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"तदेव लग्नं सुदिनं तदेव

ताराबलं चन्द्रबलं तदेव ।

विद्याबलं दैवबलं तदेव

लक्ष्मीपते तेंऽघ्रियुगं स्मरामि ॥"

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"That alone is the best time that only is the best day, that time only has the strength bestowed by stars, moon, knowledge and Gods, when we think of the feet of Lord Vishnu who is the spouse of Goddess LakShmi.II"

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INDEX

CRASHING PROJECT DURATION USING LINEAR PROGRAMMING

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ABSTRACT

In the current competitive market, finishing a project on time and within budget is a difficult assignment for project managers. The purpose of this research is to construct a model that identifies the optimal trade-off between time and cost in order to accelerate the execution process. The critical path method (CPM) is used to calculate the longest duration and cost required to complete the project, and the time-cost trade-off problem (TCTP) is then formed using a linear programming model. Here, the LINDO software program is utilized to identify the model's solution. For the purpose of implementing the proposed approach, interviews and direct discussions were conducted with the project managers of a Construction Company to obtain the essential data. The study suggests that the project can be completed in 120 days, rather than the predicted 140 days, if all operations are properly scheduled. Increasing project costs by 3.73 percent to obtain a 17% reduction in project duration is satisfactory. Linear programming, critical path technique, trade-off analysis, and crashing are the key terms of this article.

Keyword: critical path method (CPM), linear programme model, crashing time, trade-off analysis.

1. INTRODUCTION

Project management is the process of leveraging resources, strategies, etc., to complete a task within the stipulated time and budget. Additionally, it ensures performance requirements to entice buyers. In an uncertain environment, finishing a specific project with limited resources and costs in order to create a competitive advantage is a highly challenging task. There are a number of variables, such as labor-related delays, political concerns, contractor delays, and unanticipated delays, that contribute to disruptions and uncertainty in the real world. For the project to be completed on time and within budget, therefore, good planning and scheduling of all activities/tasks is necessary to achieve market leadership. Planners utilize the critical path method (CPM) and the Project Evaluation and Review Technique (PERT) for proper planning and scheduling of large projects (PERT). The approaches' purposes are to assist project managers in observing the development of each phase of a project. The completion of the project can be expedited by reducing the scheduled execution time through the use of additional manpower or productive equipment. However, this endeavour will involve additional expenses. As a result, planners are focusing on the trade-off between completion time and project cost to improve project scheduling and management. The process of balancing time and money involves accelerating or delaying the duration of tasks. According to Tavassoli, L. S., Massah, R., Montazeri, A., Mirmozaffari, M., Jiang, G. J., & Chen, H. X. (2021). The time-cost trade problem (TCTP) is one of the most important considerations in project completion. The primary objective of the time-cost trade-off problem (TCTP) is to reduce the initial project duration determined by the critical path analysis while incurring the least amount of direct and indirect costs.

Direct costs include the costs of materials, labor, and equipment, whereas indirect costs are the costs of performing work that cannot be attributed to a specific task. There are numerous research projects within the field of TCTP. Mohammadi, G. (2011), cited Kelly for conducting the TCTP's first research in 1961. Multiple experts concurred that, since 1961, the primary focus of study has been on deterministic instances. The time-cost trade problems were solved using a number of strategies, which can be divided into two categories: mathematical programming methods and heuristic methods. Mathematical programming approaches include linear programming, integer programming, and dynamic programming, whereas heuristic methods employ the genetic algorithm, the fuzzy multi-objective genetic algorithm (FMOGA), and the cost-loop method, among others. López-Díaz, D. C., et al, (2018) used a framework for natural gas projects utilizing mixed integer linear programming and CPM. Utilizing the crash idea, the study's usefulness lies in achieving the lowest total cost possible. Deplano, I. (2020), suggested a neuro-genetic strategy for scheduling projects with constrained resources. The neuro-genetic approach is a hybrid technique comprised of neural networks and genetic algorithms. The search procedure utilized genetic iteration for global solutions and a neural network for local ones. G. akr et al. 2022 developed a hybrid time-cost trade-off technique that combines linear and integer programming. Several academics employed dynamic programming to strike a balance between two crucial project features.

2. LITERATURE REVIEW

Recently, several computer optimization techniques, such as genetic algorithms (GA), evolutionary algorithms (EA), particle swarm optimization (PSO), etc., have been utilized to reduce the time of projects. Currently, the Genetic Algorithm (GA) technique is widely used to solve optimization problems. Agdas, D., et al. (2018). Utilized evolutionary algorithms to address building time-cost trade-off issues. Liang, Z., et al. (2020) constructed a machine learning and genetic algorithm based system (MLGAS) for a construction project, and the system produced superior outcomes compared to nonlinear TCTP. In 2003, Poonambalam et al. (2003) introduced genetic algorithms to sequencing difficulties in industrial mixed-model assembly lines and discovered that GA performed better. The genetic algorithm has also been utilized to optimize the time-cost-quality tradeoff problem. Azaron, A., & Tavakkoli-Moghaddam, R. (2007), formulated the cost trade-off problem as a multi-objective optimal problem with four objective functions and solved it using a genetic algorithm. Several scholars created a hybrid approach for discrete TCTP problems based on evolutionary algorithms and other methodologies.

Different researchers have employed fuzzy logic to deal with unclear problems. Pathak, B. K., & Srivastava, S. (2015), used fuzzy logic theory to evaluate the influence of uncertainty on project quality. Pathak, B. K., & Srivastava, S. (2007, September), suggested ANN with MOGA (multi-objective genetic algorithm) techniques for improving project scheduling by solving nonlinear TCTP. In 2009, Chen, W. N., & Zhang, J. (2012), utilized the ant colony optimization algorithm to maximize discounted cash flows in project scheduling. Jebaseeli, M. E., & Dhayabaran, D. P. (2018); Chitra, K., & Halder, P. (2017). utilizing MILP-Lingo 12 a mathematical model for minimizing the entire cost of a construction project. Biswasa, S. K., Karmakera, C. L., & Biswasa, T. K. (2016), formulated a time-cost trade-off problem and solved it using Matlab.

Mokhtari, H., Aghaie, A., Rahimi, J., & Mozdgir, A. (2010), devised a hybrid technique based on the cutting plane method and Monte Carlo (MC) simulation for the stochastic time–cost trade-off problem (STCTP) in project management PERT networks. The purpose of the study was to increase the probability that a project would be completed by a certain date from a dangerous value. Błaszczyk, T., & Nowak, M. (2009), formulated a project scheduling issue that incorporated a time-cost trade-off analysis. In this study, the authors offer a new interactive technique based on computer simulation. In the initial step, simulation experiments were conducted to evaluate choice alternatives based on multiple factors. Then, an interactive technique INSDECM was employed for generating the final solution of the problem.

Hosseini-Nasab, H., Pourkheradmand, M., & Shahsavaripour, N. (2017). Fuzzy Discrete Time-Cost-Quality Trade-off Problem (FDTCQTP) under uncertain conditions and solved it with an innovative genetic algorithm. In this article, time, cost, and quality are represented as fuzzy trapezoidal numbers, and project network pathways are determined using a novel technique. Finally, the suggested algorithm was compared to traditional GA using ANOVA, and the findings demonstrated the model's efficacy.Numerous scholars, such asEirgash, M. A., Toğan, V., & Dede, T. (2019); Toğan, V., & Eirgash, M. A. (2019); Naseri, H., & Ghasbeh, M. A. E. (2018), have recently examined time-cost trade-off challenges in project planning.

This work aims to establish a hybrid model for determining the optimal additional cost associated with project length reduction. Initially, the critical path method (CPM) is used to identify the critical path and critical activities. Using the cost loop method, the cost slopes of six jobs are then computed, and TCTP is then formed as a linear programming model. Using the LINDO software program, the target function of minimizing the costs associated with a reduction in project duration is attained.

This study's remaining sections are organized as follows: Section 2 presents a foundation for the established technique and a step-by-step illustration of the anticipated project planning and scheduling stages.Section 3 describes the formulation of the problem, while Section 4 provides results and discussions with a prototype example. In Section 5, the conclusion and recommendations for further study.

3. METHODOLOGY

Initially, staff of the Construction Company were interviewed and directly questioned by the project management in order to collect the relevant data. CPM is utilized to determine the critical path and activities. Using the heuristic strategy, the activities are shortened in order to obtain their least expensive slopes. The project time-cost crash problem is then formulated as a model of linear programming (LP). The model is examined with LINDO software in order to minimize the total cost and schedule the project's crashing time.

The general technique for arranging project crashing time at the lowest possible total cost is as follows:

I. Create the project network diagram

II. Calculate CPM and determine the critical path using the typical duration and cost of each activity.
III. Determine the cost slope for every activity.
IV. Create a linear programming (LP) model to address the project time-cost crash issue.
V. Utilize the LINDO program to analyze the model and optimize the objective function.

3. Problem Definition

3.1 Description and Notation of the Problem

The problem with project time-cost overruns can be characterized as follows: Assume a construction company completes I sorts of activities/jobs within a given time frame to meet market demand. The project's execution can be accelerated by compressing the duration of all activities. But this operation incurs additional expenses. The project time-cost trade-off issue (TCTP) focuses on devising a strategy to schedule the activities in a manner that ensures the lowest additional cost associated with the reduction of time and expedites the project's execution. Based on the aforementioned characteristics of the given TCTP problem, the following mathematical model is developed: The total cost of crashing activities is denoted by Z. This study's objective is to optimize the objective function (Z) under certain constraints.

i. Decision variables:

$$X_i = reduce\ amount\ within\ te\ duration\ of\ activity\ \forall i = A, B, \ldots F.$$

$$y_i = \ start\ of\ each\ activity\ i$$

$$y_{finish} = \ duration\ of\ the\ construction$$

ii. Objective function:

Here, the start time of each activity (including Finish) is dependent on the start time and duration of its immediate predecessors. For instance, if action B is the immediate precursor of activity C, then the start time of activity C is as follows

$$Y_C \geq Y_B + 20 - X_B$$

Hence the activities C will not start until activity B starts and the complete duration of $20 - X_B$

And includes all the relationship objective function of the proposed model can be formulated as the minimum total

$$Z = 100X_A + 200X_B + 600X_C + 60X_D + 120X_E + 300X_F \quad (1)$$

i. Constrains (this is he maximized reduces constrain)

$$X_A \leq 20$$

$$X_B \leq 5$$

$$X_C \leq 10$$

$$X_D \leq 10$$

$$X_E \leq 10$$

$$X_F \leq 10 \qquad (2)$$

ii. START TIME CONSTRAIN

$$Y_C - Y_B + X_B \geq 20$$

$$Y_D - Y_C + X_C \geq 40$$

$$Y_E - Y_B + X_D \geq 30$$

$$Y_E - Y_F + X_F \geq 60$$

$$Y_F - Y_B + X_B \geq 20$$

$$Y_{FINISH} - Y_B + X_A \geq 120$$

$$Y_{FINISH} - Y_E + X_E \geq 50 \qquad (3)$$

iii. PROJECT DURATION CONSTRAINTS

$$Y_{FINISH} \leq 120 \qquad (4)$$

iv. NON NEGATIVE CONSTRAINTS

$$Y_i \geq 0; \quad \forall\, i = A, B, \dots F.$$

$$Y_i \geq 0; \quad \forall\, i = C, D, \dots F.$$

$$Y_{FINISH} \geq 0 \qquad (5)$$

4. Results and Analysis

To show the viability of the proposed methodology, the proposed model has been implemented on a building project. In order to organize the network's actions, it must have an estimate of how much time each routine activity requires. The project manager desires to finish the entire operation within 120 days. This signifies that he must complete the project within 20 days. Table 1 displays the data provided by the project manager for a construction problem. Table 1 provides a comprehensive account of all actions required to complete a building project. The construction process commences with activity A and concludes with activity F.

TABLE 1: DATA ON CONSTRUCTION FOR THE NORMAL AND CRASH COST-TIME DATA

ACTIVITIE	PREDECESSOR	NORMAL	NORMAL	CRASHED	CRASH

		COST(NAIR	DURATION	COST(NAIR	DURATIO
A	-	120,000	120	140,000	100
B	-	18,000	20	28,000	15
C	B	160,000	40	220,000	30
D	C	14000	30	20,000	20
E	D,F	36000	50	48,000	40
F	B	135000	60	180,000	40

The associated cost in naira and required number of days to complete each individual task demonstrated in the table above. The first column shows the series of activities involved for the project. The second column shows the predecessor of each activity stated in the first column. The normal cost of each activity presented in the third column, the duration for the activities also presented in the fourth column. The crashed cost gotten from the application of the proposed model is presented in the fifth column and lastly in the last column the crashed time duration was presented. This has shown the applicability of the proposed model and shown it can be used for similar project aimed at crashing the cost as well as the time to completion of the project.

5. CONCLUSION AND RECOMMENDATIONS

This study's primary objective is to arrange the tasks/activities of a building project so as to speed its completion. CPM is used to determine the critical route and predict the duration of the project. A linear programming (LP) approach is offered for crashing the project's activities. CPM estimates that a reduction of 20 days from 140 days would raise the total cost by $1800. The model implies that a 17% reduction in time may be achieved with a 3.73 % increase in cost, which is satisfactory. The model's contribution is its ease of use, allowing project managers to organize all activities properly. Various optimization techniques, such as particle swarm optimization (PSO), mixed integer linear programming (MILP), and fuzzy multi-objective linear programming (FMOLP), among others, can be utilized to get the answer. It might be challenging for project managers to complete a project on time and within budget in the current competitive industry. In order to speed up the execution process, the goal of this research is to build a model that determines the best time and cost trade-off. The project's longest duration and cost are determined using the critical path method (CPM), and the time-cost trade-off problem (TCTP) is then created using a linear programming model. Here, the model's solution is found using the LINDO software programme. To gather the necessary information for executing the suggested method, interviews and direct conversations with the project managers. According to the assessment, if all operations are properly arranged, the project might be finished in 120 days rather than the expected 140 days. It is satisfactory to increase project costs by 3.73 percent in order to reduce the project's length by 17%. The essential terms in this essay are linear programming, critical route technique, trade-off analysis, and crashing.

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An Empirical and Comprehensive Analysis of Key International Marketing Mix - A Detailed Study in Current International Scenario

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Abstract

In this research paper titled, "***An Empirical and Comprehensive Analysis of Key International Marketing Mix - A Detailed Study in Current International Scenario***" the author attempted to analyze the existing 7 Ps, i.e., Product, Price, Promotion, Place, People, Process, and Physical evidence, and also attempted to explore more Ps in the International marketing mix by empirical and comprehensive study. Ps, usually in marketing or international marketing mix, provides a simple and relevant framework covering all marketing attributes and elements.

These fundamental elements play a significant role in creating the right international marketing strategy to provide quality products or services and explore a new customer base.

Moreover these elements show pathway to know customers in an appropriate manner that What they are…………. Who they are …………….How they perform……………… and Which level they tend to move ………………….

These international marketing mixes also facilitate businesses in determining the appropriateness of products and services for existing and new customers by giving the most appropriate solutions to many sales and marketing issues.

In this research paper, the central focus will be on primary data in which the researchers explore various aspects and properties of various Ps of marketing mix internationally along with in-depth analysis and interpretations.

Key Words: ***Marketing, Ps, consumer, strategy, business***

Introduction

Companies may use a tried-and-true international marketing mix strategy when presenting a product to international markets. It is essential to customize this global marketing mix strategy to the dominant market in each nation. The term "international marketing mix" refers to combining several elements. In the same way that marketing is a never-ending process, so is international marketing, which encompass developing and executing a vast array of international marketing mix components. Businesses and customers may exchange products, services, and ideas.

