours of its launch, Pokémon Go reached the top highest-grossing app chart in the US. People claim to be so busy with

their lives but when it comes to catching Pokémon, they can spare more than 26 minutes daily which is more than the daily usage of Facebook app. On an average, 30% of Pokémon Go users in Canada skip their daily activities to catch Pokémon. Problem starts when you wake up on a fine morning and realise that your house is a PokeStop or PokeGym. The enthusiastic crowd of “Pokémon trainers” will give you a “Brangelina” feeling. Some overenthusiastic will ask for your permission to look for Pokémon in your house. And some struck with serious deliriousness will trespass. And at that moment you’ll feel that this game is just an epitome of craziness. It is legal in US to shoot people who trespass your private property. What an irony it will be to land in ICU just because you wanted your Pokedex to reflect a new Pokémon in your collection.

Origin of Pokémon

The name Pokémon is the Romanised contraction of the Japanese brand Pocket Monsters. The term Pokémon, in addition to referring to the Pokémon franchise itself, also collectively refers to the 722 known fictional species that have made appearances in various Pokémon media. "Pokémon" is identical in both the singular and plural, as is each individual species name; it is grammatically correct to say "one Pokémon" and "many Pokémon", as well as "one Pikachu" and "many Pikachu".

The concept of the Pokémon universe, in both the video games and the general fictional world of Pokémon, stems from the hobby of insect collecting. Players are designated as Pokémon Trainers and have two general goals: complete the Pokédex by collecting all of the available Pokémon species found in the fictional region where a game takes place, and train a team of powerful Pokémon from those they have caught to compete against teams owned by other Trainers and eventually win the fictional Pokémon League.

In most incarnations of the fictional Pokémon universe, a Trainer who encounters a wild Pokémon is able to capture that Pokémon by throwing a specially designed, mass-producible spherical tool called a Poké Ball at it. If the Pokémon is unable to escape the confines of the Poké Ball, it is officially considered to be under the ownership of that Trainer. Afterwards, it will obey whatever its new master commands, unless the Trainer demonstrates such a lack of experience that the Pokémon would rather act on its own accord. Trainers can send out any of their Pokémon to wage non-lethal battles against other Pokémon; if the opposing Pokémon is wild, the Trainer can capture that Pokémon with a Poké Ball, increasing his or her collection of creatures. Pokémon already owned by other Trainers cannot be captured, except under special circumstances in certain games. If a Pokémon fully defeats an

opponent in battle so that the opponent is knocked out ("faints"), the winning Pokémon gains experience points and may level up. When leveling up, the Pokémon's statistics ("stats") of battling aptitude increase, such as Attack and Speed. From time to time the Pokémon may also learn new moves, which are techniques used in battle. In addition, many species of Pokémon can undergo a form of metamorphosis and transform into a similar but stronger species of Pokémon, a process called evolution.

Creator of Pokémon

Satoshi Tajiri (Japanese: 田尻智, born August 28, 1965) is the creator of Pokémon, responsible for the initial concepts which would lead to the metaserie as it exists today. Currently, he works as the CEO of Game Freak.

In the early 1990s, when Tajiri first saw two children playing together with Game Boys using the Game Link Cable, he imagined insects crawling along the cable between the two systems. As he thought about the capabilities of the Game Link Cable, his idea for Pokémon grew, as he wanted to give modern children the chance to hunt for creatures as he did as a child.

He pitched the idea for Pokémon to Nintendo, and although they didn't fully understand the concept of the game, he was given some initial funding anyway and concept work from another game design studio, Creatures, Inc.. Tajiri spent the next six years working on Pokémon. Shigeru Miyamoto, the man behind Mario, The Legend of Zelda, Pikmin, and Donkey Kong, was assigned to help in the development of the initial versions of Pocket Monsters, Red and Green. During this time Tajiri came to admire Miyamoto as a mentor. As a tribute to Miyamoto and Tajiri, the main character of the games and his rival have "Satoshi" and "Shigeru" among their default names, while the main character of the anime, Ash Ketchum, and his first rival, Gary Oak, are named the same, respectively.

After six years of development, Pokémon Red and Green Versions were completed. Although the Game Boy's hardware was becoming outdated, the game still grew steadily in popularity because younger children could not afford brand-new console games so they turned to the inexpensive Game Boy games.

The success of Pokémon led to various manga adaptations, an anime, and more Pokémon games and spinoff games.

