

**April – June 2019**  
**Volume XLVIII**  
**Number 1**

## **Does Political Business Cycle Exist in India?**

*Ashok K Nag*

There exists a vast literature inquiring and modelling the nexus between politics and macroeconomic policy making. Most of the empirical studies based on data of OECD countries have found that electoral and partisan motives have a greater short term impact on inflation than on real variables like output growth or rate of unemployment. Recent studies based panel data on OECD countries have reinforced these findings.

The present study is an empirical attempt to explore the nature of this nexus in case of independent India using 62 years of monthly data on inflation supplemented with data on election and ideological stand of political parties in power. The empirical exercise is based two statistical procedures. These are regression based procedures and Anova based procedures. As regards Anova based exercises, the GLM procedure is to take into account the unbalanced nature of the implied factorial design of the exercise.

## **Impact of Debt Rating Changes on Stock Prices – Cross Sectional Analysis of Financial Services Industry**

*Archana H N*

In this paper, we observe the impact of debt rating change (upgrade and downgrade announcements) on the stock prices of financial services sector. William Sharpe's single index model also known as market adjusted model is used to measure the expected return from the security; parametric t test and non parametric run test is used to measure the significance of the Average Abnormal Returns (AAR). The results show statistically insignificant abnormal returns for both debt rating upgrades and downgrades announcements before the event and statistically significant returns for downgrades after the event. This indicates that debt rating announcement pertaining to debt rating changes of financial services sector does not provide any new information to the equity market.

## **Branch Level Productivity of Assam Gramin Vikash Bank: A TFP Approach**

*Mohuya Deb Purkayastha  
Joyeeta Deb*

Banking sector plays a pivotal role in the development of an economy. So the productivity of this sector is important to measure for strengthening the economy. In this context, the present study measures the branch level productivity of Assam Gramin Vikash Bank (AGVB) in two ways, firstly partial productivity followed by total factor productivity. For determining the partial productivity, labour productivity is measured using accounting approach and for total factor productivity Malmquist Index (MI) is used. The study area is confined to the three districts of Barak valley i.e. Cachar, Hailakandi and Karimganj comprising 48 branches for the duration of 2011-2017. The result of inter-temporal trend shows that labour productivity on Deposit per employee (DPE), Advance per employee (APE) and IPE (Interest income per employee) increased over years though NIPE (Non-interest income per employee) shows negative growth. Moreover, labour productivity of Medium sized branches is better compared to Large and Small sized branches taking CD (Credit-Deposit) ratio as proxy for size. Overall, labour productivity is found highest in respect of DPE and lowest in respect of NIPE. MI shows that total factor productivity change (tfpch) has declined to the tune of 9.8 per cent mainly due to decline in technological change (techch) index.

## **Spirituality as an Effective Technique for Executive Development: A Conceptual Research**

*Sukhwinder Kaur*

The purpose of this review based research was to explore whether spirituality can prove useful for the development of executives or not. To realize this, the empirical and theoretical work relating to the qualities and traits of spiritual people, revelations from the Holy Scriptures on characteristics of spiritual people, theories and researches on the qualities of effective leaders, effective management skills and appraisal criterions used by various organizations for their executives were reviewed in depth. The review supports adequately that the qualities required for effective managers such as initiative, flexibility, creativity, problem solving abilities, analytical abilities, inter personal skills, wisdom, communication skills, independence, accountability, commitment and learning are the characteristics of spiritual people too. Spiritual people inherit or acquire these qualities due to their ability to experience and connect with their own ultimate formless higher self called the divine particle/ consciousness or spirit through spiritual experience. The findings of this research provide a base to theorize that spirituality which can be learnt and enhanced can prove an effective tool for the transformation and development of executives/ managers. This research proposes inclusion of spiritual orientation of the executives in the development programs and additional weight age to spiritual quotient along with other criterions while selecting people for executive/ managerial posts.

## **Book Review**

### **CEO Chess Master or Gardener? How Game-Changing HR Reforms Created a New Future for Bank of Baroda**

**Anil K Khandelwal**

New Delhi, Oxford University Press, 2018, xxvi + 358 pp., Rs. 750

**Reviewed by** Dr Asish Saha, *Former Director*, National Institute of Bank Management, Pune.