It is more often seen as a creative industry, including sales, advertising, and distribution, where many International Marketing Mixes are applied. It is also related to customers' future needs and expectations, which are often considered for market research. Marketing is the phenomenal process of creating or directing an organization so that people can successfully avail themselves of the product or service they need and are willing to buy.

Hence essentially, International Marketing should be worthwhile because it could create a set of benefits for consumers so that they could buy a bundle of attributes through products or services. A market-oriented or consumer-focused organization or company needs to decide first what its potential customer wants, and then after that, such products or services are created. When a customer uses a product or service when he needs it or receives a perceived benefit, then the marketing theory and practice are considered substantially relevant.

According to the American Marketing Association (AMA) definition, "International Marketing is a process for planning and conceiving logistics, pricing, propaganda and distribution of arguments, objects and services for the creation of clearing centers fulfilling personal and administrative goals " objectives of an organization."

A sound international marketing plan must be scheduled to keep up with the continual demand and the pace at which new markets are analyzed to uncover distinctive traits that may need modification. Standardization and consistency are vital in forming customers' worldviews, but consumers' lived experiences, the current state of the market, and the prior products and services they have used all have a role.

Apart from these reasons, a company should think about supplementary factors like −

- Pricing effect of the national budget crisis.
- Payments in a foreign currency arise from a change in exchange rates and a currency swap.
- Target audience disposable income.
- Transport costs and
- Include any import charges or taxes that may apply.

The internet has fashioned additional intricacy for the vendors as consumers can now evaluate the worth of the products, they purchase with similar goods offered in the market. This has augmented the altitude of struggle.

Literature Review

Margarita Išoraitė (2016), The author examines the conceptual characteristics of the marketing mix in this work. Under this theory, marketing mix measurements may be considered essential for attaining marketing objectives. In this essay, the author believes that the marketing mix is one of the most important considerations when considering regional goals and marketing expenditures. Marketers attempt to achieve their goals by evaluating the product, pricing, location, and promotion. These gadgets realize their tremendous potential when all of their components are used in combination. In defining the relative magnitude of these components, business, strategy, conflict, and time all play a role.

Ieva Puke, Anda Batraga, (2016), The instigators perform a comprehensive, data-driven analysis of how big exporting firms in Latvia choose and execute marketing communication strategies. A firm must first establish how to adjust its marketing and advertising methods to the tastes of locals in foreign marketplaces. The study also investigates the components that influence the marketing mix and reveals that Latvian exporters mainly depend on the globalization strategy. Numerous factors, such as economic growth and legislation in target markets, cultural and geographical issues, the company's chosen path to market, its target customer segments, and its largely inadequate marketing budget, encourage small and medium-sized businesses to utilize alternative marketing tools.

Aleksandar StoУkovTć, Desislava Stoykova, Patrick Geurts, (2016), A sales strategy based on the marketing mix might aid one of the administrations in achieving their sales goal of accessing new client bases and growing into new markets. On a global scale, however, an efficient marketing mix requires more than a scattering of marketing instruments (product, price, place, and promotion). An acceptable "component mix" must be chosen for each industry separately. Therefore, it is not easy to coordinate the many marketing components. Considering all aspects influencing the marketing mix's core elements is essential. These outcomes offer the foundation for an innovative and effective marketing approach. The expansion of e-commerce as a crucial component of the global economy is crucial to the global marketing mix. Assessing a company's e-influence may include analyzing how its marketing mix has evolved due to its adoption of new methods. This article examines the global marketing mix and the modifications that have occurred due to the prominence of e-business. This research examines how e-business impacted worldwide marketing strategies and what transpired based on the collected data.

Haxthausen (2008) This research evaluated the assumption that buyers often anticipate receiving high-quality items at cheap costs to get an exceptional return on their investment. Consequently, enterprises have a duty in the relevant market to deliver items that satisfy customers' wants and are priced competitively in comparison to those of competitors offering comparable products.

Kotler & Armstrong (2010) In this work, the investigator observed numerous firm-explicit and industry-explicit reasons to participate in the estimating decision, such as scientific modernization at the firm level and falling raw material charges at the industry level. Also, countless exterior issues, such as professional environment and international economy variations over time, should be measured in the applicable tactical scheduling procedures.

Tatiana Lishchenko, Meng-Dar Shieh, and Kuo-Hsiang Chen (2011), In this paper the Author scrutinized the enterprise's rivals in overseas marketplaces may pick to acclimatize their merchandise to apt indigenous market customer requirements or standardize their bid to retain costs lesser. Various researchers are investigating the experiences of this choice. Little research has been observed in the plan merchandise sector. In this article, the authors are dedicated to exploring how design-driven enterprises, whose project is the enterprise's unique individuality, co-opt their merchandise. They try to intellectualize the size to which the marketing mix should be adjusted for this type of commerce.

RESEARCH GAP

The Literature Review reveals that no research has been conducted on "*An Empirical and Comprehensive Analysis of Key International Marketing Mix - A Detailed Study in Current International Scenario*." Therefore, investigator did the courage to undertake this topic investigation.

OBJECTIVE OF STUDY

- To ascertain how many Ps are important in International Marketing Mix.
- To make out the appropriateness of Ps of International Marketing Mix.
- To explore business needs through Ps of International Marketing Mix.
- To identify customers 'satisfaction levels through International Marketing Mix.
- To know whether Ps of International Marketing Mix comply with current marketing needs.

To accomplish the objectives described above researcher has noticed a few sub-objectives that would be achieved with the fulfillment of the main objectives.

SUB –OBJECTIVES

- To maximize customers' value with an application of Ps of International Marketing Mix.
- To increase the market share of various brands of the company.
- To overcome business threats faced by a company.
- To maintain the loyalty of customers.

RESEARCH METHODOLOGY

The research is based on primary and secondary data, as mentioned.

Primary Data

Population and Sample

The author distributed questionnaires to their friends, family, and acquaintances to reach individuals in diverse regions of the country and the world. This research includes those inside and outside the country involved in businesses of any size. The questionnaire was also distributed to the previously indicated individuals; a sample of 150 from this group represented the whole population. As indicated by the total number of questionnaires received, there was a response rate of over 71% from the population under investigation (107 were usable for analysis).

Measures

The researchers evaluated survey items using a Likert 5-point scale questionnaire, with answers ranging from 1 (strongly disagree) to 5 (strongly agree). There were 12 questions, one for each of the 12 Ps that comprise the International Marketing Mix.

Table 1 Frequencies of demographic variables

S,No	Variables	Elements	Frequency	Percent
1	Gender	Male	89	83.18
		Female	18	16.82
		Total	**107**	**100.00**
2	Age (years)	less than 40	12	11.21
		from 40 less than 50	19	17.76
		from 50 less than 60	63	58.88
		60 and above	13	12.15
		Total	**107**	**100.00**
3	Experience	less than1year	16	14.95
		from 1 to less than 5	19	17.76
		from 5 to less than 10	17	15.89
		10 and above	55	51.40
		Total	**107**	**100.00**

Table - 1 shows 83.18% of sample members are males, about 28.97% are middle-aged less than 50, and 70.03% are in the experienced age group, i.e., 50 and above years. Their experience shows that 51.40% of members have more than ten years, 33.65% show they have less than ten years of experience but more than one years of experience, and only 14.95% are almost fresher and are new entrants in this field.

Secondary Data

In our study, we have taken wherever is required.

HISTORY OF 4 AND 7 PS

The phrases price, promotion, product, and location include most of the arbitrary guessing involved in constructing a marketing mix (distribution). McCarthy, J. popularized the four P's of marketing in 1960: price, promotion, product, and place. (distribution). McCarthy claims that salespeople have access to these four factors, which may be included in creating a sales strategy, business policy, and promotional campaign. All four factors of the marketing mix are susceptible to change throughout time. However, adjusting the product or distribution channel in the near term may be challenging.

Product - The product must satisfy the customer's demands, function as intended, and include the desired characteristics.

Place – Regular clients should be able to acquire products from the most convenient location.

Price – The product may be regarded as providing exceptional value in terms of price. People are often prepared to pay more for a product or service that performs very well; nevertheless, this does not imply that the price should be artificially low.

Promotion – Promoting a product or service via conventional and nonconventional channels (such as advertising, public relations, personal selling, sales promotion, and, more recently, social media) is crucial for the success of any business. These strategies should be utilized to deliver the company's message to the desired audience logically or emotionally that is most likely to connect with them.

The 4Ps were formed when the significance of customer service to developing a brand's reputation was not completely understood. The "service mix P" model created by Booms and Bitner has four "P's": processes, physical evidence, and procedures. Then, the group's name was changed from Participants to People. It is currently recommended that all seven marketing mix components be considered when determining the viability of a plan. Originally established as a framework for the conventional marketing mix, the 7Ps structure is now often used to refer to the 7Ps framework for the digital marketing mix.

People – Every business owner depends on their workers to serve as the company's first point of contact with prospective clients. Due to their vital role in the supply of goods and services, the right personnel is a critical component of any successful organization.

Processes – Value offer also includes the delivery mode since service is generally offered face-to-face.

Physical Evidence – Although the majority of the value that a customer is paying for is intangible, most services include some physical component.

INTRODUCTION TO 12 PS IN INTERNATIONAL MARKETING MIX

The researcher found while his investigation for aforementioned topic, "*An Empirical and Comprehensive Analysis of Key International Marketing Mix - A Detailed Study in Current International Scenario*" that there are some more Ps which must be considered while formulating strategy to entering overseas market and that are shown in the diagram as under: -

Diagram of 12 Ps in International Marketing Mix

Analysis of the graph

The aforementioned graph depicted that apart from 7 established Ps in marketing mix but some more Ps which are also essential to considered while entering the overseas market that are: -

1. Packaging
2. Positioning
3. Pace
4. Pollution
5. Politics

Table-2 Survey of 12 Ps in International Marketing Mix

S. No.	Particulars	Question	Strongly Disagree	Disagree	Can't Say	Agree	Strongly Agree	Total
1	Product	Product must satisfy need of consumers	-	-	-	1.87	98.13	100.00
2	Price	Price of commodity is worth value for money	-	-	-	8.41	91.59	100.00
3	Promotion	Promotions required for company's growth	-	-	-	15.89	84.11	100.00
4	Place	Distributions channels essentially to pursue	-	-	-	19.63	80.37	100.00
5	People	People drive company's growth and development	-	-	-	11.21	88.79	100.00
6	Physical Evidence	Physical Evidence required for creation of sustainable business model of company	-	-	-	18.69	81.31	100.00
7	Processes	The delivery of goods and services plays huge role in the development of the company	-	-	-	22.43	77.57	100.00
8	Packaging	Right packaging makes a huge difference	-	-	-	10.28	89.72	100.00
9	Pace	Right Pace is important to consumer to buy product or service	-	-	-	21.50	78.50	100.00
10	Positioning	Positioning of the product is important for different income group	-	-	9.35	16.82	73.83	100.00
11	Pollution	Pollution is one of considerable factors for establishing businesses	-	-	-	7.48	92.52	100.00
12	Politics	Political stability of host country plays significant role	-	-	-	4.67	95.33	100.00

Note:- Since, "In The History of 4 and 7 Ps" all the 7 Ps have been defined, therefore in the Analysis of 12 Ps in International Marketing Mix author will not analysis the first 7 Ps since they are already established factors.

Analysis of 12 Ps in International Marketing Mix

Frequencies of sample members are summarized about the 12 Ps of International Marketing Mix, though in the *note* of table -1 author already mentioned that the first 7 Ps will not be analyzed here, though authors surveyed all 12 Ps in International Marketing Mix to avoid any confusion to the Sample members.

Packaging (the presentation of goods or services in an advantageous way) 90 % (approximately)sample members strongly agree that suitable packaging makes a huge difference, plus 10 (approximately)sample members also agree that the proper packaging makes an enormous difference because if the packaging is not attractive then targeted customer may not magnetize towards it.

Pace (progress or develop product or supply at a particular rate or alacrity) of the product has to be measured as per the requirement of the targeted consumers time slow pace may force the consumer to shift the brand and lose the market; sometimes, high pace also leads to piling up the product resulting in the blockage of the fund. The survey shows that 78.50% of sample members strongly agree, whereas 21.50% agree that the right pace is vital for consumers to buy a product or service.

Positioning (particular type of person, or income group) of the product is crucial to decide for which income echelon you are catering like Samsung mobile is for all income groups. In contrast, iPhone is for the high-income group; 91% (approximately)sample members strongly agree and agree that while launching the product, it must be considered which income group you will cater to. With this point in mind, you can avoid the throat-cut competition and can quickly spread the roots. Only 9% (approximately)of sample members responded that they cannot say this point is also essential to consider.

When entering an overseas market, pollution (the presence in the atmosphere of a substance that has dangerous or venomous things) is one of the critical factors for establishing businesses because it is the moral responsibility of the corporate to take care of the pollution country in which it is going set up the organization. However, the entrant also ensures the level of pollution in the country where he will set up an organization because he may mint handsome money and market share but may put his and his employee's health at stake. 93% (approximately)of sample members strongly agree that pollution is one of the most important factors to consider while entering any overseas market 7% (approximately)of sample members also agree that while establishing an organization, the pollution factor must be given considerable thought.

In the domain of politics and administration (The actions related to the control of a nation or region, especially the contest between parties having supremacy), the host nation's political stability should be considered. Uncertainty in political systems or the actions of political actors may have significant adverse effects on the performance of enterprises. For instance, a rise in corporate tax (on profits) raises commodity prices. A market's political stability is an essential consideration when entering a new market. Since government acts may have a significant influence on the economy. Practically everyone in the study agreed that a comprehensive review of a country's political stability is required prior to making financial investments there. Only 5% of the public believes that this should be thoroughly explored.

Conclusion

Based on a market survey and through analysis of the 12 Ps of an International Marketing mix, It is concluded that it measures assured and target decision-making approaches for the organization's objectives and simultaneously catering the needs of the consumers.

In this modern era, the organization function in a continuously varying environment concerning the taste and preferences of customers.

In order to successfully set up and remain profitable in the overseas market, it is necessary to provide services that meet customers' needs. For that, every organization entering the overseas market must have an appropriate marketing mix. International Marketing Mix 12 Ps are essential for entering the overseas market, i.e., ***Product, Price, Promotion, Place, People, Physical Evidence, Processes, Packaging, Pace, Positioning, Pollution***, *and* ***Politics***. For the success of any business venture, it is crucial to make out the essentials of Ps of International Marketing Mix to emphasize and explore business needs through Ps and identifies customer satisfaction, and also know whether Ps of International Marketing Mix comply with current marketing needs. With the help, the enterprise maximizes customers' value, increases the market share of various brands of the company, maintains customers' loyalty, and overcomes business threats the company faces. Ultimately, the marketing professionals who are relentlessly observing the business atmosphere and 12 Ps modifications can appropriately respond and adjust to them.

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STUDY ON GST/GDP, AS A KEY INDICATORS OF ECONOMIC GROWTH

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Abstract

There are some products which are not included & isolated from the GST scheme (like alcohol produced for human consumption, Petroleum product and Electricity and some item like live fish, fresh fish, bird's eggs +21 item are exempted from GST which contributes 7.7% of total GDP and we assume that there is a positive correlation between and GST and GDP/SGDP,. Petroleum product contributes around 1.8% in Indian GDP, Power/ Electricity contribution is around 0.9% of total GDP and Alcohol for human consumption contributes around 1.9% of SGDP). This research is carried out to find the correlation between GST and GDP based on the data collected from government website state-wide from 2018, 2019 & 2021 and after performing statistical analysis we found that there is no correlation between GST and GDP), if GST council allows some changes in GST policy by including isolated items GST, there might be a chance of correlation among them.

Keywords: Consumption, Contribution, Correlation, GST, GDP, SGDP, Statistics.