All about Pokémon Go

Pokémon Go is a free-to-play mobile app that you can download for iOS or Android. It's free to download and start playing, but you have the option to use real money to buy in-game currency called PokéCoins. (Between \$0.99 for 100 PokéCoins and up to \$99.99 for 14,500.) Those PokéCoins are used to purchase Pokéballs, the in-game item you need to be able to catch Pokémon. Now you don't have to spend real money, but that simply means you need to pay with your time and energy (which is the fun of it, anyway!).

The game works by using your phone's GPS for your real-world location and augmented reality to bring up those cool-looking Pokémon on your screen, overlaid on top of what you see in front of you. And "digital you" can be customized with clothing, a faction (or "team" of players you can join) and other options, and you level up as you play.

If the timing is right, wild Pokémon leap out at you, giving you have a chance to catch them with a Pokéball. When you capture a Pokémon, it gets added to your Pokédex, a sort of Pokémon database, where you can personalize them later. And then the fun part: You can go to your local "gym" and battle your Pokémon against other trainers (also real people).

PokéStops, on the other hand, are usually predetermined landmarks that you can interact with and get items from. Some of these items will further your "ability" as a trainer, or simply draw tons of other excited Pokémon Go players to your location.

"Pokémon Go" - Operation



Exhibit 2 – Interface of Pokémon Go**Source - <http://www.similarweb.com/blog/pokemon-go>**

The first step to enter the world of Pokémon Go is to create a digital avatar. You can choose your gender, eye colour, hair colour, shirt, hat, pant, shoes and the style of backpack. You'll be entering the main area of the game i.e. Pokémon Go Map. Essentially, the main area of the game is a brightly-animated version of Google Maps. You'll see unmarked roads, rustling grass (marking Pokémon in the area), and local landmarks disguised as PokeStops and Pokémon Gyms. As you move in the real world, your avatar does too. Pokémon will pop up on the map with a small vibration as you walk along, and if you tap on them, you can try to capture them.

Each geographical area has a specific Pokémon type, and some creatures are more difficult to find than others. You need to travel around to find all the Pokémon. You can head to the local lakes, ponds or beaches to find "Water-type Pokémon".

You can find wild Pokémon by physically walking around your area. Stick to populated areas: Pokémon appear most often near PokeStops. The more PokeStops nearby, the more creatures should appear. As you walk around in the real world, your avatar moves along the map using GPS. When a Pokémon is close enough to capture, it pops on your screen. Since walking around your eyes closed is a bit of a safety hazard, the game is designed to allow you to keep your eyes free while you wander. You can keep your phone at side while you walk; when you are near a Pokémon, you'll get a notification in the form of a vibration and (if your sound is turned on) the Pokémon's unique call. Once you've found a Pokémon, it's time to throw a Poke Ball to try and capture it. You "throw" in game by tapping and holding your Poke Ball; a glowing, shrinking ring appears then around the Pokémon. When the ring gets to its smallest, you want to flick your Poke Ball directly toward the creature, (with the aim of bopping it on the head) and release your finger; if successful, you'll capture the Pokémon inside.

More than one player can catch the same Pokémon; if you and your friend see the same Pokémon on the street, you can both grab it for your separate collection.

You can also use special items to attract Pokémon to your location: you can use incense to lure Pokémon to you personally for 30 minutes, or – if you're at a PokeStop – use a Lure Patch. This will bring Pokémon to the stop; every player there can catch them for the next 15 minutes.

The “Goods” of Pokémon Go

Exercise – Obesity is ever increasing in today’s time and the biggest culprit of it is the gaming consoles and other handheld devices. Who would want to sweat out in the sun when they can be playing a FIFA world cup finals with their favourite teams and favourite players? But Pokémon Go has brought a revolution as it really needs you to get moving outside.

Socializing – PS4 all day won’t make new friends for you but Pokémon Go surely does it. Meeting people with same interests as yours was never so easy since the advent of Pokémon Go. You can now “catch” your soulmate while you catch them all. This in turn helps in fighting stress, anxiety and also depression.

Free – PS4, Xbox One, Nintendo Wii and many others will cost you a fortune. When you just over the price of a gaming console, your kid starts to demand for a new game. But the game that has made the whole world moving is absolutely free. Good grades won’t matter to children to flatter their parents.

Non-violent – Most games nowadays have violent and to some extent sexual content. It is very easy for children to get influenced by these games. Pokémon Go on the other hand is a clean, fun and also a competitive game to play. GTA Series is the best example for this. No doubt it is a great game to play, but it also recommends that it should be played by audience who is more than 18 years of age and this warning is seldom taken into serious consideration.

