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Modeling Working Capital Management Using Stationary Series for Indian Public Sector Companies

Bhaskar Bagchi & Basanta Khamrui

The study makes an attempt to investigate the effects of working capital management on profitability for a sample of leading Indian Central Public Sector Enterprises (CPSEs). The sample size is restricted to twenty 'Maharatna' and 'Navratna' CPSEs and the secondary data for analysis is retrieved from CMIE (Centre for Monitoring Indian Economy) for ten years period from 2001-02 to 2010-11. Apart from using unit root test for testing stationarity of the series, descriptive statistics and Pearson's correlation analysis, Fixed Effects Regression Model (FEM), Random Effects Regression Model (REM) and Hausman test are employed in the study. The results of our study demonstrate a negative relationship between the measures of working capital management and firms' profitability and the series is $I(0)$ or stationary.

Role of Bank Credit on Corporate Investments in India

M Sreeramulu, A Ramanathan & K Narayanan

This paper presents evidence on the role of bank credit on corporate investments of manufacturing firms in India. In this study investment behaviour is analyzed in the context of flexible accelerator model with financial variables, namely, internal funds and bank credit. The results indicate that change in real net sales, internal funds and bank credit are important determinants of corporate investments. Across size groups, internal funds appears to be important for large firms as compared with small firms, estimated coefficient of bank is higher for large firms as compared with small firms. Across industry groups, bank credit is significant determinant of investment for 6 out of 7 industry groups considered for our analysis.

Anomalies and Multi-Factor Model for Stock Pricing in Indian Market

Saurabh Lal, Parth Shukla & Prakash Singh

Researchers have found that valuation measures have some power to forecast long-horizon (say 10-year) stock market returns. There is no unique valuation measure known to be perfect, and the most common choices have their pros and cons. Even then, for many years, researchers and practitioners have made use of these evaluation techniques. This paper reiterates the importance and usefulness of these valuation techniques to explain investor's required rate of return of the stocks in the Indian Capital Market. Using Shiller P/E ratio, P/E ratios, dividend yields, volume traded and volume traded per shares outstanding; in addition to the CAPM model, this study looks at the efficiency of the Indian market on a daily and monthly basis. It further investigates their predictive ability to show that in most cases these factors have improved the prediction results.

A Study on the Inconveniences of Totally Visually Handicapped Consumers during Cash Transactions in Banks

Shuvo Roy Chowdhury

An indepth study has been made through this research to point out the problems &/or inconveniences of Totally Visually Handicapped (TVH) consumers in connection with cash transactions required for any product purchase through transaction of Indian coins and Indian banknotes. And the exploration of such problems &/or inconveniences has been made separately for Indian coins and Indian banknotes by conducting the research with convenience sampling with the aid of survey method by personal interview technique. As, majority of the TVH respondents expressed that they face problem &/or inconvenience in identifying the Indian banknotes and Indian coins denomination-wise, attempt to unearth the reasons behind such problems &/or inconveniences faced by the TVH persons in connection with use of Indian banknotes as well as Indian coins for cash transaction has been done, through this research to highlight the important facts/observations. Later, on the basis of problems &/or inconveniences explored thus as well as the reasons behind such genuine problems &/or inconveniences unearthed, recommendations have been made with a view to attempting some redressal of such problems &/or inconveniences including suggestion of new design of Indian coins and technologically redesigning of Indian banknotes as well as proposition of a mechanical arrangement enabling the TVH persons to transact cash easily and speedily in Indian scenario.

Book Reviews

Management Essentials – A Recipe for Business Success

Arindam Banerjee

New Delhi, Sage Publications India Pvt. Ltd., 2013, xxiv + 141 pp., Rs. 295.00

Reviewed by *Prof Kalyan Swarup*, Dean (Training) & Professor, National Institute of Bank Management, Pune.

Financial Terms Simplified

Gautam Majumdar

New Delhi, Sage Publications India Pvt. Ltd., 2013, x + 314 pp., Rs. 395.00.

Reviewed by *Dr Elizabeth James*, Assistant Professor, National Institute of Bank Management, Pune.