

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,
Indian Citation Index (ICI), Open J-Gate, India (link of the same is duly available at Infibnet of University Grants Commission (U.G.C.)),
The American Economic Association's electronic bibliography, EconLit, U.S.A.

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 (2012) & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 5771 Cities in 192 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	FAMILY AND FINANCIAL PROBLEM FACED BY WOMEN ENTREPRENEUR WITH SPECIAL REFERENCE TO UJJAIN DISTRICT <i>MAMTA SHARMA (PANDYA) & MAHESH SHARMA</i>	1
2.	A STUDY ON IMPLICATIONS OF PROPOSED GST ON SME <i>Dr. N. V. KAVITHA & N. SUMA REDDY</i>	7
3.	INDEPENDENT COMMISSIONER AND AUDITOR SWITCHING OF ASEAN ECONOMICS COMMUNITY <i>TOTOK BUDISANTOSO, RAHMAWATI, BANDI & AGUNG NUR PROBOHUDONO</i>	10
4.	WORKING CAPITAL TRENDS OF SELECT TWO AND THREE WHEELER COMPANIES IN INDIA <i>K. THULASIVELU & Dr. G. SURESH</i>	18
5.	ANALYSIS OF FACTORS AFFECTING THE SALARY OF FRESH GRADUATES IN WORKPLACE: THE TOURISM INDUSTRY IN TAIWAN <i>CHUNG-TE TING, YU-SHENG HUANG, YING-YEN LIU & CHENG-KUAN CHO</i>	23
6.	SCHEMES FOR FINANCIAL ASSISTANCE OF STRENGTHENING EDUCATION IN HUMAN VALUES - WITH SPECIAL REFERENCE TO GUJARAT STATE <i>BIJALBEN M SHAH & BHAVANA K. PATEL</i>	27
7.	RELATIVE INFLUENCE OF SECTORS ON REGIONAL PROSPERITY - A CASE STUDY OF WEST-BENGAL <i>BIKASH SAHA</i>	31
8.	COMPARATIVE STUDY OF NPA (NON-PERFORMING ASSETS) IN HDFC BANK AND ALLAHABAD BANK <i>ANJU OTWANI</i>	35
9.	A STUDY ON AWARENESS OF TAX PLANNING AMONGST SALARIED EMPLOYEES IN KHOPOLI CITY OF RAIGAD DISTRICT IN MAHARASHTRA <i>VINAYAK REVJI GANDAL</i>	38
10.	AN EMPIRICAL STUDY ON THE STOCK MARKET VOLATILITY WITH RESPECT TO SENSEX: WITH SPECIAL REFERENCE TO POWER SECTOR <i>PARUL SARASWAT & Dr. SANIL KUMAR</i>	41
11.	NON-PERFORMING ASSETS: A STUDY OF THE KANGRA CENTRAL COOPERATIVE BANK LTD., DHARAMSHALA <i>VIJAY KUMAR & Dr. SHILPA RANA</i>	44
12.	A STUDY ON CURRENCY DEPRECIATION: IMPACT ON INDIAN ECONOMY <i>P. AKHIL & Dr. K. S. SEKHARA RAO</i>	48
13.	CASE STUDIES ON TRANSFORMATION OF TRADITIONAL MARKETING TO DIGITAL AND SOCIAL MEDIA MARKETING: INDIAN CONTEXT <i>PRATIBHA BARIK & Dr. B. B. PANDEY</i>	54
14.	A STUDY ON DIMENSIONS OF SERVICE QUALITY RELATION TO CUSTOMER SATISFACTION WITH REFERENCE TO PRIVATE SECTOR BANKS <i>M SAI SRAVANI & P V VIJAY KUMAR REDDY</i>	58
15.	THE IMPACT OF DEMONETIZATION ON RETAILERS AND CUSTOMERS <i>AMISH BHARATKUMAR SONI, DIMPLE G. NAHTA, PRIYANKA G. MANDOWARA & PARUL N. GOLYAN</i>	62
16.	A STUDY ON OPTION STRATEGIES IN EQUITY DERIVATIVES WITH REFERENCE TO THE INDIAN BULLS SECURITIES LTD. <i>DASARI HARIPRIYA & K. SRINIVASULU</i>	71
17.	EFFECT OF PUBLIC INVESTMENT ON ECONOMIC GROWTH IN KENYA <i>MIRIAM WAMAITHA THUO & LENITY KANANU MUGENDI</i>	74
18.	DEMONETIZATION: A PARADIGM TOWARDS TRANSPARENT AND CASHLESS ECONOMY <i>Dr. RANJU KATOCH & Dr. GOLDY MAHAJAN</i>	78
19.	IMPACT OF DEMONETIZATION ON INDIAN ECONOMY <i>NEERAJ</i>	83
20.	GOODS AND SERVICES TAX (GST): PRE AND POST ROLLOUT ANALYSIS <i>SAUMYA GARG & SIMRAN KAPOOR</i>	86
	REQUEST FOR FEEDBACK & DISCLAIMER	91