Relief from Social Media – Pokémon Go has induced users to enter into the real world and leave the realm of social media behind. It has proved that catching them all is more important than getting more likes and getting more followers. Capturing Pokémon is now the new black than capturing pouting selfies.

Fun – It is absolutely a fun game to play. It involves exercise, thrill, competition, sense of achievement. It is like a dream come true for Generation Y. Almost every kid had a fantasy to make the Pokémon world real and Niantic has really made that dream come true.

Revenue Generation – Food trucks, toy trucks ice-cream trucks and many other trucks can now easily get to crowded locations and sell their stuff. Since the launch of Pokémon Go, the sale of soft toys of Pokémon have tripled. After walking miles and miles for search of a rare Pokémon, a food truck comes to your aid and relieves you of your hunger pangs.

Excess of everything is bad and this game is no exception to this.

The “Bads” of Pokémon Go

Distraction – The app itself features a disclaimer cautioning you to be alert and aware of where you’re going while you’re playing, but there have already been reports of injuries incurred when playing the game. It does put the mind into a *blended reality state*, in which you’re not quite in the real “present moment” since your eyes are focused on the phone looking at something that isn’t actually there in reality.

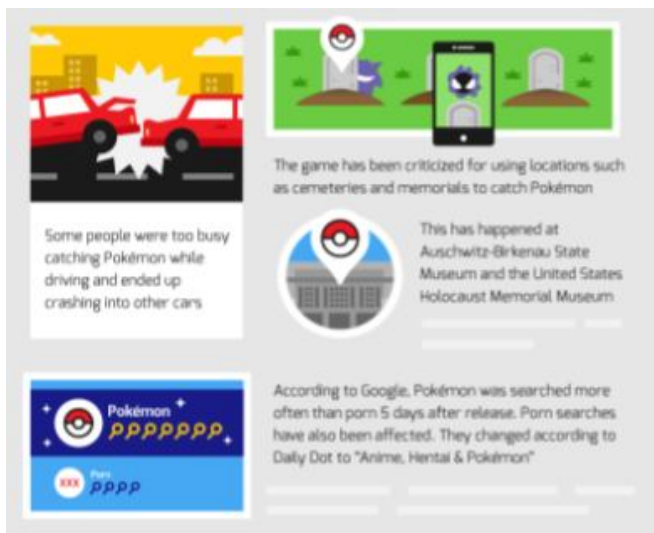


Exhibit 3 – Negative impact of Pokemon Go

Source - <http://www.similarweb.com/blog/pokemon-go>

Increased Stress Rate - Since you’re technically trying to find and catch something, your body is most likely in a fight-or-flight state, meaning your adrenaline is pumping and your heart rate is a bit higher than usual. For a short period, this can be fun, but long-term, you can experience fatigue and feel more worn out, so it’s important to take breaks and make sure you’re not experiencing side effects of excessive gaming.

Spending More Time on Phone than Usual - Playing the game could actually make you *less* social and increase the time you're on your phone and not interacting with people. But this will vary based on an individual's experience.

The Game Could Exacerbate Symptoms For People Who Have Difficulty Separating Reality And Fantasy – The game blends elements of reality with virtual/fantasy elements, so it can be confusing for those who already have difficulty distinguishing out what is real or not, specifically people who may have psychotic symptoms, so it's important to be cautious in that situation and discuss it with your doctor first.

It Can Randomly Assign your House as a PokeStop – If your house is assigned as a PokeStop, be prepared to have some (in this case some means “a lot”) unexpected guests at your doorstep and you can do nothing to stop them. The lack of opting out feature in the game has made the some people feel the disadvantages of being a celebrity. You will always be surrounded by a crowd of Pokémon fans.

It Leads To Distracted Walking/Driving/Running – If your child is out on his bike or walking around with friends trying to catch Pokémon, due to the nature of the game, their eyes will have to be glued to the screen. This makes for distracted walking in roads, riding bikes with one hand, or running to a location with their head down. Remind your child to always be aware of their surroundings and to be stopped before looking down at their phone.