1. Introduction

In general Gross Domestic Product (GDP) refers to the current market value of the final goods and services manufactured/rendered in a specific period which is measured in monetary terms. GDP (G) is the sum of consumption (Co), investment (In), Government spending (Gs), and net exports (X-I) where X refers to gross exports and I refers to gross imports. G= Co+ In+ Gs+(X-I)

GDP is one of the prominent indicators which is used to track the health of a nation's economy whether an economy is constantly growing or experiencing sudden recession. It is also useful for setting domestic policies. It measures all the goods and services produced in the company whether by domestic or foreign companies. It is considered to be the world's most powerful and reliable statistical indicator of national development and progress.

GST is an indirect tax that applies to the supply of goods and services in India. The GST started in India from 1ST July 2017. It has completely replaced the most of existing multiple taxes systems (like excise duty, service tax, value-added tax, sales tax) levied by central and state governments.

2. Review of literature

2.1 Supriya Kamma, Richa Verma (July'2014) mentioned in their paper titled "GST – Panacea for a tax system in India" that NDA government has shown remarkable interest and came forward to implement Goods and Services Tax (GST) in INDIA, This new tax system not only helps consumers but it also it will help central government, state government, but in this paper they stressed that there should be a well proofed and dedicated IT support to make the whole process runs smoothly.

2.2 Agogo Mawali (May'2014) mentioned in his paper titled "GST – An Appraisal" that Goods and services tax is not best suited for the countries which are economically poor, if they implement also the growth will be not more than 10%.

2.3 Nitin Kumar (June'2014) mentioned in his paper that GST has helped a lot in India by removing economic distortion which was caused by old tax system like VAT, Excise duty etc, this new tax system has removed the biased tax system noticed in different geographical location.

2.4 Ehtisham Ahmed &Satya Poddar (Sept'2009) mentioned in his paper titled "GST reforms and intergovernmental consideration in India" summarized that Goods and Services Tax implementation will provides transparent legal system which will be help in overall economic development, But the advantages of GST is strongly backed in to the rational design of GST and Its effective implementation.

3. Research gap, questions, and hypothesis

From the above reviews, we observed that there are very few papers that have emphasized GST with SGDP. We observed that the total GST collection in India is rapidly increasing but the Indian SGDP is decreasing every quarter.
The hypothesis to be tested is derived from the notion that GST is positively associated with SGDP.
Therefore, this study poses the following questions.
Is there a significant relationship between GST and SGDP?
H1 – There is a significant relationship between GST and SGDP
Is the increase in GST increases SGDP?
H1 – Increase in GST increases SGDP

4. Objectives of the study

To analyse the GST and SGDP state-wise.
To study the correlation between the GST and SGDP in India.
To analyse the impact of GST on the changes taking place in SGDP in India.

5. Research Methodology

This research paper uses quantitative approach to study the relationship between GST and GDP

5.1. DATA COLLECTION AND SAMPLING
Data was collected from different Indian State (Including union territories) related to GST and SGDP, statistical data have been collected for the year 2018-19 and 2019-20.
5.2. ANALYSIS AND INTERPRETATION

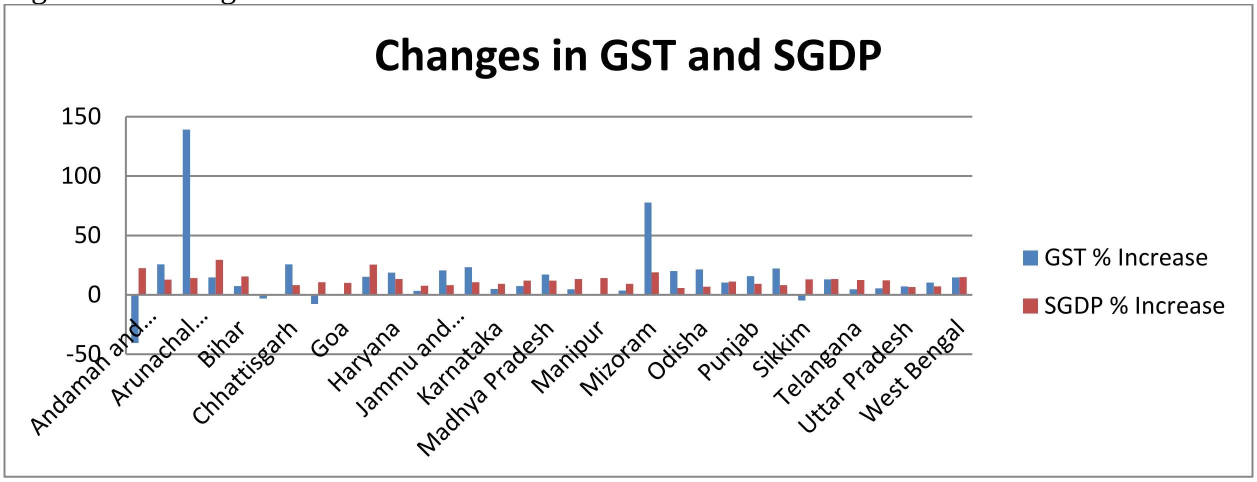
To analyse the collected data from all the states and union territories, Statistical tools used in this paper are tables, graphs, T-Test, and Correlation.

Table 5.1 Sate wise GST and SGDP for the year 2018-19 and 2019-20.

SlNo	State	GST 2019 (In Cr.)	GST 2020 (In Cr.)	SGDP 2019 (In Cr.)	SGDP 2020 (In Cr.)2	GST % Increase	SGDP % Increase
1	Andaman and Nicobar Island	32	19	8045	9847	-41	22
2	Andhra Pradesh	1975	2480	862957	972782	26	13
3	Arunachal Pradesh	41	98	24603	28052	139	14
4	Assam	888	1017	315881	408627	15	29
5	Bihar	940	1010	530363	611804	7	15
6	Chandigarh	157	152	42114	42198	-3	0
7	Chhattisgarh	1570	1974	304063	329180	26	8
8	Delhi	3484	3211	774870	856112	-8	10
9	Goa	311	310	73170	80449	0	10
10	Gujrat	5888	6787	1502899	1885000	15	25
11	Haryana	4578	5433	734163	831610	19	13
12	Himachal Pradesh	669	691	153845	165472	3	8
13	Jammu and Kashmir	313	377	155956	168584	20	8
14	Jharkhand	1437	1771	297204	328598	23	11
15	Karnataka	6675	6998	1493127	1631977	5	9
16	Kerala	1549	1665	781653	875514	7	12

17	Madhya Pradesh	2053	2403	809592	906672	17	12
18	Maharashtra	15109	15799	2632792	2979556	5	13
19	Manipur	43	43	27870	31790	0	14
20	Meghalaya	113	117	33481	36572	4	9
21	Mizoram	18	32	22287	26503	78	19
22	Nagaland	25	30	27283	28854	20	6
23	Odisha	1994	2419	487805	521275	21	7
24	Puducherry	146	161	34433	38253	10	11
25	Punjab	1189	1376	526376	574760	16	9
26	Rajasthan	2425	2966	942586	1020989	22	8
27	Sikkim	186	177	28723	32496	-5	13
28	Tamil Nadu	6109	6901	1630208	1845853	13	13
29	Telangana	3230	3383	861031	969604	5	13
30	Tripura	54	57	49845	55984	6	12
31	Uttar Pradesh	5103	5471	1584764	1687818	7	7
32	Uttarakhand	1153	1272	245895	263233	10	7
33	West Bengal	3263	3738	1089898	1253832	15	15

Figure 5.1: Changes in GST and SGDP from 2018-19 to 2019-20



Source: Government website shown in the web references

ANALYSIS & INTERPRETATION:

From the above data it has been observed that In Arunachal Pradesh, there is a positive correlation between GST and GDP.GDP has been increased by 14% whereas the GST has been increased by 139%. Here the state has collected more GST than an increase in its GDP. In Andaman and Nicobar Island, it has been observed negative correlation between GST and GDP where the GST collection has been decreased by 41 %.

In Punjab, there is a nearly perfect positive correlation between GST and GDP where GST has been increased by 11% and GDP has been increased by 9%, and it's exactly vice versa with Puducherry State.

TESTING OF HYPOTHESIS

The correlation between GST and SGDP so calculated is 0.0597 which shows that there no correlation between GST and SGDP, H0 is accepted. There is no sufficent evidence to show that GST can be taken as economic indicator.

To test Hypothesis 2, two tailed T-Test, as per the result given by two tailed T-Test the P value is 0.5363, this reslut is considered to be not statistically significant. T Values is 0.61663 with P values 0.5363, the result is not significant at $p<0.05$ and H_O is accepted.

6. Finding and conclusions

6.1 Findings:

In this research paper, we found that there is no correlation between GST and SGDP, we also found that despite an increase in GST there is no significant increase in SGDP, the reason for the noncorrelation between GST and SGDP is because of that item which is not included in GST and also of those items which are exempted from GST. There are few states like Arunanchal Pradesh where the GST collection has increased to 139% but where as increase in GDP is only 14%. This study will help the common people/ society in knowing the correlation between GST and GDP and will take and its impact on India Economy.

6.2 Conclusion:

Government of India has work on inclussion of exempted item under the regim of GST, GST can be one of the important economic indicator if government inlcused all the goods and services under GST,As of now GST cannot be used to compare with SGDP to check the economic growth of a particular nation when few items are exempted from GST. If isolated items included in GST which 7.3% of total GDP then there might be a correlation between GDP and GST. There are many states where GDP has seen massive growth where as GST has seen a continious decline. There are few states like Arunanchal Pradesh where the GST collection has increased to 139% but where as increase in GDP is only 14%. This study will help the common people/ society in knowing the correlation between GST and GDP and will take and its impact on India Economy.

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DIGITAL MARKETING TOOLS FOR ACTIVATING INTERNATIONAL BUSINESS

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ABSTRACT:

The review features the elements and patterns of advanced showcasing for worldwide business. To accomplish these objectives, the creators utilized an orderly methodology that permits a complete way to deal with the object of study, as well as utilized general and explicit techniques for logical information on the use of computerized marketing for worldwide business. The elements of the quantity of clients of social networks. on the planet is examined, which permitted us to finish up about the consistent pattern of expanding the quantity of clients of the Internet and interpersonal organizations, as well as the time spent by clients on informal organizations. The investigation of the elements of the quantity of clients of social networks. gives expanded productivity in the utilization of computerized marketing apparatuses to improve International Business. The best Digital Marketing devices for International Business, including man-made brainpower, conversational marketing, chatbots, personalization, video advertising, live shopping, virtual entertainment stories, intelligent substance, omni showcasing, expanded reality and innovation drenching, local marketing, green showcasing and versatile trade.

Keywords:

Digital Marketing, International Business, Marketing, Advertising, Social Networks

1. Introduction

In the ongoing states of improvement of market relations, measures to advance merchandise available and offer items to explicit customers are turning out to be progressively significant. World deals patterns proclaim that exemplary marketing no longer has as critical an impact as it did a couple of years prior to rouse buyers to make a buy. The customer is not generally intrigued by customary item advancement channels to which trust is declining. This is because of the rise of new kinds of showcasing correspondences, including the improvement of advanced advertising. Advanced showcasing advances worldwide business, urges customers to have buys through the effect on the close to home circle, tending to individual, inside, and at times even secret requirements. The Covid-19 pandemic has impacted changes in the cognizance and way of life of individuals all over the planet, the change of socio-social variables, perspectives to data and the method for getting it. Such patterns have essentially impacted showcasing exercises, as conventional marketing doesn't give organizations the greatest impact in advancing an item or brand. Increase of global exercises of business endeavors requires the utilization of further developed advertising apparatuses that influence the personalities of buyers and can bring most extreme effectiveness. One of the amazing assets of incorporated advertising correspondences is Digital Marketing and its devices, which permits you to amplify the utilization of all advanced channels to advance items. Computerized advertising is impacting worldwide business today using advanced innovations. About a fourth of the showcasing spending plans of effective worldwide organizations are computerized marketing, which utilizes every advanced channel and specialized instruments.

The point of the review is to feature the highlights and patterns of advanced showcasing in the strengthening of International Business. To accomplish this objective, the creators: broke down the elements of the quantity of clients of interpersonal organizations on the planet; decided the prevalence of informal organizations on the planet, including the quantity of clients; the best advanced marketing apparatuses for International Business exercises are contemplated.

2. Literature Review

The point of the article [3] is to dissect mechanical patterns that add to the advancement of the business climate through digitalization processes in the field of advertising. Because of the review, the creators demonstrated that digitalization processes show a consistent vertical pattern, including current marketing capabilities, as confirmed by changes in purchaser conduct because of the securing of computerized propensities and new encounters.

Analysts [38] are concentrating on the effect of the Covid-19 pandemic on customer conduct and the change of advanced advertising. They investigate the elements of the improvement of computerized marketing because of buyer experience. The reason is that wellbeing, shopping security and advanced association are turning into the main patterns in the present business climate.

The reason for the article [19] is to dissect the issue and prospects of advanced advertising. Specialists feature the issue of making an exceptional deal and think about introducing it available utilizing current Digital Marketing devices.

As per the authors [27], computerized advertising methods ought to be considered as activities that are completed in the execution of marketing procedure to accomplish objectives in the Internet space. Specialists guarantee that the digitalization of showcasing makes brands accessible to clients brilliantly for them, which adds to more successful advancement of labor and products, business improvement. Researchers accept that advertisers need to adjust computerized marketing devices and innovations and adjust to current shopper requests.

The writers of the article [10] concentrate on the variables that shape the worth of advanced showcasing applications in miniature endeavors in Nigeria. Such factors include: long haul usefulness, coordination capacity, capacity to extend, which are connected with the mechanical setting. Aggregate valuable open doors, experience of collaboration is connected with the setting of the association, while versatile learning, administration conveyance, consumer loyalty is connected with the setting of the climate. Analysts guarantee that the exploration will advance the presentation of Digital Marketing by microbusiness by giving extra mindfulness insignificant asset costs.

In the review [20], the creators demonstrated that Digital Marketing assists with improving client situated procedure, which considers robotized cost change and the presentation of programming marketing in light of man-made brainpower. Researchers additionally consider the idea of inventive marketing, which frames the elements of viral advertising, web-based entertainment showcasing and content showcasing.

Computerized marketing in the travel industry is viewed as in different angles, specifically the authors [4] of the article, feature the primary two of them - the necessities of advanced purchasers and the advantages of computerized marketing. The investigation discovered that the advantages of computerized marketing are connected with expanding purchaser attention to the brand, which, as indicated by researchers, is a moderate connection between the requirements of advanced customers, the advantages of computerized marketing and expectations to visit travel organizations. Researchers accept that the consequences of this study are valuable for advertisers in the travel industry, which will assist with expanding computerized marketing and increment the progression of sightseers.

The article [5] depends on the improvement of a systemic construction of computerized marketing instruments that can make added incentive for items and administrations. The creators utilized subjective quantitative, inductive and rational techniques, as well as bibliographic and overview.

The primary undertaking of the review [6] is to decide the attributes of the effect of Digital Marketing components on the changing nature of administrations in the little and medium ventures area. As per the creators, the review will assist with dissecting the reliance and level of effect between these components, which will add to a more reasonable and viable planning of plans, methodologies and best practices for business people, which will have a positive outcome in consumer loyalty and dependability.

The writers [25] contend that the utilization of showcasing specialized devices in the Internet climate is very far reaching. Analysts have demonstrated the absence of impact of the size of the organization on the ability to utilize web-based advertising apparatuses inside the standard correspondence complex. The consequences of the review show that business visionaries who effectively utilize web-based marketing apparatuses are fruitful on the lookout.