CHIEF PATRON**Prof. (Dr.) K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur
 (An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
 Chancellor, K. R. Mangalam University, Gurgaon
 Chancellor, Lingaya's University, Faridabad
 Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
 Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON**Late Sh. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana
 Former Vice-President, Dadri Education Society, Charkhi Dadri
 Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR**Dr. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

ADVISOR**Prof. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR**Dr. R. K. SHARMA**

Professor & Dean, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

FORMER CO-EDITOR**Dr. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD**Dr. TEGUH WIDODO**

Dean, Faculty of Applied Science, Telkom University, Bandung Technoplex, Jl. Telekomunikasi, Indonesia

Dr. M. S. SENAM RAJU

Professor, School of Management Studies, I.G.N.O.U., New Delhi

Dr. JOSÉ G. VARGAS-HERNÁNDEZ

Research Professor, University Center for Economic & Managerial Sciences, University of Guadalajara, Guadalajara, Mexico

Dr. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

Dr. CHRISTIAN EHIOBUCHÉ

Professor of Global Business/Management, Larry L Luing School of Business, Berkeley College, USA

Dr. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

Dr. BOYINA RUPINI

Director, School of ITS, Indira Gandhi National Open University, New Delhi

Dr. MIKE AMUHAYA IRAVO

Principal, Jomo Kenyatta University of Agriculture & Tech., Westlands Campus, Nairobi-Kenya

Dr. SANJIV MITTAL

Professor & Dean, University School of Management Studies, GGS Indraprastha University, Delhi

Dr. D. S. CHAUBEY

Professor & Dean (Research & Studies), Uttarakhand University, Dehradun

Dr. NEPOMUCENO TIU

Chief Librarian & Professor, Lyceum of the Philippines University, Laguna, Philippines

Dr. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

Dr. KAUP MOHAMED

Dean & Managing Director, London American City College/ICBEST, United Arab Emirates

Dr. DHANANJOY RAKSHIT

Dean, Faculty Council of PG Studies in Commerce and Professor & Head, Department of Commerce, Sidho-Kanho-Birsha University, Purulia

Dr. NAWAB ALI KHAN

Professor & Dean, Faculty of Commerce, Aligarh Muslim University, Aligarh, U.P.

Dr. ANA ŠTAMBUK

Head of Department of Statistics, Faculty of Economics, University of Rijeka, Rijeka, Croatia

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

Dr. SHIB SHANKAR ROY

Professor, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

Dr. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

Dr. SRINIVAS MADISHETTI

Professor, School of Business, Mzumbe University, Tanzania

Dr. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engg. & Tech., Amity University, Noida

Dr. ARAMIDE OLUFEMI KUNLE

Dean, Department of General Studies, The Polytechnic, Ibadan, Nigeria

Dr. ANIL CHANDHOK

Professor, University School of Business, Chandigarh University, Gharuan

RODRECK CHIRAU

Associate Professor, Botho University, Francistown, Botswana

Dr. OKAN VELI ŞAFAKLI

Professor & Dean, European University of Lefke, Lefke, Cyprus

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

Dr. KEVIN LOW LOCK TENG

Associate Professor, Deputy Dean, Universiti Tunku Abdul Rahman, Kampar, Perak, Malaysia

Dr. BORIS MILOVIC

Associate Professor, Faculty of Sport, Union Nikola Tesla University, Belgrade, Serbia

SHASHI KHURANA

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

Dr. IQBAL THONSE HAWALDAR

Associate Professor, College of Business Administration, Kingdom University, Bahrain

Dr. DEEPANJANA VARSHNEY

Associate Professor, Department of Business Administration, King Abdulaziz University, Saudi Arabia