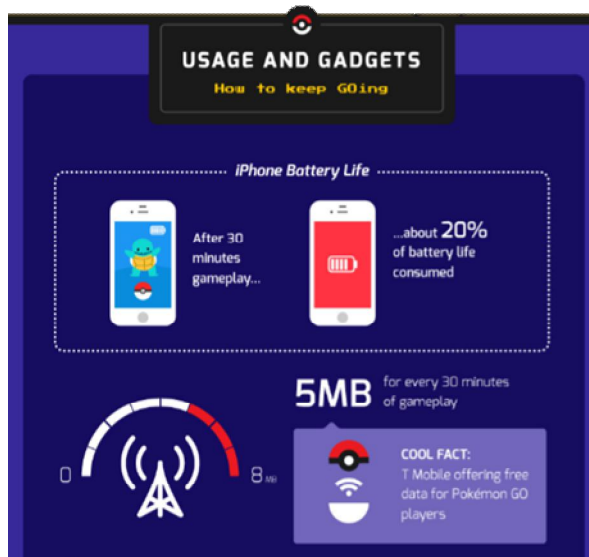


Exhibit 4 – Impact of Pokemon Go on Mobile Devices

Source - <http://www.similarweb.com/blog/pokemon-go>

It Uses a Lot of Data – Because you can't always play sitting in the Wi-Fi at home, the app does use a lot of data, which is something to be aware of especially if your child has their own phone. Some plans offer unlimited data, but if you're on a limit, your kid is about to eat up a fair amount of it. If your child wants to play outside the house, you can look for places with free Wi-Fi so that their Pokémon dreams can still come true on the go.

It's Being Used to "Lure" Children to Secluded Areas - One of the options in the game is to "lure" people to your location to engage in a battle. It has been reported on at least one occasion that children are being lured to secluded areas, which is basically a parent's worst nightmare. Set some guidelines with your kiddo about where and when they can play, or make sure that you can go out with them so there's a set of eyes.

When Pokémon Go proved to be a Nuisance



Exhibit 5 – People playing Pokemon Go while driving

Source - http://www.syracuse.com/us-news/index.ssf/2016/07/pokemon_go_dangerous_every_crime_accident_death_shooting_linked_to_game.html#0

Player robbed at gunpoint – Police arrests four suspects accused of robbing a Pokémon Go player early in the morning in Auburn. The player was able to provide enough of a description for police to track the men down,

Couple abandons child to play Pokémon Go – An Arizona couple left their 2-year-old at home to drive around and play Pokémon Go. Brent Daley, 27, and Brianne Daley, 25, were arrested on child neglect charges.

Teen has phone stolen by other players after prank – A Chandler teen thought it would be funny to prank other players by loudly announcing that he had spotted a rare Pokémon. One group didn't appreciate the joke, and followed the teen before one of them grabbed the phone and apparently threw it in a nearby lake.

Man robbed in parking lot – In Flagstaff, a man was walking in a parking lot playing Pokémon Go when he was hit hard on the back of the head. He blacked out, briefly, and when he woke up he said four men were digging through his pockets. They fled when he started swinging his wrists.

Men fell off ocean bluff – Firefighters rescued two men who fell off a 90-foot cliff while hunting Pokémon in Encinitas. One man fell all the way down to the beach below, while the other fell about 50 feet down the cliff.



Exhibit 6 – Controversy involving Pokemon Go

Source - <http://www.similarweb.com/blog/pokemon-go>

Man stabbed multiple times – A man playing Pokémon Go at a park in Anaheim around midnight was attacked by multiple people and stabbed in the torso. The man was distracted by the game when the attack occurred.

Teens robbed at gunpoint – Teens while playing Pokémon Go were robbed near the Willows City Pool. Three masked men accosted them in the early hours of the morning.

Player beaten, robbed – A Davis county man, distracted by the game was attacked and beaten by three men. They took his wallet and phone.

Man shoots at teens he mistakes for thieves – A man shot at two teens in the Palm Coast area after seeing them outside his home late at night. He heard one of them say “did you get anything?” and assumed they were thieves.

Player punched, robbed and sent to ER – A man playing Pokémon Go at night at a park in Edgewater was ambushed by three teens who punched him in the face and stole his cell phone. The attackers fled as the onlookers began to approach.

Driver crashed into police car – Baltimore police released an officer’s body cam footage showing a Pokémon Go player crash his SUV into a police vehicle while driving distractedly. “This is no different than texting and driving. You have to pay attention while driving,” police said in a statement.

Armed robbers ‘lure’ players to danger – Four teens in Missouri setup ‘lures’ to attract players to a location and rob them. Police arrested them and recovered a handgun.

Bloody knife fight involving players – Someone tried to rob a Pokémon Go player at Desert Breeze Park in Las Vegas. The player fought back, several people joined in, and the scene turned into a bloody fight.

Player gets stuck in a tree at a cemetery – A New Jersey woman climbed a tree inside Eglington Cemetery, and was forced to call 911 when she couldn’t get herself down. She was a “bit embarrassed” to admit she got there playing Pokémon Go.

