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Dynamic Relationship between Macroeconomic Variables and Stock Markets in India

– Ashutosh Verma and C.V.R.S. Vijaya Kumar

ABSTRACT

The present study examines the dynamic relationship between the various macroeconomic variables and the Indian stock markets. The macroeconomic variables included for analysis are gold, interest rate, oil prices, money supply (M3) and exchange rate while the BSE Sensex has been taken as a proxy of the stock prices performance. Monthly values of the variables and the index have been taken from April 2001 to July 2016. The dynamic relationship has been examined by applying the Johansen's cointegration test and the vector error correction model. The findings indicate that all the variables except oil prices have a significant long-term relationship with the stock prices. In the short run, the adjustment of stock prices to revert to equilibrium is quite slow, and the stock markets do not react in a significant way to get back to equilibrium.

Keywords: Stock markets, Co-integration, Dynamic relationship, Vector-error correction model, Short run equilibrium, Stationarity

JEL Classification Codes: E44, C20

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Social and Economic Impact of Microfinance on Urban Poor Women: An Empirical Study of Ahmedabad City (India)

– Ritesh Patel and Nikunj Patel

ABSTRACT

Microfinance is considered as a tool to improve the living standard on the social and economic terms. The objective of present study is to find the social and economic Impacts of microfinance on the poor urban Women in Ahmedabad city. 384 women respondents have been selected using the judgmental sampling method. The study uses theoretical and empirical literature to propose a framework to improve women's living standard through micro-financing. Exploratory factor analysis was done on the 20 statements. Three factors were extracted from factor analysis, namely Development in Personality, Enhancement in Monthly income, spending and saving and enhanced the decision making ability. Multiple regression was performed and found Enhancement in Monthly expenditure, income and saving as a significant factor in up gradation of the social and economic status of Women. Paired t-test was done to check the improvement in the economic level of Women after joining the SHG where the result revealed positive impact. Overall, it was found that microfinance activities have a positive influence on the social and economic status of urban poor Women. The study has practical implication that it can be used to improve the living standard of the poor women. Further, the microfinance is a tool to reduce the poverty level and improve the purchasing power of poor.

Keywords: Economic impact, Living standard, Microfinance, Self-help groups, Social impact

JEL Classification Codes: C12, D63, G21

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Determination of Exchange Rate under Flexible Exchange Rate Regime in India: An Analysis Using ARDL Model

– Sushil Kumar Rai and Akhilesh Kumar Sharma

ABSTRACT

Since March 1993, the Indian economy has accepted the flexible exchange rate regime in which the rates are determined by the market. In this flexible exchange rate regime, the degree of volatility has been observed to be comparatively high, and it affects the economy in many different ways. The present paper is an attempt to examine and explain these variations in exchange rate through the theory of purchasing power parity. The primary purpose of this study is to develop an empirical framework to estimate the determinants of exchange rate by employing a time series data of exchange rate and gross domestic product measured at purchasing power parity, and for this, the data used have been for the period 1994 to 2013. In the present paper, the statistical tools such as Pair wise Granger Causality Tests, Breakpoint Unit Root Test, Cointegration Test and finally ARDL model have been applied to develop a viable relationship between regressor and regressand. The result of this endeavor has revealed that there is a definite causal relationship between exchange rate and gross domestic product expressed at purchasing power parity, but the larger variation in the exchange rate is explained by the lag value exchange rate.

Keywords: Exchange rate, Gross domestic product, Granger causality, Cointegration, ARDL model

JEL Classification Code: F 31

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Pradhan Mantri Jeevan Jyoti Bima Yojana – Advocating Penetration in Indian Life Insurance Industry for Inclusive Growth: An Empirical Study

– Upendra Nath Shukla

ABSTRACT

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a step ahead towards increasing life insurance penetration and density in India for inclusive growth. This research paper is an attempt to understand the need for the scheme, customer's perception about the scheme, association of customer's perception with their demographics and to explore the buying stimuli. Survey of 400 people is conducted in the city of Lucknow during January to February'2016 through a well-structured questionnaire. Collected data is tabulated and analyzed. The results show that there has been a continuous decline in life insurance penetration. It is found that customer's perception about the scheme varies significantly with their income and education level. Services of the insurance company and ease of claim settlement have been the first buying stimuli for the lower and middle-income group customers leading to increasing insurance penetration in Indian economy.

Keywords: Life insurance, Penetration, Inclusive growth, Buying stimuli, Pradhan Mantri Jeevan Jyoti Bima Yojana

JEL Classification Code: G2

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Identification of Skill Requirements of Women Artisans: Special Reference to Cultural Tourism

– *S. Meera and Vinodan A.*

ABSTRACT

The nexus between Tourism and Handicrafts is well established. Hence contribution of revenue from handicrafts is substantial than tourism. Therefore identification of skill requirements of artisans working in crafts is relevant in this context. As women artisans outnumber men in handicrafts, this study has attempted to identify the skill requirements of women artisans working in handicrafts. The present study adopted an exploratory sequential method. The study identified three skill related requirements among women artisans about tourism. The study identified these as tourism specific skills, job skills, and communication skills. Women-centric factors have been identified as women artisans by being women could be facing some challenges, and a possible link between these factors and skill requirement is examined through a model, for a comprehensive study in this domain.