Dr. MOHENDER KUMAR GUPTA

Associate Professor, Government College, Hodal

Dr. BIEMBA MALITI

Associate Professor, School of Business, The Copperbelt University, Main Campus, Zambia

Dr. ALEXANDER MOSESOV

Associate Professor, Kazakh-British Technical University (KBTU), Almaty, Kazakhstan

Dr. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

Dr. FERIT ÖLÇER

Professor & Head of Division of Management & Organization, Department of Business Administration, Faculty of Economics & Business Administration Sciences, Mustafa Kemal University, Turkey

Dr. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

Dr. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

YU-BING WANG

Faculty, department of Marketing, Feng Chia University, Taichung, Taiwan

Dr. SAMBHAVNA

Faculty, I.I.T.M., Delhi

Dr. KIARASH JAHANPOUR

Research Adviser, Farabi Institute of Higher Education, Mehrshahr, Karaj, Alborz Province, Iran

Dr. MELAKE TEWOLDE TECLEGHIORGIS

Faculty, College of Business & Economics, Department of Economics, Asmara, Eritrea

Dr. SHIVAKUMAR DEENE

Faculty, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

Dr. THAMPOE MANAGALESWARAN

Faculty, Vavuniya Campus, University of Jaffna, Sri Lanka

Dr. VIKAS CHOUDHARY

Faculty, N.I.T. (University), Kurukshetra

SURAJ GAUDEL

BBA Program Coordinator, LA GRANDEE International College, Simalchaur - 8, Pokhara, Nepal

Dr. DILIP KUMAR JHA

Faculty, Department of Economics, Guru Ghasidas Vishwavidyalaya, Bilaspur

FORMER TECHNICAL ADVISOR**AMITA****FINANCIAL ADVISORS****DICKEN GOYAL**

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT**SURENDER KUMAR POONIA**

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)

DEAR SIR/MADAM

Please find my submission of manuscript titled ' _____ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR	:
Designation/Post*	:
Institution/College/University with full address & Pin Code	:
Residential address with Pin Code	:
Mobile Number (s) with country ISD code	:
Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)	:
Landline Number (s) with country ISD code	:
E-mail Address	:
Alternate E-mail Address	:
Nationality	:

* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB.**
 - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised.**
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully Italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA. Abbreviations must be mentioned in full.**
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aea-web.org/econlit/jelCodes.php. However, mentioning of JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER. It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document. However, you can mention short notes to elucidate some specific point,** which may be placed in number orders before the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

A STUDY ON OPTION STRATEGIES IN EQUITY DERIVATIVES WITH REFERENCE TO THE INDIAN BULLS SECURITIES LTD.

DASARI HARIPRIYA
STUDENT
K L U BUSINESS SCHOOL
K L UNIVERSITY
GREENFIELDS

K. SRINIVASULU
ASST. PROFESSOR
K L U BUSINESS SCHOOL
K L UNIVERSITY
GREENFIELDS

ABSTRACT

The emergence of the market for derivative product like forward, future, options and swaps can be traced back many years ago, when people want to invest in any company and they want to protect themselves from incurring losses. Derivatives product (forward, futures, options and swaps) minimize the impact of fluctuations of price of stock of any company resulting in profit or loss to the investor. Derivative product initially emerged as hedging devices against fluctuations in commodity prices. Financial derivatives came into spotlight in the year 1970 due to growing instability in the financial market. Derivatives are risk management instruments, which derive their value from an underlying asset. Underlying asset can be share, bonds, commodity, currencies, interest rate etc. The objective of derivative is to analyze the capital market, to minimize the risk and to study various trends operating in options derivative market. Importance of derivative is to make investor aware of functioning of derivatives options; it also acts as a hedging tool for the investors. The study is limited to derivatives with special references to options and options strategies in the Indian context. Each strategy is analyzed according to its risk and returns. After analyzing each strategy, the investor can easily decide that where he should invest his money according to risk and return from that particular strategy.

KEYWORDS

Indian Bulls Securities Ltd., equity derivatives.

INTRODUCTION

A Derivative is a financial instrument that derives its value from an underlying asset. Derivative is a financial contract whose price/value is dependent upon price of one or more basic underlying asset, these contracts are legally binding agreements made on trading screens of stock exchanges to buy or sell an asset in the future. The most commonly used derivatives contracts are forwards, futures and options, which we shall discuss in detail later.