Man gets lost in woods, calls 911 – An Upstate New York man hunting Pokémon at night got lost in the woods and stuck in mud pit. Fortunately, he had his phone and was able to call 911 for help.

Player has smartphone stolen at gunpoint – Police are investigating after a 19-year-old Long island man had his smartphone stolen while playing the game. A car with at least three people inside pulled up and one of the occupants threatened him with a gun and took his iPhone.

Woman steals boy's bike – Brandi-Lyn Heidenreich, 26, is accused of stealing a 13-year-old's bike to ride and catch Pokémon. She took the bike from behind a business in Oakfield, and has charged with petty larceny.

Driver crashes, breaks leg while playing – In Auburn, NY, a Pokémon Go spotted a rare Pokémon while driving, and collided with a tree while he was distracted by the game. Steven Cary called it a 'momentary lapse of reason.'

Players trespass near tigers at zoo – A pair of Pokémon Go players charged criminal trespass after jumping a fence near the tigers at the Toledo Zoo in order to catch a Pokémon. "It wasn't the responsible thing to do, but hey gotta catch'em all," said one of the players.

Man robbed, shot in park – A Pokémon Go player was approached by a juvenile in Columbus Park. The juvenile asked to use the man's phone to call his mother, then fled with the phone. The man attempted to chase him but was hit in the head by another person, and shot three times, according to the police.

Stab victim refuses treatment, keeps playing – A man who was stabbed while playing Pokémon Go in Forest Grove was able to give police a description of his attacker, but refused treatment for his wound so that he could continue playing the game.

Man assaults niece over game dispute – A Rhode Island man is accused of assaulting his niece, pulling her from a vehicle and kicking her rib cage over a dispute related to a "gym" in the game.

Player bitten by a venomous snake – Lane Smith, 18, warns players to be cautious after he was bitten by a venomous snake while walking on a wooden trail. He was concentrating on his phone and saw what he thought was a stick. He stepped on it, only to find out it was a snake. Doctors were able to treat him, and believe it was copperhead.

Woman robbed – Two males and a female robbed a woman playing Pokémon Go in the early morning at Yorktown Beach. The suspects talked to her about the game before attacking her, leaving her with several cuts and bruises.

Player goes missing, found dead days later – A Brisbane woman went missing after going out to play Pokémon Go. Two days later, her body was discovered. Family members said that she took her own life.

Woman killed in hit-and-run – A Melbourne woman was killed in hit-and-run while playing Pokémon Go. She was crossing the street when a person driving a stolen car collided with her at a high speed after running a red light.

Juveniles try to illegally cross the border into U.S. – Two Pokémon Go players were so captivated by the game that they didn't realise they were illegally crossing the border from Canada into the States. Border Patrol agents realised the juveniles didn't realize what they had done, and reunited them with a parent.

Players robbed by attackers with bear spray – A group of Pokémon Go players in Saskatoon were robbed by men armed with bear spray. The men saw their phones out, demanded them, and then hit them with the spray before they could respond.

Pedestrian, driver who almost hit her, both playing game – a woman playing Pokémon Go in a Toronto parking lot was nearly run over by a driver. The driver later admitted to playing the game behind the wheel during the incident.

3 stabbed in a brawl over game – Three men were rushed to the hospital being stabbed during a brawl that erupted over Pokémon Go. According to the reports, the brawl involved seven people, and was between rival Pokémon Go teams.

Teens get lost in cave – A group of teens hunting Pokémon got lost and trapped in the winding Box Mines in Hawthorn, U.K. They were rescued by the local fire department, which used the boys' phone to track them down. No injuries have been reported.

Legal Issues of Pokémon Go

Privacy Issues

There was recently a huge uproar over the sweeping access permissions requested by the app (it could originally access and modify virtually all of iPhone users' Google accounts). But this was later clarified as a mistake by Niantic (the game's maker) and the app now only requires access to basic account information. But it transmits a variety of other information such as users' location, in-game messages, phone settings and browser cookies to Niantic.

The Pokémon Go privacy policy allows Niantic to “share aggregated information and non-identifying information with third parties for research and analysis, demographic profiling and other similar purposes”. How Niantic itself can use this information is also left open to interpretation.

The privacy policy states: “Our primary goals in collecting information are to provide and improve our Services, to administer your (or your authorized child’s) use of the Services, and to enable you (or your authorized child) to enjoy and easily navigate our Services.”