Keywords: Handicrafts, Tourism, Exploratory sequential method, Women-artisans SEM

JEL Classification Codes: C55, J16, Z10, Z32

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An Econometric Study of Trading Behaviour of Institutional Investors in Indian Stock Market: The Vector Auto regression Approach

– *Shekhar Mishra and Sathya Swaroop Debasish*

ABSTRACT

The present paper endeavours to study the trading behaviour of foreign institutional investors (FIIs) and domestic institutional investors (DIIs) in Indian stock market. The study ascertains whether the purchase trade and sale trade behaviour of foreign institutional investors is different from their domestic counterparts and whether their trading pattern remains persistent over time. The paper adopts multivariate Vector Auto Regression (VAR) approach to analyse these issues. As compared to earlier studies, the present paper uses a wider definition of domestic institutional investors (DIIs) that includes not only mutual funds (MFs) but also banks, insurance companies and other domestic financial institutions. The outcome of the analysis indicate that the foreign institutional investors (FIIs) appear to be very short term momentum buyers in their purchase trade and appear to be neither momentum nor contrarian sellers in their sale trade. Additionally the trading behaviour of both foreign and domestic institutional investors also shows the evidence of contemporaneous trade and intra group herding in Indian stock market. The Variance Decomposition Analysis also indicates that trading behaviour of institutional investors and market index returns have impact on each other in Indian stock market.

Keywords: Foreign institutional investors, Domestic institutional investors, Indian stock market, Vector auto regression, Momentum trading, Contrarian trading, Variance decomposition analysis

JEL Classification Codes: F3, G11, G12, G15

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Assessing the Long-Run and Short-Run Relationship between Macroeconomic Variables and Foreign Direct Investment Inflows in India

– *Manjari Agarwal*

ABSTRACT

Foreign Direct Investment has an unfathomable contribution in the growth of the developing economies like India. Foreign Direct Investment generally referred as FDI involves long term relationship, lasting interest and control. The World Bank defines it as “net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments.” Therefore, it is not only an important source of foreign savings to an economy but also synergistically contributes in the economic growth and development by passing on technological advances, entrepreneurial and managerial expertise, know-how assistance, market access and the likes. Therefore, tangible and intangible benefits offered by FDI inflows can collectively contribute in sustainable economic growth and development of India.

The association between macroeconomic variables and FDI has become imperative over the past few decades. Further, many studies across the globe have proved that there is a direct or indirect relationship between Macroeconomic Variables and Foreign Direct Investment. Therefore, this paper attempts to explore the causal relationship between selected macroeconomic variables and FDI Net Inflows in India by using econometric analysis. The paper also endeavors to assess the short term and long term relationship between the selected variables using annual data over the period of 1980 to 2013.

Keywords: FDI, Macroeconomic variables, Causality, India, Economic growth, VECM

JEL Classification Codes: F21, B22, G10

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Role of Teacher's Pedagogy and MOOC Awareness among Learners in MOOC Retention: A Survey Study

– *Dimpal Jangra*

ABSTRACT

Massive open online course (MOOC) is a modern pedagogic technique in 21st century witnessing a huge demand among Indian students. To discern the effectiveness of this modern method, studies conducted in the past signify that only a small proportion of MOOC participants go on to complete their courses. And relatively a little awareness exists about the MOOC design and implementation factors which affect MOOC retention. Retention in MOOCs is considered carefully in the context of the non-retaining learner, now- completing population as well as people completing MOOC- with the learning experience best suited to their needs. It could be influenced by several factors such as MOOC-awareness among learners, teacher to Learner Interaction, Information Delivery Technology, Course fees, Inclusion of assignments, Employability and pedagogical role of a teacher who creates course content, course structure. The present study revolves on only two independent variables which are Teacher's Pedagogical Roles and MOOC-awareness among learners considered as significant predictors of MOOC-retention. Here, a teacher means subject instructor involved in the development of Massive Open Online Course. This study comprises pre-MOOC and post-MOOC surveys of learners' perception towards Massive open online course retention. The survey is based on response from 316 participants including 104 MOOC-users and 212 non-MOOC users from higher educational institutions of Delhi and NCR. One of the goals of this study is to identify the co-relation between MOOC-awareness among learners and teachers' pedagogical roles through a review of a representative survey. The second goal is to analyze the importance of the combination of Teachers' Pedagogical Roles and MOOC-awareness among learners in the MOOC retention.