The emergence of the market for derivative products, most notably forwards, futures and options, can be traced back to the willingness of risk-averse economic agents to guard themselves against uncertainties arising out of fluctuations in asset prices. By their very nature, the financial markets are marked by a very high degree of volatility. Through the use of derivatives products, it is possible to partially or fully transfer price risks by locking-in asset prices. As instruments of risk management, these generally do not influence the fluctuations in the underlying asset prices. However, by locking in asset prices, derivative products minimize the impact of fluctuations in asset prices on the profitability and cash flow situation of risk-averse investors.

Derivative products initially emerged as hedging devices against fluctuations in commodity prices and commodity-linked derivatives remained the sole form of such products for almost three hundred years. Financial derivatives came into spotlight in the post-1970 period due to growing instability in the financial markets. However, since their emergence, these products have become very popular and by 1990s, they accounted for about two-thirds of total transactions in derivative products. In recent years, the market for financial derivatives has grown tremendously in terms of variety of instruments available, their complexity and also turnover. In the class of equity derivatives, the world over, futures and options on stock indices have gained more popularity than on individual stocks, especially among institutional investors, who are major users of index-linked derivatives. Even small investors find these useful due to high correlation of the popular indexes with various portfolios and ease of use.

Derivative is a product whose value is derived from the value of one or more basic variables, called bases (underlying asset, index, or reference rate), in a contractual manner. The underlying asset can be equity, forex, commodity or any other asset. In the Indian context the Securities Contracts (Regulation) Act, 1956 (SC(R)A) defines "derivative" to include-

1. A security derived from a debt instrument, share, and loan whether secured or unsecured, risk instrument or contract for differences or any other form of security.
2. A contract, which derives its value from the prices, or index of prices, of underlying securities.

The emergence of the market for derivative products, most notably forwards, futures and options, can be traced back to the willingness of risk-averse economic agents to guard themselves against uncertainties arising out of fluctuations in asset prices. By their very nature, the financial markets are marked very high degree of volatility. Through the use of derivative products, it is possible to partially or fully transfer price risks by locking-in asset prices. As instruments of risk management, these generally do not influence the fluctuations in the underlying asset prices. However, by locking-in asset prices, derivative products minimize the impact of fluctuations in asset prices on the profitability and cash flow situation of risk-averse investors. Derivatives are risk management instruments, which derive their value from an underlying asset. The underlying asset can be bullion, index, share, bonds, currency, interest etc.

Derivatives are used by banks, securities firms, companies and investors to hedge risks, to gain access to cheaper money and to make profits. Derivatives are likely to grow even at a faster rate in future they are first of all cheaper to world have met the increasing volume of products tailored to the needs of particular customers, trading in derivatives has increased even in the over the counter markets. In Britain unit trusts allowed to invest into invest in futures & options. The capital adequacy norms for banks in the European Economic Community demand less capital to hedge or speculate through derivatives than to carry underlying assets. Derivatives are weighted lightly than other assets that appear on bank balance sheets. The size of these off-balance sheet assets that include derivatives is more than seven times as large as balance sheet items at some American banks causing concern to regulators.

REVIEW OF LITERATURE

Lars N. Nielsen and Daniel Villalon, CFA (2016) stated that although embracing the tail risks of capital markets is an element of investing, it is uncertain whether investors are duly compensated for the equity risk in a 60/40 portfolio's expected return. Four strategies are assessed for their effectiveness in hedging the equity tail risks in a US portfolio. Direct hedging is costly and reduces risk-adjusted returns, whereas three indirect strategies that alter the starting portfolio characteristics achieve similar protection with superior long-term average returns.

Nitin Joshi (2014) observed that forward-looking measure of dividend growth extracted from S&P 500 Index futures and options to correct the dividend-to-price ratio (D/P) for changes in expected dividend growth. That dividend growth implied by derivatives markets reliably forecasts future dividend growth. Statistical significance of market return predictability has remained open to debate, the evidence of forecasting ability supplied by price multiples has been mostly uneven or biased. The D/P is a noisy proxy for expected returns when the expected dividend growth rate is time varying. A proxy for dividend growth derived from S&P 500 futures and options to calculate the D/P. The corrected D/P predicts S&P 500 returns better than the standard D/P. Using a simple log linear present value model, that the predictable component of returns can be captured through a univariate return regression on the corrected D/P. The corrected D/P is the standard D/P adjusted for variations in expected dividend growth rates.