3. Results

Today, the quantity of individuals becoming Internet clients is increasing. The number of clients is 4.88 billion individuals, which compares to 62% of the total populace. Among 62%, practically 60% (57.6%) are clients of assorted interpersonal organizations. The quantity of informal organization clients is consistently developing consistently, so in 2021 the development is 400 million and arrived at 4.55 billion, the development pattern is as yet noticed, more than 1,000,000 new clients consistently.

Such a group of consumers empowers the utilization of advanced instruments that are really used to advance their own image. At the end of 2021, the normal day to day utilization of interpersonal organizations among all consumers is 2 hours 27 minutes.

With respect to positioning of interpersonal organizations, the most famous organizations on the planet that can be considered as marketing stages for the utilization of advanced instruments are

Facebook (2.895 billion clients), YouTube (2.891 billion clients), Instagram (1.393 billion clients). Dynamic changes in the quantity of clients of social networks are introduced in Fig. 1.

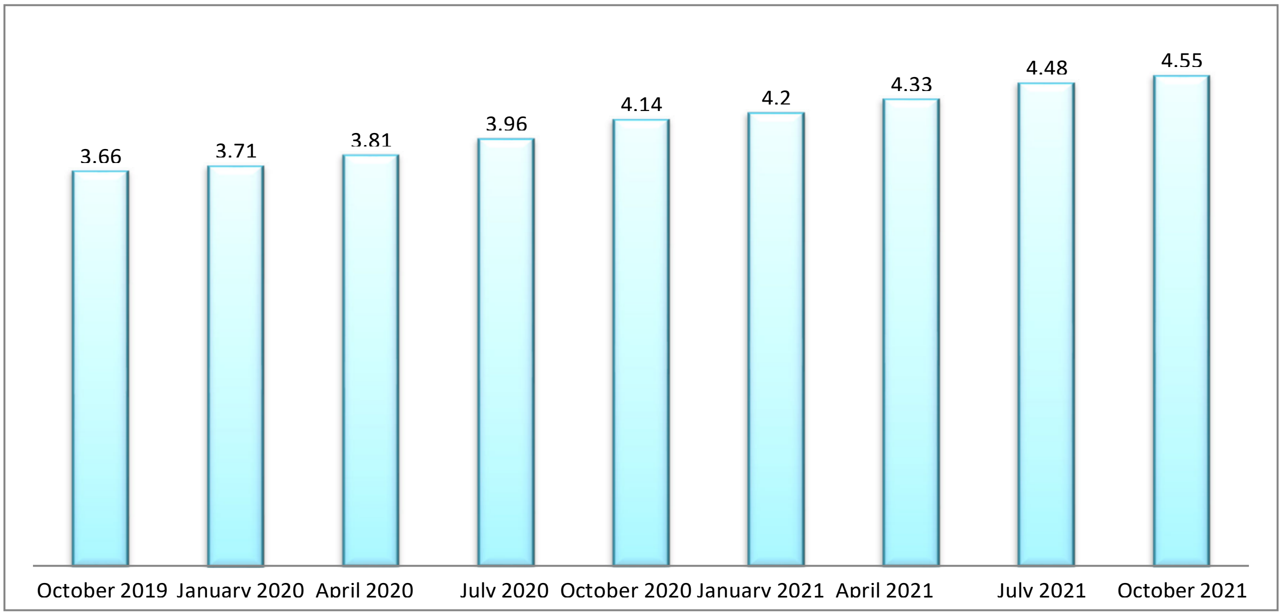

Fig. 1 Dynamics of the number of users of social networks in the world, billion

The prevalence of interpersonal organizations by the quantity of clients is introduced in Fig. 2.

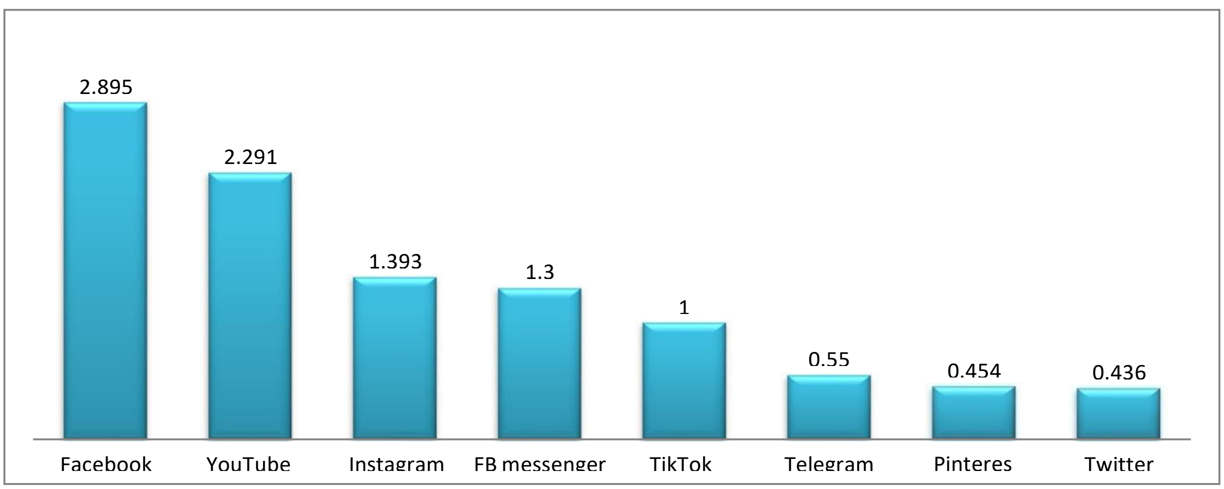

Fig. 2 The popularity of social networks by the number of users, billion

As per measurements, while considering the most well-known informal organizations in any case by the quantity of clients is Facebook, this interpersonal organization offers an all-out potential marketing reach of 2.9 billion. Simultaneously, Facebook Messenger has an all-out potential marketing reach of 1.09 billion. Instagram offers absolute potential marketing reach of 1.39 billion. TikTok has 1 billion inclusions. A significant boundary for Digital Marketing is inclusion, not entirely settled by the genuine number of clients who view specific data through an informal community on the organization's page as a commercial or distribution for a particular timeframe.

Assuming that you take India, the worldwide patterns are a reflected in its area, throughout the last year the quantity of clients has expanded by 7 million and is 60%. The absolute number of clients is 26 million individuals, toward the start of 2020 the quantity of clients of social networks. was 40%. In India, the most famous informal organizations utilized are Facebook, YouTube and Instagram, which is in accordance with worldwide trends. In Fig. 3 presents the prominence of social networks. by number of clients.

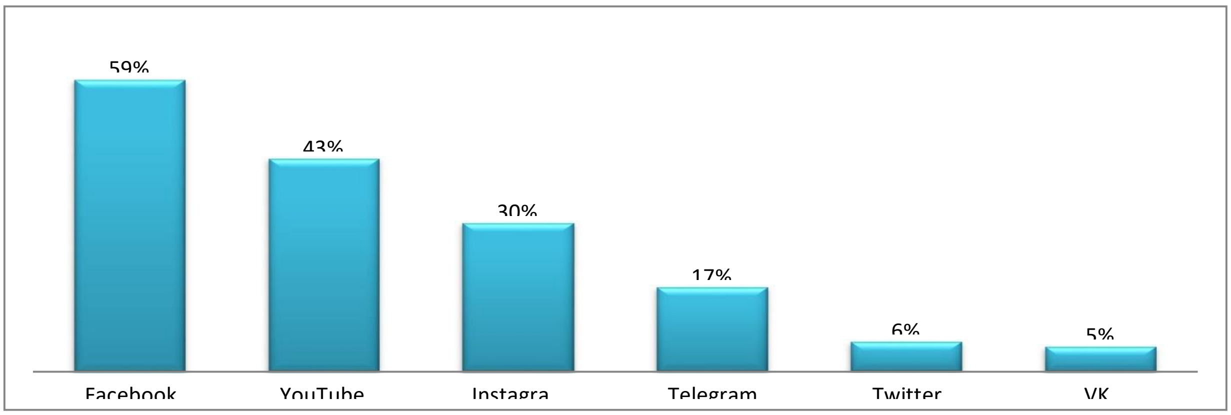

Fig. 3 The popularity of social networks by number of users

It ought to be noticed that the fast development in notoriety of interpersonal organizations is essentially because of the Covid-19 pandemic. Furthermore, this is an unquestionable truth clear to all. Before the pandemic, how much time spent by clients on interpersonal organizations was significantly less. For instance, presently 42% of clients spend a normal of 2 hours daily on social networks. and this pattern keeps on developing.

Concentrates on led by different experts show that marketing organizations pointed toward advancing items and administrations over the Internet and specifically social networks. will have huge inclusion and bring a positive monetary outcome.

While settling on the decision of advanced marketing devices, checking worldwide patterns in computerized marketing is significant. The best advanced showcasing apparatuses are introduced in Fig. 4.

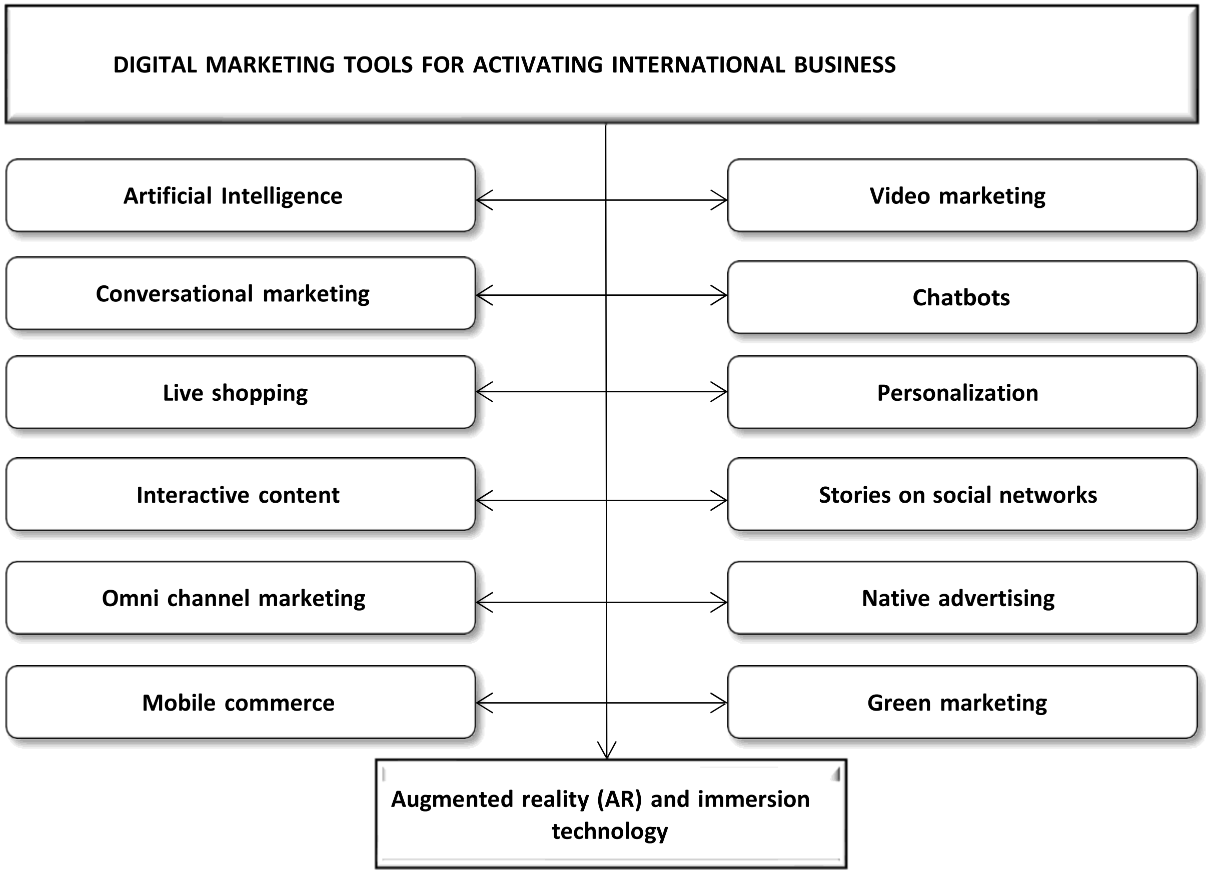

Fig. 4 Digital marketing tools to intensify international activities

Man-made reasoning is an innovation that is the premise of many administrations and is intended to make content, chatbots and web crawlers that turned out to be particularly well known during the COVID-19 pandemic. Involving man-made consciousness as a Digital Marketing instrument for an organization will actually want to decrease staff costs, which will assist with lessening expenses and increment productivity and for the most part enjoy an upper hand over its rivals.

Similarly, significant is the utilization of shrewd showcasing, as 82% of shoppers need to get an "prompt" reply to their inquiries. Conversational showcasing works with moment correspondence among advertisers and clients. The techniques involved by organizations in executing a conversational marketing system include:

- Chatbots;
- Customized Recordings;
- Customized Messages;
- Virtual deals associates.

Moment reaction to customer request gives advantages and expands the organization's intensity.

In spite of the way that chatbots are one of the parts of conversational advertising, this Digital Marketing device can likewise be utilized independently. As you most likely are aware, chatbots utilize computerized reasoning innovation to give, frequently quick, mechanized reactions to purchasers continuously. Numerous clients like to interface with chatbots in light of the fact that they answer nonstop and answer rapidly and precisely, and in particular, recall the whole history of buys. Chatbots give quality client care by opening up the organization's assets for more significant work and in this way decrease the quantity of staff.

The personalization of advertising is turning out to be progressively significant, for example the buyer tries to get individual substance, items, messages and then some. Personalization customizes offers, items, or content for buyers in view of data about their past buys and requests, socioeconomics, and some other customized data. One of the most splendid instances of showcasing personalization is the arrival of customized items for purchasers, who, for instance, share their photographs on social networks. with items, hence assisting organizations with advancing and publicize the item. The buyer gets individual input and furthermore shares it via web-based entertainment, which causes one more flood of item advancement.

In this day and age, with the COVID-19 pandemic, video showcasing is turning out to be progressively significant. Video marketing is one of the main showcasing patterns. With regards to video advertising, it's not simply YouTube. There are numerous alternate ways, like distributing a video or live transmission on social networks. Facebook, LinkedIn or Instagram, etc. The video is important to shoppers and supports additional time spent on the page, hence bringing the page up in the rankings. The video stimulates interest and looks for extra data about the item.

Video marketing is firmly connected with another Digital Marketing device, in particular live shopping. The most famous classifications of live shopping are clothing and design, beauty care products, food, shopper hardware, and furniture and stylistic layout things. It ought to be noticed that this kind of computerized advertising apparatus is most evolved in Asian nations.

Intelligent substance is straightforwardly connected with video marketing. Intelligent substance has supplanted literary substance, which catches its dynamism. Such satisfied incorporates:

- tests and reviews;
- inherent number crunchers;
- increased reality marketing;
- 360-degree video, and so on.

Intelligent substance is really captivating, simple to recall, and bound to carry the ideal outcomes to organizations. Potential shoppers like this organization since it is new and unique, yet in addition since it causes them to feel associated with brands, a specific personalization and more engaged with the purchasing system.

Stories on informal organizations as a device of Digital Marketing are picking up speed. As a rule, stories are messages that vanish in a day. In spite of this basic idea, "stories" permit advertisers to share data about items, advancements, news and speak with the crowd via web-based entertainment by getting criticism. There are very assorted ways of utilizing stories via web-based entertainment to interface with your crowd, to be specific through:

- Connections to their accounts on interpersonal organizations;
- Area labels;
- Instagram Stories survey
- Notices of different brands and their fans;
- Live video, making stories;
- Clear invitations to take action, and so forth.