Keywords: Virtual education, MOOCs (massive open online course), Online learning and pedagogical competencies MOOC retention; MOOC awareness

JEL Classification Codes: I21, I29

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Converting Apprehensive Customers to Willing Customers: Building Trust in Online Shopping Arena

– Rajan Gupta and Saibal K. Pal

ABSTRACT

This study focuses on knowing about the factors that can affect the trust levels of the consumers involved in online shopping. Trust has been identified as a prominent factor that ultimately leads to the transformation of the apprehensive customers into willing customers. The role of website design features and portal affiliation is tested regarding their impact in affecting the trusting beliefs of the customers. Structural Equation Modeling (SEM) was put to use to do the statistical testing on the data collected through students of tier III city of India. The results showed that the website design features have an important role to play in affecting the trusting beliefs of the people whereas portal affiliation didn't have much of a role. The study implies that the website managers must focus on their design features if they want to gain the trust of their customers. The portal affiliation wouldn't be fruitful in the case of a student at least. Better shoppers amongst students must be attracted towards portals through innovative designs and features.

Keywords: Online shopping, Building trust, Website design features, Portal affiliation, Structural equation modelling, Theory of reasoned action

JEL Classification Code: M31

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Impact of Employee Motivation on Team Effectiveness in Service Industry of Uttarakhand: A Relationship Approach

– K.R. Ansari and Pankaj Bijalwan

ABSTRACT

Different studies in the past have proven the fact that motivation increases overall performance i.e. qualitative as well as the quantitative performance of the employee in the organization. Effectiveness or success of employees enhances as a motivated employee does better work and value more whatever they believe. This study investigates the relationship between employee motivation and team effectiveness, especially in the service industry. The research is conducted to find how motivation impacts on the effectiveness of teamwork. To investigate the effect, researchers used descriptive analysis (correlation, regression, chi2) of quantitative and qualitative data gathered from primary and secondary sources of data collection for service industry (Educational Institutes, Insurance Company, and Banks).

Keywords: Teamwork, Team effectiveness, Motivation, Service industry, Human Resource

JEL Classification Codes: M51, J11, J12, J23

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Assessment of Customer Satisfaction and Behavioural Intentions in Terms of Customer Service Quality Perception towards Technology- Based Banking Services Provided by Selected Commercial Banks Operating in India

– Rajiv Kumar and Anil Kumar

ABSTRACT

The usage of technology-based banking services (TBBS) in India is on rising. The banking customers are using a variety of TBBS as per their requirements. The purpose of the study is to assess customer service quality perception and satisfaction towards TBBS provided by commercial banks in India. The present study used SSTQUAL scale to assess customer service quality perception and customer satisfaction. The study also estimated banking customer's behavioral intentions regarding their future use of such services. The study surveyed 750 customers based on convenience sampling method of fifteen selected banks operating in India. For the purpose of the study, an equal number of banks from public sector banks, private sector banks, and foreign banks included in the survey. The findings of the study revealed the moderate level of Customer service quality perception and satisfaction towards TBBS provided by selected banks. The study results showed that private sector banks have the highest level of customer service quality perception and customer satisfaction as compared to the Public sector and foreign banks. The findings also validated that customer satisfaction is an antecedent of customer behavioral intentions. The study provides an assessment of customer service quality perception and customer satisfaction towards TBBS provided by selected banks. The bank leaders may get benefited from the results of the study. The bank leaders may work on functionality, customization, design and Enjoyment dimensions of TBBS to make customer satisfied. While making bank customer to reuse the TBBS bank leaders can work on assurance dimension of TBBS.

Keywords: Customer service quality, Customer satisfaction, Customer behavioral intentions, Banks, Service

JEL Classification Codes: M31, M31, M31, G21, M31.

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Utilitarian and Hedonic Value: Measuring Service Quality in Online Retailing

– *Obaidur Rahman, Asad Ahmad and Mohammed Naved Khan*

ABSTRACT

With the increasing penetration of internet and surge in e-commerce market in India, the quality of service in online retailing has become a tool for competitive advantage. Many researchers have found hedonism to play a significant role towards online buying behavior. The study explores the factors that help in measuring website service quality and the role of hedonism in the context of online retailers. For this purpose, the researchers have used the modified eTailQ scale (Ahmad et al., 2016) together with scales that help measure hedonic dimension. The present study employs tools like S.P.S.S. 20.0 and AMOS 20.0 to analyze the data through Exploratory Factor Analysis (E.F.A.) and Confirmatory Factor Analysis (C.F.A.). The findings of the study suggest a 13-item HeTailQ scale comprising three factors namely- customer service, e privacy and web hedonism- that is better suited for Indian settings.

Keywords: Website service quality, Scale refinement, eTailQ, Confirmatory factor analysis, India

JEL Classification Code: L81

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