Ted Seides (2008) stated that the word “hedge” is used in hedge funds; many assume that hedge funds are hedged. The truth is that most hedge funds retain significant exposure to equity and credit markets. Anecdotally, from a sample survey of some of our most respected peers, we learned that many equity oriented fund-of-funds portfolios typically retain 40–60 percent net exposure to global equity markets. Additionally, hedge funds have been systematically long credit and short volatility. This allocation is a result of the desire to obtain smooth, positive returns and a consequence of our collective experience of many years of bull market returns. If investors are long credit, they accumulate yield every month, and if they are short volatility, they receive a premium. This design allows a hedge fund to show positive returns.

Nicholas Tan (2012) observed that disruptions in capital markets during the 2008 financial crisis were blamed on destabilizing actions by various types of investors, including hedge funds. The authors analyze hedge fund returns during the financial crisis and determine the role they may have played. If hedge funds had traded at the expense of the rest of the market, then they should have exhibited superior risk-adjusted returns. Likewise, if forced selling by hedge funds had driven down prices of assets, then those funds should have exhibited abnormally poor risk-adjusted returns. Hedge funds are private entities and have fewer public disclosure requirements than other financial institutions. Investors, such as institutional investors, could use their clout to encourage hedge funds to increase transparency in disclosing information, such as AUM and trading metrics, as part of their requirements when investing. This push from investors, coupled with regulators’ requirements, would help the general public better identify the risks posed by hedge funds, especially the systemic varieties that affect an economy’s well-being.

OBJECTIVES

1. To study about Indian Derivative Market.
2. To study different strategies used in Options.
3. To analyze on various Option Strategies for to minimize risk.

DATA ANALYSIS

TABLE 1: CALL OPTION

NIFTY	16-Mar-16	26-May-16	CE	7900	7498.75	-401.25
NIFTY	17-Mar-16	26-May-16	CE	7900	7512.55	-387.45
NIFTY	18-Mar-16	26-May-16	CE	7900	7604.35	-295.65
NIFTY	21-Mar-16	26-May-16	CE	7900	7704.25	-195.75
NIFTY	22-Mar-16	26-May-16	CE	7900	7714.9	-185.1
NIFTY	23-Mar-16	26-May-16	CE	7900	7716.5	-183.5
NIFTY	28-Mar-16	26-May-16	CE	7900	7615.1	-284.9
NIFTY	29-Mar-16	26-May-16	CE	7900	7597	-303
NIFTY	30-Mar-16	26-May-16	CE	7900	7735.2	-164.8
NIFTY	31-Mar-16	26-May-16	CE	7900	7738.4	-161.6
NIFTY	1-April-16	26-May-16	CE	7900	7713.05	-186.95
NIFTY	4-April-16	26-May-16	CE	7900	7758.8	-141.2
NIFTY	5-April-16	26-May-16	CE	7900	7603.2	-296.8
NIFTY	6-April-16	26-May-16	CE	7900	7614.35	-285.65
NIFTY	7-April-16	26-May-16	CE	7900	7546.45	-353.55

So here the nifty close at 8069.65 at the expiry date

Spot price 8069.65

Strike price 7900

Lot size 75

Premium 8.32 Difference in points 169.65 (Spot price - strike price)

Net Diff 161.33

Less premium paid (169.65-8.32)**Actual Profit** 12099

75*161.33 (Lot size * Net Diff)

1. Buyer of the option profit is Rs 12099
2. Seller of the option loss is Rs 12099
3. Ifs the nifty closes below the strike price then the buyer will not exercise as he will not be in profit
4. If buyer doesn’t exercise whatever the premium received is the option writer/ sellers profit
5. Option buyer profit is always unlimited and seller profit is limited to the option premium

TABLE 2: NIFTY 3 MONTHS OPTION STOCKS

	16	16				
NIFTY	26-May-16	26-May-16	CE	7900	8069.65	169.65

INTERPRETATION

The above table showing nifty 3 months’ options stocks I have calculated the profit and loss of the call option and also exercise or not exercise the contract.