Stories on informal organizations, because of the way that they exist nonstop, give an amazing chance to get high dynamism of this advanced advertising instrument and urge shoppers to pursue quicker choices.

Omni channel showcasing is additionally one of the instruments of computerized marketing. Omni channel showcasing is the method involved with carrying out marketing exercises on different stages, for example, social networks., sites, email and publishing content to a blog, which prompts more prominent transformations and steadfastness from buyers.

As per measurements, marks that utilization at least three channels to carry out marketing efforts come by much improved results, for instance, the standard for dependability of clients in multi-channel advertising is 90%, the degree of buyer contribution in buying is 18.96%, and in single-channel this the figure is 5.4%. Obviously, the utilization of such a Digital Marketing instrument as omni channel marketing is more costly, yet the viability is a lot higher and takes into consideration more dynamic advancement of worldwide business.

The following present day computerized advertising apparatus to advance worldwide business is expanded reality (AR) and drenching innovation. In spite of the way that augmented simulation (VR) catches everybody with extraordinary sci-fi thoughts, AR is more practical for advertisers. A striking model is IKEA, which permits clients to take photographs of rooms in their homes with a cell phone camera and "test" IKEA furniture in it. Clients can move furniture and see how they gaze straight in their condo or house, in this way imagining the future area of furniture as per their size and plan.

The utilization of local marketing is picking up speed, which is a sort of computerized marketing that mixes flawlessly with the plan of the site page or the subject of the page on social networks. Shoppers are generally unfit to recognize local marketing as enlightening and media. This blend can be a decent device for Digital Marketing to advance International Business.

Given the worldview of maintainable turn of events and the focal point of monetary improvement on the climate, a significant instrument of advanced showcasing is green marketing or natural advertising. It incorporates:

- Utilization of reused materials for the assembling of items;

- Utilization of sustainable materials;
- Utilization of biological bundling;
- Advancement of items to be fixed to stay away from their removal .
- Utilization of the standards of round economy underway.

The utilization of green marketing gives admittance to new, youthful business sectors and gives an upper hand over other comparative organizations and brands, builds steadfastness to items and brand picture of the organization because of its natural direction. Due to the fact that more and more social network users use smartphones, the use of such a digital marketing tool as mobile commerce has become widespread. This leads to a certain adaptation of the company, which is manifested in the need for:

- Mandatory adaptation of the website for mobile devices;
- ensuring the possibility of using mobile payments, as a rule, registration data is stored on the mobile device itself, which helps reduce waiting time and increase sales efficiency;
- provide wide access to various digital wallets, with a high degree of security;
- Logical use of the site platform, especially in improving the convenience of location and use of the search window and sorting of products according to various criteria in it;
- convenience of location of necessary buttons of search and calls, optimality of their sizes for clients for convenience of use.

4. Conclusions

When deciding on the choice of digital marketing tools, it is important to monitor global trends in digital marketing. So, the most effective ways of digital marketing include: artificial intelligence, conversational marketing, chatbots, personalization, video marketing, live shopping, stories on social networks, interactive content, omni marketing, augmented reality (AR) and immersion technology, native advertising, green marketing and mobile commerce.

The scientific novelty of this study is to substantiate the modern tools of digital marketing on the basis of a systematic approach that will enhance international business. Further research is required to study the best practices in the use of digital marketing tools to develop effective marketing measures that will help increase the efficiency of companies in the global market.

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Need of Indian Ethos and Values in Academic Life for Specially Adolescence Students

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Abstract:

In our human life, huge need of ethos & values. Without ethos, we not survival in this earth with peace, stable and the real experience of this world. Ethos deals with human perceptive towards this life, life style, psychology, and ideals etc. Indian ethos gives perfect way how to live a life with the quality life, purity, happiness, helpful, self-satisfaction, simplicity, equality, and many more. Indian Ethos and values tell us about every aspect of life. Indian ethos and values are the best gift for mankind. If our youth follow Indian ethos and values in their life, they enjoy real experience and satisfaction in their personal life for living successful life in society and in their career also. Education is the most important part of human life. It's important more than medicine, industrial development space craft, weapons and even language, because language also come from education. Man without education is not imaginable because without education man like an animal. Education is a lifelong continuous process Education is a key for total development of human, without considering ethics and values in education human development will be incomplete. Education open doors of the mind, cleansing the soul and realization of the self. We, as Indians do have a rich and huge volumes of our world-famous Indian India Ethos and Values. In this research paper mostly focus on adolescence students because ones we inculcate Indian India Ethos and Values in the life of student then it's sustainable throughout their life.

Key Words: India, Ethos and Values, Self-Realization, Adolescence students.

Introduction

Ethos

"Ethos" is derived from "shastra" culture. It indicate the culture of "Paap-Punya","Swarg-narak", conduct or cultured nature like truth, non-violence, devotion, welcome, pranam, kindness, respect for elders, love to youngsters etc. "Ethos" is a discipline that examines one's morality or the moral standard of the society whereas "ethics" means expected standards in terms of your personal and social sustainable life. It includes honesty, morality; responsibility, etc.

Values

The word value comes from the Latin word "valere" which means to be worth, to be strong, utility and indicates importance or degree of excellence.

Values occupy a central place in one's life and give sense and strength to a person's character, influences his/her thoughts, feelings and actions. Values are excellent directions and indicators for a person to do the right things and to avoid doing what is wrong and against nature. Human values help a person to be morally sound.

Review of Literature:

Homann (1996) in a dissertation entitled "A multiple case study examining ethics teaching and learning models in baccalaureate nursing education programs" supported this study by conducting an in-depth inquiry into nurse educators who teach the baccalaureate nursing curricula, perceptions of ethics. Three areas of ethics teaching in baccalaureate nursing education were explored: (a) how moral philosophy and ethics principles were integrated into curricula, (b) how teaching strategies were used in ethics teaching, and (c) how educational leadership impacted ethics teaching in baccalaureate nursing education. Yen &Kristján, K (2011) sightsaw the dispute of peculiar dynamics that distresses education specifically, the problem of professional mistrustfulness among educators and its effects on philosophy. Their concentration is on educators' emotions and distrusts in particular. Adalbjarnardo´ttir, (2010) submit a two-way movement between students' interactive awareness and educators' professional improvement that can encroach destructively upon this process. David Carr (2007) says teaching is an occupation where professional effectiveness that is classroom discipline is greatly enhanced by the exercise of moral and emotional dispositions that has little to do with technical skills. Ideally a good teacher is one who is a good moral role model for students. Buzzelli and Johnston (2001) examined the relationship between authority, power, and morality in the classroom interactions. They believe that teaching itself is a moral action and teachers are the moral agents. According to The World Economic Forum Report India was ranked 8th in 2007, 12th in 2008 and this further declined in 2009, this showed the importance of quality management education.

Research Methodology:

1. Philosophy of Research: Empirical
2. Nature of Research: Descriptive
3. Data Type: Secondary
4. Data Collection Method: Survey
5. Participants: Educational institutes
6. Sampling Method: Convenience random Sampling

Question: What is the Need of Indian Ethos and Values in Academic Life for specially adolescence students?

Research Area: The present study examines the need of Indian ethos and values in academic life for specially adolescence students from Maharashtra state of India.

Research Objectives: Broadly three aspects are examined;

1. To study need of Indian ethos and values in academic life of adolescence students.
2. To study causes of ethical deterioration in Indian education institutes.

3. To study improving the system of education with Indian ethos and values.

Data Collection: The data is obtained from secondary source.

Three secondary sources are referred:

1. Report of educational Institutes
2. Various articles/research papers on present topic

Research Design: The present research time frame referred for collecting secondary data is 2 years viz. Accounting Year starting from 2020 to 2022. Researchers have identified 2 critical factors from literature review which is Causes of ethical deterioration in ethical deterioration in Indian education institutes and Suggestions for improving the system of education with Indian ethos and values: These factors are identified as impact factors which lead to inconsistency. Clearly a purposive approach to research is followed

Education system in India

The Indian Education System has its own issues and challenges which need to be resolved so as to provide better and improved education to children, who are the handling progress of our country. From many years many changes in education system of India but still, there are many issues must be need to be resolved. In this research we discuss in detail ethical deterioration in Indian education system and a few Suggestions for improving the system with solutions to overcome these issues.

Educational infrastructure always shapes good human being with ethics, values and virtues as the Hindu saints, gurus of an ancient Indian culture to produce good managers, technocrats, politician and Entrepreneurs Indians popular with professional ethics. Indian always performs their work and responsibility with full dedication. So, in the world Indian parents, Indian engineers, for Indian Doctors, Indian Teachers are model for the global. Indian harmonious culture amongst all entities.

Value education is prime important topic of education in India. But more focus on value education is given at primary and secondary level of school students, rather than young student in higher education institute colleges. But when the fast development of civilizations in world and impact of digitalization's is additional influence to the education organization of the India, value education needs to be inculcated in higher education institute, when political involvement in highest level and adverse impact of media is increasingly perceived on the minds of youth, consumerism and blind-competition have distorted the outlook of humanity, we urgently feel the need of value education in Higher education institution. To save human value with education then mostly focus to the social and moral values of unorganized activities in Higher Education Institute

Causes of ethical deterioration in Indian education institutes

All following issues in educational institutes strongly impact on adolescence students in their Academic Life which cause to bad impact in their future social life.

- Corruption: Educational corruption start from illegal fees for admission and examination, various events organized from school and college and demand irregular and illegal fees for this events, scholarship fraud, student intake fraud, Teacher salary fraud, Infrastructure fraud, Private coaching classes by professor's foe extra income, students' harassments by teachers in forms of economical point of view

- Privatization of Educational organizations: Privatization of Educational institute mostly responsible cause for the declining ethical values in school and colleges. In India near about 90 % private educational organization run by directly and indirectly by Indian politician as commercial and political point of view. Government nothing serious about this issue because government runs by this politician.

- Teacher's absenteeism: Teacher plays very important role in students' life mostly in rural area of India but due to government job no any burden on teacher about them presently in class no many teachers from higher education absent in class and it is one of the most serious reason of ethics declining of education.
- Approval & Non-Approval Teachers: In a same higher education institute there are two types of teachers are working one is Approval Teacher and other is Non approval teachers. Approval teacher salary as per government norms is much more than non-approval teachers so its impact on teacher performance when we study about human values and ethics.
- Lack of value education in curriculum: In our education system lack of values because it's observed that value education most focus on primary education not in higher educations and its mostly need to adult students so our adult's student become value less person in society.
- Educations system not innovative Our education system not innovative we not changing syllabus from many years not introduced new research and innovative concept in syllabus
- Moral Issues Now Days Indian young's students very aggressive about their changing life style due to social media, movies, foreign cultures and due to this student's social moral decreased day by day.
- Caste system in Educations: All over India students are divided by their cast and student's tuition fees also base on cast due to caste system of India then it motivates students about cast discriminations.
- No Project Based Strategy: When we focus to Indian higher education's system then it observed that no any practical project base approaches in syllabus structure.

Suggestions for improving the system of education with Indian ethos and values:

- Need to inculcate Indian ethos and values in best way in educations
- Educational institutes need to improve quality, reputation and establish credibility through student mind-set of adolescence students
- Collaborate Indian education institute to foreign education institute and teaches Indian cultures to foreign students
- Focus on Indian ethos and values promotional activity in all over the world
- Arrange the international conference from which identify various aspects of Indian ethos and values and its benefits for human being
- The value and ethical education are required to develop the minds of future generation.

- Develop expertise and help to take decision at the time of ethical dilemma.
- Helps to create good citizens.
- Helps to reduce conflicts personally and professionally.
- Nationwide development

Conclusion:

Now our main motto in education is Sustainable Development with stability of mankind and this happens only when we inculcate Indian ethos and values in Education institute specially adolescence students. Therefore, value base education with Indian ethos and values in Education Institutes should be given most priority in reshaping the existing education policies. Then only we can think for a better tomorrow in our nation. There is a strong need to adding trainings/ workshops/ conference/ social projects/ and other social contribution causes to t`he existing system to make the coming Indian citizen with ethically sound and stable strengthening our corporate world as well as society at large.

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A Comparative Study Predicting Financial Distress of Selected BSE Listed Pharma Companies: An Application of Altman's Z Score

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ABSTRACT

For each and every business organization maximization of profits is the primary objective along with returns and wealth. Earning and maximizing profits is important not only for survival and expansion but also for clearing short term and long-term obligations of organizations. This present study analyzes the financial health of Pharma industry in India with special reference to selected organizations listed on BSE. Present study reveals that Indian Pharma industry was too Healthy and in Safe zone. In the study, Z score values show an increase from 2020 to 2022 (above 3) also when Indian economy was hit by Covid 19. The scores also indicate the overall performance of Indian Pharma industry was good and the selected companies are not under financial distress.

KEYWORDS: Altman's Z – Score, Financial performance, financial distress, financial ratios, Pharma industry.

INTRODUCTION

Finance is core functional area and lifeline for any organization. It consists of acquiring and investing funds in a firm. It is crucial for starting, operating and expanding the business. It's utmost important to a start-up as it is to a existing organization. To achieve the goals set by the management financing and investing decisions have to be minutely looked into. Financial health check-ups from time to time are required to understand the financial position of an organization. Analysis of financial health is a method used to critically examine the information provided in the financial statement. The study of the relationship among various financial components as given in a set of financial statements shows the position of the firm. The examination of firm's financials helps a firm to understand its position, identify the weaknesses and strengths and make decisions. The statements reveal two aspects of an organization that includes profitability and the financial position.

Ratio analysis is the most widely used method to evaluate the financial position and profitability of a firm. The method is relevant in evaluating the organization's performance to activity, solvency, profitability, liquidity, etc. The method also helps the stakeholders to understand the possibility of the organization facing the financial distress. The study attempts to recognize or observe the financial health of Pharma industry in India.

REVIEW OF LITERATURE

From the various studies done by researchers the most appropriate studies available on this subject was given by,

1. **Altman, E.I., Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankruptcy." Journal of Finance 23(4), 1968.** In his work he evaluated the financial position with the help of ratio analysis. The financial position was further evaluated with the help of multiple discriminant analysis, through which a discriminant coefficient was determined. The model was formulated to determine the bankruptcy of companies taken up for the study.

2. **Karthikeyan R, et al. , Application Of Altman Z Score Model To analyze The Financial Performance Of Maruti Suzuki India Limited**, **International Journal of Creative Research Thoughts (IJCRT),Vol 10, Issue 7, 2022.** The study reveals that on analyzing the company for a period of ten years it was found that company is not financially sound and has an average overall financial health. The analysis further reveals that the reason for an average financial health was due to improper management of financial performance.

3. **Dr. Manpreet Singh, Parvinder Kaur, Financial Performance Analysis of BHEL through Z score model, Journal of Emerging Technologies and Innovative Research, ISSN -2349 5162, Vol.9, Issue 2, February 2022.** The study shows that in initial phase (2011-12) the company had good financial health but slowly it started deteriorating and in year 2019-20 the z score was lowered to 0.76 depicting that the company has to face financial distress. Z score is essential tool for prediction of financial condition of an organization or firm.

4. **Dr P Chellasamy, S.Kannamudaiyar**, **Prediction of financial distress using Altman z score - A study of selected footwear companies in India, International Journal of creative Research Thoughts, ISSN 2320-2882,Vol 9,Issue 7,July 2021:** The article shows a clear analysis of five companies classified on basis of market capitalisation namely Relaxo footwear, Bata India, Mirza International, Khadim's and Liberty Footwear. Among these, the liberty footwear was predicted to be bankrupt and eventually got bankrupted after few years after estimation of Z score. So, the

company should focus on having periodic analysis of financial factors and accordingly take preventive measures.