While Niantic may not have an incentive to be disrespectful of user privacy, what the game does is create a “honeypot” of valuable user data. This is a treasure trove that hackers will work hard to break into. Niantic would do well to detail more clearly how it uses collected information, as well as the information security practices it employs. For example, it would be helpful to know the encryption policy adopted at all levels.

The game has already been exploited by hackers recently (albeit in a different context) where they mounted a Distributed Denial of Service (DDoS) attack, bringing the game’s servers down for a short period.

The Indian Information Technology Act, 2000, and the rules under it would require the company to implement “reasonable security practices and procedures” i.e., among other things, not collecting sensitive personal information unless necessary; not retaining such information longer than required; providing the user an opportunity to review this information for accuracy; and having a comprehensive documented information security program. Personal information that is not sensitive is also subject to some protection measures. The company would also be required to designate a grievance officer to address user grievances.

As discussed later in the article, Niantic has not formally launched the game in India, but it is no secret that it is being downloaded in the country. So, the question arises whether Niantic is bound by Indian laws if users have downloaded unauthorized versions of the app.

IP and Virtual Currency

Pokémon Go is a hub of digital commerce and assets. While there is no monetary value associated with Pokémon characters, the game has a virtual currency (“PokéCoins”) through which users can buy virtual items like “Poké Balls”, “Eggs”,

“Incense”, “Potions” and “Lure Modules”. PokéCoins are purchased with real currency. The Pokémon Go terms of service state that users have a limited, revocable licence to all in-game items and have no ownership rights in them. They may also not buy or trade these items except as facilitated by Niantic. And PokéCoins and virtual assets are not redeemable for real currency. But the terms of service grant users the right to the content that they generate.

Indian copyright law, like in many common law countries, does not set a high bar of creativity for works to get copyright protection. Even an original selection and arrangement of existing works (in this case, characters, in-game items, etc.) can in some cases receive copyright protection. Photos and videos of gameplay taken from the phone camera are almost certain to be copyrightable (and likely not infringing Niantic’s copyright, since the user receives a limited licence to use game content for permitted purposes).

Besides this, however, it is not clear that players are doing anything more than choosing from a limited set of options provided by the maker. But as the gameplay matures and players “level up”, it is possible that user input can become more creative and merit copyright or trademark protection. Once this is the case, disputes over the rights to in-game content could arise between users and between the user and the game maker.

The law on virtual currencies is still developing in India. Further, due to restrictions under current account transactions rules, there is a view possible that players technically cannot remit funds outside India to participate in such games.

Controversial Terms

Besides their provisions on IP, the app’s terms of service require users to sign away various rights. The clause that has got the most attention is a mandatory arbitration clause, which requires users to waive their right to sue unless they opt out by email or regular mail within 30 days of downloading the app. This is a significant issue in jurisdictions like the US where class actions give significant recourse to consumers. Most consumers probably do not know of this clause or the option to opt out of it.

The maker also disclaims liability for personal injury to users and trespass by users. But the fact that players have to hold their phone in front of them to play causes them to be distracted from their surroundings and has already led to significant mishaps. Also, various Pokémon characters and Pokéstops (sites of in-game items) are located on private property, which may require users to enter private property to obtain them.

Under Indian law, what Pokémon Go players do is not likely to be considered criminal trespass, because of the absence of any intent to do harm. However, the tort of trespass to land will apply as soon as there is (unjustifiable) entry into another's private property. One study found that, of a sample of more than 750 users, 85% admitted to playing while driving a car, and more than 10% admitted to trespassing while playing. Moreover, the legal relationship between the owner of the particular property and the game maker is unclear from the terms of service. In other words, it is unclear what disgruntled owners of Pokéstop locations can do to shoo away players. Some property owners have filed a class action in the US against Niantic, complaining that the "intentional, unauthorized placement" of in-game items on their properties "constitutes a continuing invasion of the class members' use and enjoyment of their land".

Users thus face a realistic possibility of the terms adversely impacting them. Courts around the world usually respect terms of service when service providers can show that users knowingly and voluntarily consented to them. But there are several exceptions to this. The Indian Consumer Protection Bill, 2015, for instance, has an explicit provision to void terms of contracts found to be unfair to the consumer. Under existing contract law too, standard terms can be struck down if they are found to be unfair and there is an inequality of bargaining power.

When looking at the Pokémon Go terms disclaiming liability for personal injury or trespass, for instance, Indian courts would carry out a fact-specific analysis that assesses: first, whether the disclaimer is unreasonable because of the game possibly placing the consumer in such situations; and second, whether the consumer had no meaningful choice but to assent to the terms. From a comparative perspective, the UK does not enforce unfair terms in consumer contracts. The US too does not uphold "contracts of adhesion" where users have no comparable alternative to the product/service, and so are forced to accept burdensome terms. Litigation based on the game's terms of service may throw up many unsettled issues.