TABLE 3: PUT OPTION

Symbol	Date	Expiry	Option Type	Strike Price	Underlying Value	profit/loss
NIFTY	26-Feb-16	26-May-16	PE	7900	7029.75	870.25
NIFTY	29-Feb-16	26-May-16	PE	7900	6987.05	912.95
NIFTY	1-Mar-16	26-May-16	PE	7900	7222.3	677.7
NIFTY	2-Mar-16	26-May-16	PE	7900	7368.85	531.15
NIFTY	3-Mar-16	26-May-16	PE	7900	7475.6	424.4
NIFTY	4-Mar-16	26-May-16	PE	7900	7485.35	414.65
NIFTY	8-Mar-16	26-May-16	PE	7900	7485.3	414.7
NIFTY	9-Mar-16	26-May-16	PE	7900	7531.8	368.2
NIFTY	10-Mar-16	26-May-16	PE	7900	7486.15	413.82
NIFTY	11-Mar-16	26-May-16	PE	7900	7510.2	389.8
NIFTY	14-Mar-16	26-May-16	PE	7900	7538.75	361.25
NIFTY	15-Mar-16	26-May-16	PE	7900	7460.6	439.4
NIFTY	16-Mar-16	26-May-16	PE	7900	7498.75	401.25
NIFTY	17-Mar-16	26-May-16	PE	7900	7512.55	387.45
NIFTY	18-Mar-16	26-May-16	PE	7900	7604.35	295.65
NIFTY	21-Mar-16	26-May-16	PE	7900	7704.25	195.75
NIFTY	22-Mar-16	26-May-16	PE	7900	7714.9	185.1
NIFTY	23-Mar-16	26-May-16	PE	7900	7716.5	183.5
NIFTY	28-Mar-16	26-May-16	PE	7900	7615.1	284.9
NIFTY	29-Mar-16	26-May-16	PE	7900	7597	303
NIFTY	30-Mar-16	26-May-16	PE	7900	7735.2	164.8
NIFTY	31-Mar-16	26-May-16	PE	7900	7738.4	161.6
NIFTY	1-April-16	26-May-16	PE	7900	7713.05	186.95
NIFTY	4-April-16	26-May-16	PE	7900	7758.8	141.2
NIFTY	5-April-16	26-May-16	PE	7900	7603.2	-296.8
NIFTY	6-April-16	26-May-16	PE	7900	7614.35	-285.65
NIFTY	7-April-16	26-May-16	PE	7900	7546.45	-353.55

Spot price 8069.65

Strike price 7900

Premium price 8.32

Lot size price 75

Put option Strike price - spot price

7900-8069 = -169

Premium paid= 8.3*75 = Rs 622.5

Which is the loss?

1. Option buyer will not exercise as spot closed above his strike price and his loss is only premium paid * lot size
2. Put option buyer exercise contract only when spot closes below strike price
3. Here nifty spot closed above strike price
4. Put option buyer will not exercise and only loses his premium paid
5. Put Option writer or seller will receive the premium
6. Here the spot is greater than strike sell only losses the premium

FINDINGS

- The derivative market is very uncertain and involves the risk due to fluctuation in price of the stock.
- It is seen when the investors buy call option it provides more profit with less risk as compare with put options.
- It is seen that the option strategies hedge the risk of loss in derivatives options.
- The Straddle options are adopted by the investors when there is large movement in the stock price and it is not known in which direction it will move.
- The Butterfly strategy is adapted by the investor when the market is neutral and price are stable it combines call and put options to earn profit.
- The strangle is adapted by the investor in the neutral market which involves risk. The options strategies provide the combination of call and put options to hedge the risk of loss in the derivative market and it's minimizing the loss for the investor.

CONCLUSION

- As the market is very uncertain it is very difficult to predict the changes which are happening in the market.
- When it is uncertain it may increase or decrease the price of equity so a situation arises where it is unpredictable for an investor or a client to invest or not.
- To avoid such situations or to avoid the risk one has to take options strategies
- Options strategies are adapted to minimize the risk in the derivatives
- The options strategies give the comfort position to the investors in any form of market to earn the profit and minimize the loss

REFERENCES

1. John C. Hull & Sankarshan Basu "Options, Futures and other Derivatives".
2. Peter S. Rose & Sylvia C. Hudgins, "Bank Management & Financial Services", 7th Edition, Tata McGraw-Hill

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as, on the journal as a whole, on our e-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s)concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