5. **Giuseppe Festa, Matteo Rossi, Ashutosh Kolte, Luca Marinelli, The Contribution Of Intellectual Capital To Financial Stability In Indian Pharmaceutical Companies, Journal of Intellectual Capital, Vol 22, No.2 2021.** This research paper has analyzed the financial data of 5 sample companies for the year 2014 to 2018 revealing that Sun Pharma, Cipla Ltd, Lupin Pharma, Dr Reddy 's Lab and Aurobindo show stable position having z score greater than 2.99. This shows all the 5 companies are good as well as investor friendly company.

6. **Monika Sharma, Dr.Govind Patra, Prediction of financial Distress in Indian Firms using Altman Z-score model, Journal of Contemporary Issues in Business and Government, Volume 27, Issue 2, 2021**. This research paper has sample of 20 bankrupt companies which were admitted to National Company Law Tribunal. Since India is in developing phase and hence called as developing country so it needs to have proper strategic and financial planning along with proper prediction to avoid bankruptcy.

7. **Ashok Kumar Panigrahi, Assessing the financial distress of pharmaceutical company: Using Altman's Z-score model, NMIMS Journal of Economics and Public Policy, Volume IV, Issue 1, January 2019**. This paper gives evaluates the companies and analyses those having z score above 3 indicating very safe zone having sample size of four pharma companies namely Aurobindo Pharma, Lupin Pharma, Dr.Reddy's Lab and Sun Pharma. It was concluded that all the 4 companies were in safe zone and hardly there was a chance of bankruptcy.

8. **Dr. M Muthu Gopalakrishnan, et al., "Bankruptcy Prediction for Steel Industry in India using Altman Z score Model", International Journal of Production Technology and management, Volume 10, Issue 1, June 2019:** The paper includes 10 manufacturing company's data among which only 2 companies namely S.A.L. Steel Ltd. and Hisar Metal Industries were in safe zone having Z score above 3 and others were stated to be as bankrupt due to decreased working capital.

9. **C. Ramshesh, Dr.Sreenivas, An analysis of financial performance of petroleum companies by using Altman Z Score Analysis, Indian Journal of Accounting ,Vol 51(1), June 2019**. This research paper analyses the financial stability of well-known petroleum companies like Bharat Petroleum Limited, Hindustan Petroleum Limited and Indian Oil Corporation Ltd. Among these three companies, the z score of Bharat Petroleum Limited was relatively high i.e. found to be safe and hence good as compared to others.

10. **Vikash Saini, Evaluation of financial health of Rashtriya Chemicals and Fertilizers Limited of India through Z Score Method, International Journal of Research and Review, Vol 5, Issue 8, August 2018.** The paper covers timeframe of 10 years (2008-17) having 1.43- 2.58 which is lower than z score of safe zones and

represents the poor financial condition of company and having probability of bankruptcy. Z score has the potential to assist proper management techniques and strategies.

11. **Dr. Keyur Nayak,Miss Jayakumari P.Dakhwani, Financial distress analysis of selected Indian Pharmaceutical companies, IJEMR ,Vol.7,Issue 10,October 2017.** This research paper used the Altman Z Score method by taking into consideration sample of five Pharma companies namely Cipla Ltd, Sun Pharmaceutical, Dr Reddy 's lab, Orchid Pharma and Surya Pharma. Among this Cipla Ltd, Dr Reddy 's lab and Sun Pharma are found to be financially healthy having z score above 3 and hence indicating safe zone company whereas Orchid Pharma and Surya Pharma were found to be in bankruptcy zone having z score below 1.8 and hence will face bankruptcy in future.

12. **Dr. Jay Krushna Panda, Pritish Behera, Financial distress prediction of pharmaceutical industry through Z Score Model, International Journal of Research in Commerce and Management, Volume No 6, Issue No 02, February 2015**. This research paper gives an analysis of 5 different pharmaceutical companies. Cipla Ltd, Dr Reddy's lab, and Sun Pharmaceutical fall in grey zone having z score 2.88, 2.19 and 2.88 respectively inferring that they are not bankrupt but not very stable also and may get bankrupt in future. Glaxo Smithkline Company is financially sound and there is no chance of bankruptcy in near future whereas the Ranbaxy Lab has Z score of 0.52 clearly showing company is in bankruptcy zone. So, the companies in grey zone need to focus on improving the financial strategies along with utilizing the assets and more sales revenue creation.

OBJECTIVES OF THE STUDY

- To understand the financial statements of selected BSE listed Indian Pharma companies.
- To evaluate the financials of the selected BSE listed Indian Pharma companies.
- To predict the financial distress using Altman’s Z Score

SCOPE OF THE STUDY

The study covers the financial data of five Pharma companies i.e. Anuh Pharma, Themis Medicare, Medicamen Bio, Lincoln Pharma and SMS Pharma for a period of seven years ranging from 2015-16 to 2021-22. The scope of study is limited to calculating five ratios mentioned in Altman Z score applicable to manufacturing companies.

RESEARCH METHODOLOGY

The study was concerned with Indian Pharma Industry. The study was on the secondary data, which was obtained from the online sources for a period of 07 years from; 2015 to 2022. The data is analyzed with the help of ratio analysis. Prediction about the financial health of the company was done through 1) ratios and 2) the Z score. The analysis has been utilized for measuring the financial health, to predict as well as to keep away from failures and consequent bankruptcy of an organization. The study used statistical techniques like Mean & Standard Deviation.

For the present study following research questions are framed:

1. Has there been any improvement in profitability noticed in Indian Pharma industry?

2. Has there been any efficiency in return noticed in Indian Pharma industry?

MEASURING AND EVALUATING FINANCIAL HEALTH

One of the important components of Fundamental Analysis is Ratio analysis. It is usually used to compute liquidity, leverage, activity, profitability and growth ratios. Computing a few financial ratios to get a meaningful picture of financial position of an organization is difficult. Considering all the factors, this study focuses on using the Altman Z score model, that checks the financial health of an organization using a combination of different ratios. The ratios so computed predicts the scores, which helps in determining the financial health as well is a predictive tool to understand if an organization will face bankruptcy in future.

Altman's Z Score Model

This model was developed by Edward Altman, a financial economist at New York University's Graduate School of Business. The Model was developed for predicting the probability that an organization would go bankrupt. The Model uses five financial ratios i.e. profitability, leverage, liquidity, solvency, and activity ratios. The ratios are combined in a formula to produce a number. This number, referred as the Z score, is used to gauge the financial health of an organization. The Altman's Z- Score Model is based on the Multiple Discriminate Analysis. It predicts an organization's financial health based on a discriminate function of the firm.

Z = 1.2A1 + 1.4A2 + 3.3A3 + 0.6A4 + 0.99A5

Where:

Z = Discriminate function score of a organization

A1= Working Capital to total assets

A2= Retained earnings to total sales

A3= Earnings before interest and taxes to total assets

A4= Market value of equity to Book value of total liabilities or Reciprocal of debt- equity ratio,

A5= Sales / total assets.

Guidelines for predicting financial health with Altman Z score

The financial health of an organization can be predicted with the help of guidelines given the table below,

Case	Z-Score	Zone	Prediction of financial health
I	Below 1.8	Distress	Highest probability of going bankrupt
II	Between 1.8 - 2.99	Grey	Moderate probability of bankruptcy
III	More than 3.00	Safe	Negligible probability of bankruptcy

ANALYSIS & RESULTS:

1. **A1 = Working Capital to Total Assets ratios**

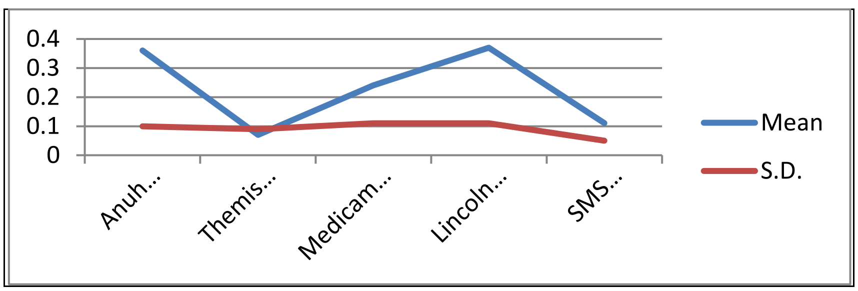
Table 1: A1= Working capital to Total assets ratios

Years	Anuh Pharma	Themis Medicare	Medicamen Bio	Lincoln Pharma	SMS Pharma	Mean	SD
2015-16	0.41	-0.06	0.06	0.2	0.07	**0.14**	**0.18**
2016-17	0.48	0	0.15	0.28	0.02	**0.19**	**0.20**
2017-18	0.46	0.06	0.42	0.31	0.09	**0.27**	**0.18**
2018-19	0.32	0.01	0.35	0.34	0.11	**0.23**	**0.16**
2019-20	0.18	0.08	0.27	0.42	0.12	**0.21**	**0.14**
2020-21	0.3	0.15	0.22	0.52	0.14	**0.27**	**0.16**
2021-22	0.37	0.24	0.22	0.49	0.2	**0.30**	**0.12**
Mean	**0.36**	**0.07**	**0.24**	**0.37**	**0.11**		

SD	**0.10**	**0.09**	**0.11**	**0.11**	**0.05**		

Inference: The ratio is a good test for corporate distress. A firm with positive working capital does not experience problems meeting its short-term obligations as against a firm having a negative working capital because they have enough current assets to cover those obligations. From the above table it is observed that the ratio is positive from 2015 to 2022 indicating the firms are able to meet their current obligations. Above table also shows that Themis Medicare in 2015-16 showed negative value indicating the firm's is not able to meet its current obligations and then showed a recovery. Average percentage of A1 is highest in Lincoln Pharma that is 0.37.

Graph 1 : Mean and S.D. of working capital to total assets ratio.



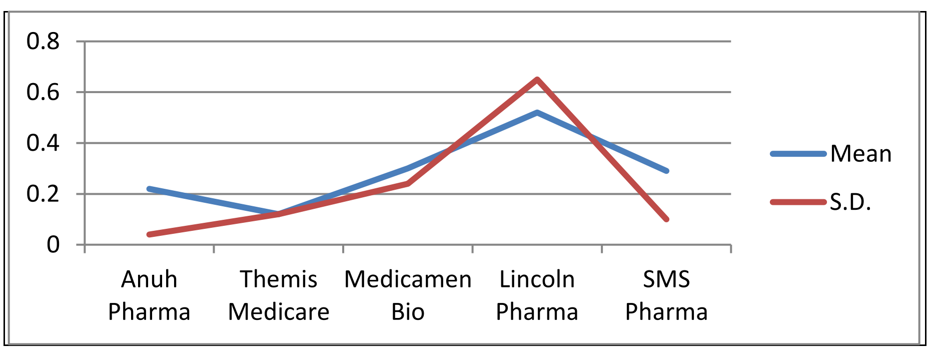
2. A2 = Retained earnings to total assets ratios.

Table 2: A2 = Retained earnings to total assets ratios							
Years	**Anuh Pharma**	**Themis Medicare**	**Medicamen Bio**	**Lincoln Pharma**	**SMS Pharma**	**Mean**	**SD**
2015-16	0.17	0.09	0.15	0.08	0.06	**0.11**	**0.05**
2016-17	0.23	0.14	0.83	0.15	0.28	**0.33**	**0.29**
2017-	0.22	0.03	0.13	0.22	0.32	**0.18**	**0.11**

18							
2018-19	0.23	-0.01	0.2	0.49	0.34	**0.25**	**0.18**
2019-20	0.16	0.04	0.22	0.58	0.32	**0.26**	**0.20**
2020-21	0.23	0.19	0.26	1.93	0.32	**0.59**	**0.75**
2021-22	0.27	0.33	0.3	0.2	0.36	**0.29**	**0.06**
Mean	**0.22**	**0.12**	**0.30**	**0.52**	**0.29**		
SD	**0.04**	**0.12**	**0.24**	**0.65**	**0.10**		

Inference: This ratio measures the number of earning/losses that are reinvested by the organization. This reveals the degree of the organization's leverage. Low ratio of Retained Earnings to total assets shows that the firms are financing their capital expenditure through the borrowings rather than utilizing the retained earnings. A high ratio suggests that the firm has a history of earning profits and can well manage the losses if it faces a bad year. The above table shows that the average highest retained earning percentage is maintained by Lincoln Pharma that is 52% and after that Medicamen Bio is 30%.

Graph 2 : Mean and S.D. of retained earnings to total assets ratio.



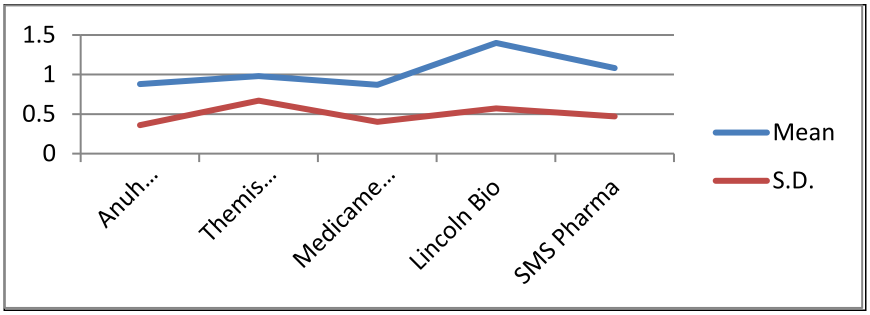
3. A3 = Earnings before Interest and taxes to total assets ratios.

Table 3: A3 = Earnings before Interest and taxes to total assets ratios

Years	Anuh Pharma	Themis Medicare	Medicamen Bio	Lincoln Pharma	SMS Pharma	Mean	SD
2015-16	0.21	1.28	0.1	0.15	0.14	1.77	0.51
2016-17	1.07	0.64	1.24	1.46	1.56	4.72	0.36
2017-18	0.87	-0.2	1.23	1.42	1.44	3.61	0.68
2018-19	1.35	0.92	1.1	1.75	1.27	5.37	0.31
2019-20	0.71	1.08	0.95	1.59	1	4.53	0.32
2020-21	0.9	1.1	0.7	1.77	1.22	4.71	0.40
2021-22	1.05	2.02	0.79	1.64	0.94	5.69	0.52
Mean	0.88	0.98	0.87	1.40	1.08		
SD	0.36	0.67	0.40	0.57	0.47		

Inference: This ratio is an effective way of assessing a firm's ability to use profits from its assets before interest and tax are deducted. An organization’s ability to earn is measured by the EBIT with which the firm enjoys over the period like in case of Lincoln Pharma, SMS Pharma, Themis Medicare the average ratio is 1.40, 1.08 and .98 return on its investments respectively.

Graph 3 : Mean and S.D. of EBIT to total assets ratio.