Geospatial Information

To further complicate matters, the game has not even been officially released in India! How are people playing? Android users can download an "APK" installation file (the equivalent of a .exe file for Windows) from third parties, and iPhone users can use AppStore accounts of countries where the game has been released. (Recently, the Computer Emergency Response Team alerted Indian users to several malware applications masquerading as Pokémon Go.)

This leads to a question about the legal relationship between Indian users and Niantic. The terms of service do not directly address this situation. Niantic can argue that as soon as a person uses the app, they are bound by the terms of service, but users can argue that they are not bound by them since they never downloaded an official release in their own jurisdiction. If the latter argument prevails, users can circumvent requirements like not trading in-game items independently or not assigning real currency value to PokéCoins and in-game items. They can even try to ascribe liability to Niantic on matters which it has disclaimed in the terms, such as liability for personal injury and trespass. Niantic can also argue that downloading the game in the absence of an official release amounts to an infringement of its copyright. However, given that the game is free, and that any Indian users choosing to buy in-game add-ons are paying for them, it would be difficult to prove any loss as a result.

Niantic has announced that it will roll out the app in 200 countries “relatively soon”, but until then, the murky legal status of the game in India remains.

Another issue specific to the Indian experience is the location of the Pokémon characters and of Pokéstops. Pokémon Go locations are chosen based on information gathered by Niantic from its previous game, Ingress. Interestingly, this in turn was gathered in Ingress based on cellular data activity in particular locations, resulting in many places of worship in India becoming Pokémon/Pokéstop locations.

From a legal perspective, the Draft Geospatial Information Regulation Bill, 2016, (recently published for public comments) requires a licence to be obtained before any person/entity can acquire or publish any geospatial imagery or data through platforms such as satellites, or any graphical or digital data relating to geographical features, including maps.

The provisions of the draft bill are very wide in scope and are likely to cover Niantic’s activities because of the location-based nature of Pokémon Go. It remains to be seen in what form the draft bill will, if at all, be introduced in Parliament.

It was recently reported that Pokémon/Pokéstop locations in India have been disappearing, possibly at the initiative of Niantic in its preparations for an India release.

Pokémon Go may only be the latest (some say, dying) craze in our fast-paced technological world. But with numerous other AR applications on the horizon, it is likely only a taste of things to come. The novelty of the law and policy questions it raises is likely to be repeated for every new and exciting tech innovation.

Conclusion

“Excess of everything is bad and same goes with this game.” One solution is a simple, time-bound mechanism enabling governments, people and players themselves to indicate places where the game cannot or must not be played. These can subsequently be removed. The existing opt-out mechanisms are obviously inadequate.

Opt-out feature should be properly laid out in the game. There should be notifications which should be asking the user the permission to assign his house as a PokeStop.

Another solution is the incorporation of warnings or the automatic pausing of the game when the player is on public roads and other unsafe places, which should be simple enough since the games use GPS.

Finding such solutions will help retain the fun of augmented reality games, responsibly, without becoming unsafe or creating a nuisance for everyone around. If gaming companies refuse to take on this responsibility, they can very well open themselves up to lawsuits everywhere similar to this suit against Niantic.

QUESTIONS

1. Should Pokémon Go be banned? Why/why not?
2. What precautions can be taken by the users while playing the game?
3. Do you agree that Pokémon Go is inducing criminal activity?
4. Should Niantic be held responsible for the chaos created?
5. Are the location based and augmented reality games the future of mobile gaming?

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Case: Star Public School- A Roller Coaster

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ABSTRACT:

The case study discusses the issues faced and strategies adopted by an entrepreneur. The case highlights dilemma of an entrepreneur in the light of local environmental limiting factors. The case is structured so as to enable students to understand the challenges faced by an entrepreneur. The case is designed to expose students to the insight of the development of new business and the challenges related to. The name of the school and its officials has been disguised so as to avoid any conflicts.

Keywords: strategies, entrepreneur, school, business.

INTRODUCTION

Vijay, a young dynamic advocate of high court was preparing for his civil judge examination. During his examination he experienced a sudden pain in his stomach and fell unconscious on the floor. When he gained his consciousness, he saw his mother, holding his hand and consoling him. Dr. Sunil, the family doctor smiled and said “No, nothing is to worry OK. Only the small intestine got burst”. This was a major setback for Vijay. The doctor advised him to do a work which does not require much of physical activity. At this stage of his career he realized that fortune does not smile alike. He took a hard decision to leave his career and start his own business.