4. A4 = (Market Value of Equity/Book value of total liability)

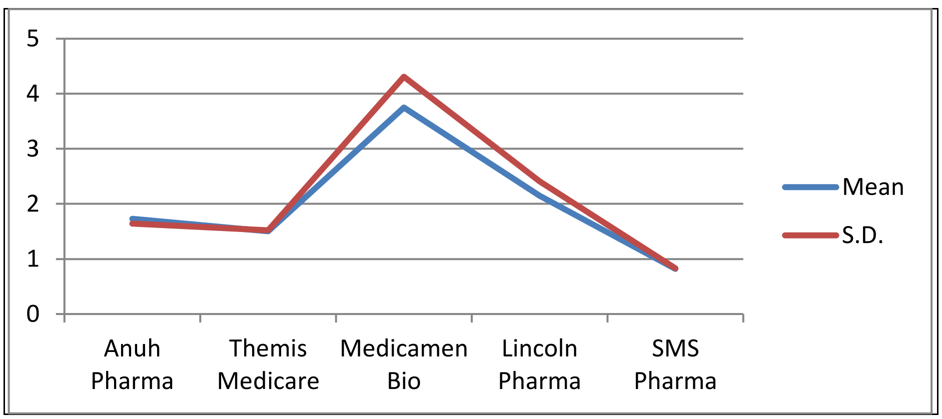
Table 4: A4 = (Market Value of Equity/Book value of total liability)

Years	Anuh Pharma	Themis Medicare	Medicamen Bio	Lincoln Pharma	SMS Pharma	Mean	SD
2015-16	0.08	0.02	0.24	0.25	0.03	0.60	0.11
2016-17	1.05	0.63	1.69	0.67	0.33	0.87	0.52
2017-18	0.70	1.90	1.50	0.42	0.50	1.00	0.66
2018-19	4.00	1.00	4.00	3.00	1.00	2.60	1.52
2019-20	0.02	0.02	0.11	0.07	0.02	0.05	0.04
2020-21	3.00	3.00	12.00	6.00	2.00	5.20	4.09

2021-22	**3.23**	**3.96**	**6.68**	**4.66**	**1.86**	**4.08**	**1.79**
Mean	**1.73**	**1.50**	**3.75**	**2.15**	**0.82**		
SD	**1.64**	**1.52**	**4.31**	**2.41**	**0.83**		

Inference: The capital structure ratio is a long-term solvency ratio and indicates the soundness of long-term financial policies of the company. It shows the relation between the portion of assets provided by the equity holders and the portion of assets given by the creditors. It is calculated as total liabilities/ shareholder's equity. Most of the companies like Medicamen Bio, Lincoln Pharma, Anuh Pharma and Themis Medicare are not much dependent on debt so that the average ratio stands at 3.75, 2.15, 1.73, 1.50 respectively whereas SMS Pharma relies on debt as a source of their investment.

Graph 4 : Mean and S.D. of reciprocal of debt equity ratio



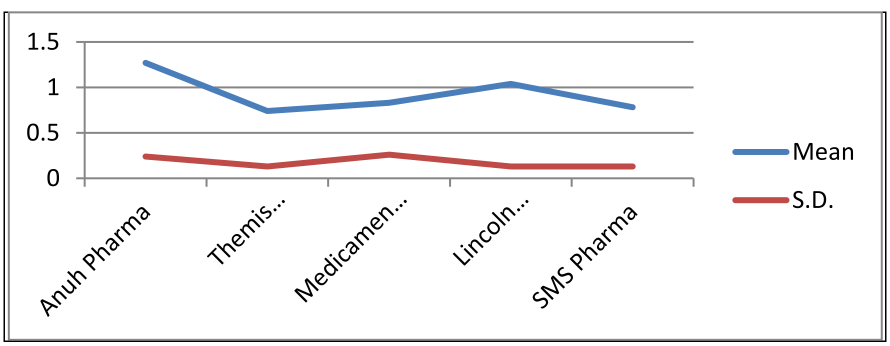
5. **A5 = Total assets turnover ratios.**

Table 5: A5 = Total assets turnover ratios							
Years	**Anuh Pharma**	**Themis Medicare**	**Medicamen Bio**	**Lincoln Pharma**	**SMS Pharma**	**Mean**	**SD**

2015-16	**1.69**	**0.92**	**1.12**	**1.29**	**0.93**	**1.19**	**0.32**
2016-17	**1.09**	**0.78**	**1.12**	**1.08**	**0.87**	**0.99**	**0.15**
2017-18	**1.14**	**0.72**	**0.95**	**1**	**0.89**	**0.94**	**0.15**
2018-19	**1.34**	**0.61**	**0.9**	**1.02**	**0.81**	**0.94**	**0.27**
2019-20	**0.94**	**0.62**	**0.66**	**1.02**	**0.68**	**0.78**	**0.18**
2020-21	**1.3**	**0.62**	**0.57**	**0.94**	**0.68**	**0.82**	**0.30**
2021-22	**1.4**	**0.9**	**0.5**	**0.9**	**0.6**	**0.86**	**0.35**
Mean	**1.27**	**0.74**	**0.83**	**1.04**	**0.78**		
SD	**0.24**	**0.13**	**0.26**	**0.13**	**0.13**		

Inference: The ratio is helpful to investors in understanding the efficiency with which the management handles competition and uses its assets to generate sales. From the above table it is clearly observed that the average total assets turnover ratio is highest in **Anuh Pharma & Lincoln Pharma** during the study period.

Graph 5 : Mean and S.D. of total assets turnover ratio.



6. Showing the Z scores and Zones of selected companies.

Table 6: A6 = Z Scores and Zones of selected companies

Company Name	**Financial Year**	**Zscore**	**Zone**
Anuh Pharma	2015-16	3.14	Safe
	2016-17	6.14	Safe
	2017-18	5.28	Safe
	2018-19	8.89	Safe
	2019-20	3.73	Safe
	2020-21	6.74	Safe
	2021-22	7.61	Safe
Themis Medicare	2015-16	5.20	Safe
	2016-17	3.46	Safe
	2017-18	1.31	Distress
	2018-19	4.24	Safe
	2019-20	4.34	Safe
	2020-21	6.49	Safe
	2021-22	10.68	Safe
Medicamen Bio	2015-16	1.86	Grey
	2016-17	6.81	Safe

	2017-18	6.59	Safe
	2018-19	7.62	Safe
	2019-20	4.49	Safe
	2020-21	10.70	Safe
	2021-22	7.79	Safe
Lincoln Pharma	2015-16	2.27	Grey
	2016-17	6.84	Safe
	2017-18	6.61	Safe
	2018-19	9.68	Safe
	2019-20	7.61	Safe
	2020-21	13.70	Safe
	2021-22	9.97	Safe
SMS Pharma	2015-16	1.57	Distress
	2016-17	6.62	Safe
	2017-18	6.49	Safe
	2018-19	6.20	Safe
	2019-20	4.58	Safe
	2020-21	6.52	Safe
	2021-22	5.56	Safe

Inference: The Z score values of sample companies during the study period have been displayed in the table 6. The selected sample organizations have registered the Z score much above the suggested value of financial health over the period of time during our study period. Anuh Pharma shows that it's safe for investments. Whereas other companies have registered a recovery from Distress and Grey zones.

Findings:

- Overall it is clear that all the selected companies of Indian Pharma industry are financially healthy for the study period.
- The Z scores of all the selected companies shows an increasing trend during the study period i.e., from 2020 to 2022.
- The Working Capital to Total Assets ration shows that Lincoln Pharma and Anuh Pharma could meet their working capital obligations
- Themis Medicare shows a low ratio of Retained Earnings to total assets as compared to other companies. It reveals that the firm is financing its capital expenditure through the borrowings rather than utilizing the retained earnings.
- SMS Pharma relies on debt as a source of their investment when compared with other companies.
- Operating efficiency of the firms is good for CC, Anuh Pharma & Lincoln Pharma during the study period.

Recommendations: As the Pharma industry has experienced a boom due to Covid connected scenarios which is an exceptional case. These companies need to be watchful for high debt or liabilities in future as it may cause financial distress. In future the companies facing a financial distress can undergo restructuring its capital structure. In case the companies face distress due to any operational issues are, the companies can negotiate a pause in the payments to the creditors, this can further improve the operations and the companies will be able to clear the debts.

Conclusion: For any investor i.e. retail or institutional the financial health of a firm is a key pointer for taking investment related decisions. In order to achieve operational efficiencies, managerial decisions of an organization are taken based on its financial health. In this perspective, Altman's Z score plays a critical role by giving a clarity on the financial distress/bankruptcy of an organization. The Z scores reveal the financial position that further helps the management's decision-making process. Also, it is helpful for investors and other stakeholders to judge the organization's financial position and take a fruitful decision.

The present study was conducted to analyze, predict and compare the financial performance of Sample companies drawn from Indian Pharma industry. The study revealed that all the selected Companies are financially sound during the past five years.

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Evolution of Modern Banking System: A Historical Analysis

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Abstract:

The paper enquires about the historical background of financial institution such as banks. Banks play a critical function in both international economy and national economy of a country. The scope and history of banking activities varies widely from nation to another. The current historical analysis paper examines the way banking sector has evolved in Greece, Hellenistic Roman-Egypt, and Rome.

Keywords: Chartered Banks, Public Bank, Medieval Period, Commercial Revolution, Lombards

1. Introduction

Bank is a financial establishment which offers financial services, like proving loans, facilitates withdrawals and deposits and safekeeping of customer's money. Banks play a critical function in both international economy and national economy of a country. They match borrowers and lenders by taking funds provided by depositors or investors and distributing those funds to individuals and firms that have opportunities for higher potential returns. The individuals and firms seek to use the funds for significant periods of time, and there is some degree of credit risk. Firms (with opportunities for higher potential returns) obtain funds from the people who are looking for shorter-term safer investments such as investors and depositors. Banks are the financial institutions, which facilitate these transformations of assets. The scope of banking activities differs widely from one nation to another.

2. Background Analysis of Banking Sector

The origins of ancient banking were intimately linked with the need to verify the fineness and weight of out-of-town coins and to exchange them for domestic coinage. Banking cannot, therefore, be found in ancient Mesopotamia and other ancient Near Eastern civilizations, which did not use die-stuck coins before the Hellenistic era (Renger, 2003, P.220). During the Sixth and Fifth century BCE, financial dealings between two entrepreneurial families in Babylonia were sometimes described erroneously as banks. But such activities do not fulfill the criteria of the modern banking system as they did not accept deposits to grant credit or to further facilitate economic transactions. Various organizations and institutions granted credit on a short-term basis for both commercial and non-productive purposes by the first millennium BCE. There was very limited number of documents that could verify the exact purpose of banks credits during that period. People even borrowed loans from banks for their personal consumption or pretentious display of wealth.

The term *bank* derives from the Italian word *banco* which means "bench", used during the Renaissance by Jewish Florentine bankers, who used to make their transactions above a desk covered by a green tablecloth. However, there are traces of banking activity even in ancient times. Even in the Middle Ages, the term bank and bankers were being used. They were related to bancus (Lat.), banco (It.), tavola (It.) and taula (Catalan), the exchange tables on which money changers (Lat. bancherji) conducted their exchange transaction (North, 2003, pp.221-222).

Another source revealed that "Our word "bank" comes to us from German *Bank* via Italian (*banca*) and French (*banque*). The original meaning of the word, "shelf" or "bench," was extended in Italian to that of the bench or table of a money-changer, whence the meaning "money-changer's place of business," whence the common present-day meanings of the word" (White, 1936, P.326).

The bankers sat at formal benches, often in the open air. The Italian for bench is *banco*, giving us the modern word for bank. (If you happen to be in Prato, Italy, look in the Convent of San Francesco for a fresco showing the moneychangers' *banco*, or counter.) If a bank went into liquidation, the bench would be solemnly broken, giving us the word *bancorupto*, or bankrupt as we say today. The early associations were partnerships, as shareholding companies did not begin until 1550. As a result, people might have written to the *Medici e compagni*, the 'Medici and their partners'. It gives us the modern word–the *company*. It is the Italians who claim the oldest bank in the world, the Monte dei Paschi of Siena, founded in 1472 (Valdez and Molyneux, 2010, P.15).

Before good roads are formed and posts are established, trade between distant places is carried on by merchants in a body, who associate together in considerable numbers, and meet at fixed times at particular places...where the market is held, they dispose of their goods for ready money. Then they lay out their money in the purchase of other goods with which they return. Such was the practice with the merchants of the East who formed the immense caravans that formerly traded between Europe and India; and ...between Egypt and Mecca. In these cases, all the transactions are carried on by ready money. The bankers (if such they may be called) are mere money-changers. They exchange the money of the country in which they live for the monies of other countries. Such was probably the business of the money-changers who were expelled from the temple of Jerusalem: such too was the business of many persons in Europe countries in former times (Gilbart, 1836, pp.4-5).

Historically, some banks were called banks of deposit, as they primarily held deposits of domestic and foreign currencies and were basically engaged in payment in foreign trade transactions. The Bank of Amsterdam was a popular bank of deposit. Another bank like the Bank of Venice created deposits that acted as a circulating medium of money in a society.

The banks of Venice, Genoa, and Amsterdam were closely connected with their states, and were called 'State Banks,' whereas the banks of England, of Scotland, and of Ireland got peculiar privileges granted by charter, so they were usually known as 'Chartered Banks.'

Banking is defined under section 5(b) of the Banking Regulation Act, 1949. It means "accepting, for the purpose of lending or investment, deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheques, draft, order or otherwise." The term banking interprets many notions. It generally comprises of two essential functions (a) accepting deposits from the public, and (b) lending or investing the deposits. Banking business includes the purpose of accepting deposits, lending or investing of public funds.

Gilbart in his book "The History of Banking in Ireland" stated that "...the banking flourished in this country or any other country during the existence of the feudal system. Private property was not then sufficiently secure. The rapacity of the Barons, and the wars they often carried on against each other would soon have dispersed the wealth that might have been accumulated. Persons who had money buried it in the earth" (1836, P.2).

3. International Perspective of Banking

The first recorded banking transaction was said to have occurred many centuries ago, somewhere in the area where the empire of Assyrian was established. Transaction among the ancient people mainly took place through the barter system. In such system, valuable stones were accepted as assets of transactions. Such kind of exchange among traders was incorporated in the idea of the banking system. The history of banking systems can be traced back as early as 12,000 years ago. In this era, it was said that the banking system already existed faultlessly. The first pieces of evidence in the existence of banking system were first uncovered in 1890 by Dr. Heilpretch, an Archaeology Professor of the University of Pennsylvania in the ruins near the city where the site of ancient Napur is located. The records show the financial statements of the clan of Engadi - the family who first built the banking system that ruled and facilitated the business and investment of the Assyrian Empire. The earliest known references to banking are found in Genoese records of the twelfth and thirteenth centuries. Traces of banking can be found in the early history of Egypt, Babylonia, and Greece.

4. Banking in Greece

By the end of the fifth and beginning of the fourth century BCE, banking system evolved in the true sense. The widespread use of the out-of-town coinage in trade encouraged the banking system in Athens. More than 265 Greek poleis (each having its own coinage) indulged themselves in maintaining healthy political and economic relations which further widen the scope of financial transactions. The decision of Hellenistic rulers to issue a uniform coinage system throughout the empire from the fourth century BCE was an important step for the history of economics. The sources for the Greek banking are more or less restricted to Athens (Greek orators) and Greco-Roman-Egypt (papyri and ostraca). The table (trapeza) on which bankers undertook their business gave them their name, trapezites (Renger, 2003, P.220).

With the introduction of the banking system, Athenian economic and social structure also witnessed fundamental changes. The Athenian economy was transformed into a money-based agricultural economy. Migration of rural population from Attica to Athens during the outbreak of the Second Peloponnesian War (431 BCE) and the great Athenian Plague (430 BCE) prompted fundamental changes in the Athenian economy. The funds provided by the state to relocate its citizens aided in monetizing the economy more effectively. In Athenian society was divided into three social classes: citizens, who were mainly indulged in the agricultural field; slaves, who were engaged in domestic purposes; and merchants, who were foreign residents in Greek polis. Bankers' position in Athenian civic society was a very trivial one because they basically evolved from slave class, so they were considered to be the outsider in the society. The business of these bankers was purely economic rather than being a a social activity.