Road Ahead

With the advice of family and friends he started his new venture- A school. Though it

was not his area but he believed it is better to wear out than rust out. He started his own school. He got a society registered under the Firm and Society Registration Act, in the year 1991. He became the chairman of the society. There were seven other members in the society. Vijay took a premise on rent to run the school in Indore. He got the furniture made for the school, vacancies were published for the teachers and other staff, advertisement was done to promote the school. All these efforts gave him a good result, as in the first year itself the school received 120 admissions. Then the admissions increased every year and the school started performing well in monetary term, its reputation enhanced and the strength of the students reached 800 in the year 2000.

Challenges Ahead

Every spring is followed by an autumn similarly Vijay had to face the dark night after the bright days. Slowly and gradually many other schools were started in the same locality so the number of admissions in his school decreased and it gave an adverse effect to the turnover of the school.

School was upto 8th class, but after 8th standard students had to take admission for further studies in other schools. Though, Vijay had contacts in other schools and he used to help all the students to take admission but charged commission from the school authorities to generate some funds for his own school. He wanted to upgrade his school from secondary to higher secondary but there was a government rule that one should have at least one acre of land for the play ground for higher classes.

To cope with the competition, Vijay started computer courses and other activities in the school for no extra fee. For this he had to invest huge amount of money to set up computer lab sports items and other equipments. He had to hire computer instructors and sports teachers also. All these expenditures and efforts did not give him desired results, as the school was already running on equilibrium. He realized all that glitter is not gold.

Strategies for Survival- From Frying Pan to a Fire

Vijay thought of increasing the fee of the students. He gave notices to the parents but they resisted to it even then he forcefully increased the fee, as a result of this many parents withdrew their wards from the school and admitted them in other schools which were offering fewer fees.

Now the turnover of the school became very less and the other expenditures of the

school such as salaries of the teachers and other staff, maintenance of the premises, electricity bill, water bill, phone bill, monthly rent of the premises etc. became a huge burden on him.

The parents were not paying fee on time and due to this Vijay was not able to pay the salary to the teachers and other staff on time. Vijay had to adopt cost cutting policy, therefore he appointed low salaried teachers but they did not give quality teaching to the students. It gave a very bad impact to the reputation of the school. Once more Vijay introduced different marketing strategies like half fee for sibling, free books, uniforms etc. to the meritorious students but this proved to be a real disaster for the school. There were other components also which affected adversely like congested and bad locality of the school, compromising on the quality of the teachers, most of the students belonged to very poor sections of the society etc.

Another reason of set back of the school was the introduction of "Right to Education Act" which came into force in the year 2009 which compelled the school to admit 25 percent students in the school free of cost. Because of this law, major number of students took free admissions in other big schools. Vijay was left with only 150 students, out of which 25 percent belonged to free category, 25 percent were the siblings who were paying half fee, and many others were not paying fee on time. Vijay was in dilemma whether he should continue to run this school by borrowing money from the bank to improve the business or to close it down.

QUESTIONS

Q.1) Do the SWOT analysis of the case.

Q.2) Analyze the situation existing in the school.

Q.2) Critically evaluate the strategies adopted by Vijay.

Q.3) What strategies would you suggest to Vijay to improve his business condition?

Teaching Notes

The case study gives an insight into the struggle of Vijay and strategies adopted by him to face challenges after establishing his school. This insight will provide practical exposure to the students for analyzing existing situation. The purpose of the case is to expose students and participants to the insight of challenges faced by an entrepreneur in extreme conditions.

Issues Involved in the Case

1. Health issues of Vijay
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2. Admission of students
3. Competition from other schools
4. Increment in Fees
5. Government Policies

Guidelines for Case discussion

1. The students need to come prepared with basics of Financial Management, Marketing Strategies, Entrepreneurship, Expansion Strategies, Marketing, Promotion and Resource Management.
2. Students could evaluate the case in light of current scenario in the field of Education.
3. The case can be taken when the faculty discusses the topics of financial management, business expansion, entrepreneurship, marketing, promotion and resource management.
4. The students can refer to books, journals and magazines on these issues for further studies and analysis.

Suggestions for instructors

- A) The participants should be aware of entrepreneurial challenges, strategies for the startup, expansion strategies, financial management and survival in the market.
 - B) The case should be analyzed firstly at an individual level then in a group of 4-6 participants.
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