The beginning of the fourth century BCE witnessed the evolution of modern banking system in true sense when Greek moneychangers acted as bankers accepted deposits for future payments. Payments were made in the presence of these bankers, after authentication of both the coins' quality and payment transactions. Though most of the coins in circulation never found their way back into the bank as owners mainly kept them at their hand for immediate use. Apart from transactions, customers-maintained deposit accounts with their bankers also. There is no proper evidence that the bankers were attracting deposits amount by paying interest. Traders (emperoi and naukleroi) deposited amounts in the form of coins without any interest only for safeguarding them from theft. Demands of the funds were met not only by the banks but also through the private individuals because in classical Athen's grant of credits was regarded as a social virtue among the wealthy men. Banking business was normally a one-man enterprise in Athens, which was dependent on trust, faith and reputation of both bankers and customers. In general money lending was a non-institutional and discontinuous process as the security of the funds was a substitutive matter not at all collateral.

5. Banking in Hellenistic-Roman Egypt

Banking in Hellenistic-Roman Egypt was quite different from banking practice in Athens. Customers of Athenian banks were mainly merchants and people from elite classes whereas customers of Egyptian banks came from all strata of society. Ostraca and Papyri Banks of Roman Egypt accepted written orders from depositors and provided specified amounts to the third party from depositor's account after getting their consent. The first attestation of depositor's account took place in 254BCE. During Second Century BCE banks started transferring money from account to account and from first century BCE banks also accepted checks. Business partners could exchange amounts through checks instead of cash. Issuing of Checks also became an important part of banks as the handling of large amounts in the form of copper coins was a very tough job for the business community.

Public banks were also established by the state, generally based on the model of Egyptian private banks. Public banks managed the budgets of urban magistrates and also to handle their accounts. Like any other modern day banking institution, the Royal banks (basilikai trapezai) of Ptolemaic Egypt were hierarchical in nature, which had a vast network of branch offices. A collection of fees, payment for the royal goods and services, a compilation of tax dues and payment of state officials were all assigned to be performed by the royal banks.

6. Banking in Rome

The provision of law reflects the procedures and regulations implemented by the ancient Roman banks. During the end of fourth century BCE, the first money changing banker was documented in Rome. By that time the state also witnessed initial commercialization of the society. Like Athenian banking system, Roman bankers generally came from slave community. Bankers held deposits without any interest, maintain accounts, granted interest-bearing credits using the deposits and managed customer's assets. Similar to Athenian banking system, there is still evidential dispute about the quantitative and qualitative roles that banks played in the Roman economy. Many pieces of evidence showed that individuals from Roman elite classes supplied most of the credits for commercial and non-productive purposes rather than banks.

7. Banking in Medieval Period

The growth of commercial activities implied the growth of cities and population. The strong growth of commerce along with population nourished the civilization from the middle of the tenth century to the early fourteenth century (1000 to 1453). Modern banking system originated in Europe. During Medieval Period, the services of a bank were not clearly defined or narrowly specified. Mind masters (monetarius) in that period acted as money changers, goldsmiths, bullion dealers and money lenders to the royal members. There were three main categories of bankers at that period: international merchant bankers, local coin (money) changers or deposit bankers and pawnbrokers. With the passage of time two more criteria of bankers developed such as non-profit pawn banks (monti di pieta) and public deposit banks. Long distance trades were combined with foreign exchange transactions by the international merchant bankers.

During the Middle Ages, the chief bank, was that of the Venice. In that state, the feudal system did not exist. Venice was an aristrocratical republic. The nobles possessed all the power in the State, but then they possessed that power in their collective, and not in their individual capacity. No individual nobleman had a right to oppress a citizen. He had no serfs or slaves to labour on his state. He was amenable to the laws which were established by the Senate, and these laws restrained as effectually the ambition of individual nobles as of private citizens. However inferior the government of Venice may have been to those of modern times, it was certainly far superior to any of the governments by which it was surrounded. Venice was a commercial state, and a state cannot long remain commercial unless the right of private property be well secured. Commerce and liberty gave rise to banking (Gilbart, 1836, pp.2-3).

Flanders, Brabant, Hainaut-Holland and Gelderland (Guelders) were important territorial Principalities in the Low Countries.

In many respects, Flanders was the real territorial leader during the late Middle Ages. Its population was by far the largest of the principalities, its economic development the strongest, and its institutions the most elaborate. The extraordinary size of the largest cities made it impossible to rule the country without collaboration. Thus, during the 13th century, the *scabini Flandriae*, uniting delegations from the government of the main cities, intervened in the political matter of the principality, especially concerning economic policy (The New Encyclopædia Britannica, 2007, P 879).

Italian merchants like Asti, Genoa, Siena and Lucca involved in champagne fairs by the year 1200. Fairs became centres for the financial claims and debits, where goods, currencies and information were exchanged. At the end of one fair balance was settled in cash or deferred as a credit to the following fair by the lettre de foire. From the early fourteenth century, large Florentine family companies started growing because French state authority entrusted greater fiscal pressure on the economy. And the decline of the champagne fairs due to shifting of the maritime trade also boosted such development.

During the period of “commercial revolution” (a term coined by Raymond de Roover), the traveling merchants were replaced by the sedentary merchant-bankers. Such transformation occurred as the bankers could exploit superior business techniques like double-entry bookkeeping, maritime insurance, bill of exchange and the establishment of company partnership firms. These newly build firms such as Peruzzi, Bardi, and Acciaiuoliveritable soon became popular financial companies and started extending their activities to the far fledged areas like Spain, Aegean and England. These “super companies” were involved in tax farming, revenue collections for the papacy, banking services for prices, commodity trading and commerce in bills of exchange. Corpo (partnership capital) was taken from family members, relatives, and third parties. Losses and gains were divided in proportionate to the amount invested by them. The trading process was directly connected with cash flow while careful accounting of such flow stretched the financial operation at much wider scale in Europe. Sometimes, the flow of cash became immobilized for a longer period of time, when the finishing procedure of imported cloth tied up capital before the Bardi and Peruzzi’s cloth. In the 1340s these firms ran from bankruptcies when Florentine community and various monarchs, especially Edward III refused to pay both principal and interest amount to the bankers. Banking firms were replaced by new smaller companies such as the Alberti, the Medici Bank, merchant of Prato and Francesco di Marco Datini. These companies organized their branch organizations by maintaining separate partnership contracts.

During the 14th century, the three largest cities, Brugge, Ghent, and Ypres, formed a nearly permanent consultation committee called the three members of Flanders on which was bestowed decisive powers in most political matters, including taxation, legislation, and justice; it wielded as well a strong influence in international relation (The New Encyclopædia Britannica, 2007, P 879).

People started investing in wool manufacture and silk production by the end of the fourteenth century. During this phase, a local bank gained a huge amount of profit from papal finance in Florence. The Medici Bank opened branch offices in Naples, Milan, Geneva, London and Bruges with the principal objectives of gaining funds by bills of exchange. In 1420, the Roman branch of Medici Bank earned about 50% percent profits of total organization circle. With the death of Cosimo dé Medici, the fortune of the Medici Bank chain deteriorated in 1464 due to incompetent management, an unfavorable set of branch development and lack of core control. The London and Bruges branch of Medici also provided unauthorized loans to the king of England and to Duke Charles, the Bold of Burgundy that further led to its declination. Business motives were diverted away from the Geneva fairs and the Medici's Geneva branch because of the establishment of the Lyon fairs by Louis XI of France. The Lyon branch of Medici was opened in 1460's aimed at specializing in the exchanged market but it failed miserably with the passage of time.

During the age of the Bardi and Peruzzi financial situation changed a lot when banks started opening independent branches, which reduced the risk that previously occurred when the crisis in one branch led to the disaster in the entire organization. The Medici bank was already suffering from bankruptcy during French invasion in 1494. The bank was shut down and Medici bankers were expelled from Florence. In the later period, Medici became dukes of Tuscany and they were replaced by other merchant bankers like the South German Fuggers. Fuggers were different from the Medici bankers because they represented the most prestigious family mercantile companies in the late medieval period as they invested in silver, cooper and mercury mining. They also had their inclination towards the Habsburg rulers.

Local money changers or deposit bankers were ranked below the international merchants. Like Genoese bankers, money changers accepted deposits and then moved to the transferability of deposits on current account. In Genoa *bancherius* meant money changer, the name that referred to the table or bench at which the money changer conducted his business. Money changers weighed, tested, and sorted coins, and they exchanged foreign coins for more accepted local ones. By the thirteenth century, Genoese bankers were accepting time and demand deposits, extending credit, and participating in business partnerships.

Banks that began as money changers are known as money-changers banks. These money changer banks began as warehouse banks where depositor's cash was kept in storage. Their customers made payments by transferring ownership of deposits. Warehouse banking in Genoa gradually developed into *fractional-reserve banking*. Reserve ratios of about 30% were typical. As the banks operated on a reserve system, bankers were able to grant overdrafts and successfully liberated his customers from the grasp of cash dependency. Clients or customers opened accounts not only to safeguard their money and assets but also to utilize the deposit amount in making payments to their creditors. In Tuscany, clients gave written orders to draw amounts from accounts in the form of checks whereas in many other places clients only gave instructions verbally. Bankers periodically compared their accounts with their clients and they also cleared their credits and debits among the fellow bankers.

In Venice, banks were known as banchi di scritta as bankers were allowed to transfer their client's money by a mere stroke of a pen. In the fifteenth century Venice, these transferable deposits were called "bank money" to distinguish them from specie (gold or silver coin). Lending was usually in the form of an overdraft. Overdraft means the line of credit that allows a depositor to borrow automatically to cover uncovered checks (Kohn, 1999, pp.207-208). Deposit banks were strictly restricted by the government and bankers were provided authorized licenses because both banks and bankers played a crucial role in the local payment system. These deposit banks were mainly located in the central business square like Rialto at Venice, Piazza Banchi at Genoa and Mercato Nuovo at Florence. Apart from Venice, Genoa, Barcelona and Bruges, in Holy Roman Empire; Cologne and Nuremberg were another important centres for the deposit banking. European deposit bankers' services were not only confined to the local field but they also performed internationally which was proved when they dealt in bills of exchange at the Frankfurt fairs.

Lending money became an easy medium of earning risk-free interest for both depositors and bank authorities at that period. Churches started prohibiting the usury (charging excessive interest on loans) because the interest rates were too high. As a result, profits became uncertain and banks enforced restrictive regulations on their operations. In the fifteenth century public confidence on money-charger bank was lost, due to the widespread failures of money-changer banks. Deposit bankers who often acted as money changers became a victim of economic crisis; especially during the "Great Bullion Famine" that resulted in constant coin scarcities. The worst years of the bullion famine lasted from 1457 to 1464 and there was a tremendous shortage of precious metals particularly the silver coins. During the early-mid- fifteenth century, Western European deposit banking system lost their importance in the economy. With the monetary reforms (1433-1435), deposit bankers who survived from the coin crisis faced state restrictions in their action. By the sixteenth-century money-charger, banks declined their importance in the society and extinct from the scenario.

Another form of banking service emerged to bridge the gap that was created due to the sudden disappearance of the money-changer banks. Merchant banks which were mainly started by the merchants extended their business to provide local means of payment. Remittance (long distance payment) was in the hands of merchants. Gradually merchant banks entered into local means of payment along with remittance. Remittances are the funds forwarded from one person to another as payment for bought items or services (Rosenberg, 1993, P 299).

Like the money-changer banks, the merchant banks accepted deposits and made loans. They also kept a record of the number and dollar value of all sales draft and also credit ships submitted by each merchant. From the thirteenth to the seventeenth century, merchant banking grew to become the predominant form of banking in continental Europe. The Tuscans developed banks, with bills of exchange, credit notes, like medieval traveler's checks, so that the traveling merchants did not have to carry cash. Soon the Tuscans and the Florentines and the Venetians are banking all over southern and middle Europe, and then this particular *geist* or spirit goes fluttering over the Alps to Holland, because the Spaniards have conquered the southern part of the Netherlands and burned all the farms and the Dutch refugees have moved into Amsterdam, with cousins in cities around Europe, and when the boom starts in Europe there is an energy crisis, which consists of everybody chopping down all the trees of southern Europe for fuel, so many trees that the glassmakers are forbidden to build fires to make glass, and the Dutch take to the water and sail to the Baltic for more wood to solve the energy crisis with the trees from Finland and Sweden…the Dutch soon monopolize the wood trade, turning adversity to advantage, and their little ships are taking the wood south and the wine north, and pretty soon Amsterdam is the richest city in Europe, all this trade financed by the pieces of paper adapted from the northern Italians with the numbers on them brought by the Arabs from India (Smith, 1981, P.299).

The Italian, especially the Florentines dominated the banking business. The increasing problem of the money-changer banks was a major concern for the governments as the trade was an important source of revenue in the form of customs and service excise taxes. Problems with the payment system became an increasing concern for the government as it was a threat to government revenue. In order to recover from the current situation, Banks of Deposit were established. Banks of Deposit were the warehouse banks sponsored by the government. They provided services similar to the money-changer banks.

Italian state government responded to the sudden disappearance of money-changer banks by establishing public deposits and exchange banks. These public banks were built on the model of Aragon banks that were founded in the fifteenth century.

The first public bank, as we understand the term, was the Banco de Rialto of Venice, established in 1584, followed by the Bank of Venice in 1619. The Bank of St George, in Genoa, was founded in 1407 as a private deposit bank lending money to the State, and continued in business until it was seized by the French in 1800 (Dandy, 1954, P.91). Aragonese banks like Taula de Cambi (1401) failed to survive the bullion famine while others started working as public banks. From 1407, the Casadi San Giorgia of Genoa functioned as a public enterprise but in 1444, it succumbed to the pressure and gave up its experimentation. Banks like Banco di San Giorgio in Genoa (1586), Banco di Sant' Ambrogio in Milan (1593) and Banco di Messina (1587) and Banco della Piazza di Rialto in Venice (1587) were successful in their operation as public banks.With minor setbacks, primarily due to the incredible destruction of life caused by the religious wars of the late sixteenth century, European population growth provided the strength for the commercial expansion that would characterize the year of discovery and colonial settlement.

The first bank of deposit was the Taula, or "table," established in 1609. Just like the money changers, they accepted deposits of coin, which they weighed and sorted, and they allowed depositors to make payments by transferring the ownership of deposits (Kohn, 1999, P.208). In the seventeenth century, many banks such as Wissel Bank of Amsterdam (1609), the Bank of Hamburg (1619), Branco Giro of Venice (1619), and Nuremberg Branco Publico (1621) came into existence, which further successfully remoulded the model for public exchange banks. These public/money exchange banks primarily carried out the work of money-changers and ran accounts for the value of the money changed.

Apart from money changer bank and merchant bank, another form of the bank which was called fractional-reserve bank emerged. Fractional Reserve Banking is a system in which banks hold only a fraction of deposits in reserve in the bank (Hughes, 2003, P.637). Fractional-reserve banks hold reserves of cash equal to only a fraction of its deposit liabilities. Unlike merchant banks, they lent primarily to the government rather than lending to merchants.

Apart from them, the Post Office Savings Bank was established in 1861 to broaden the field for the small investor. In this bank, instead of trustees, the funds are responsible to the Postmaster General, who appoints officers to receive funds from the public and to open deposit accounts for them.

Pawnbrokers are the licensed lenders who grant loans on the security of movable property (tangible articles) at a fixed rate of interest. In the medieval period, the position of the pawnbrokers was on the lower level of credit institutions. During the seasonal variation of agricultural production, the poorer section of the society largely depended on consumer credits for their survival. Although there was a sophisticated scholastic debate on the role of usury in the commerce of merchant bankers, the role of the pawnbroker was evident. He belonged to an "infamous profession" (North, 2003, P.222). Though the system of pawnbroking was officially prohibited everywhere but it required special licenses as people relied highly on the services of pawnbrokers. Special contracts were offered to the Jewish pawnbrokers because they guaranteed regular payment to the city at a stable rate of interest (20%) in comparison to Christian usurers who demanded 25% interest.

All over the Western Europe Italian pawnbrokers enjoyed full privileges that were granted to them by the royal families and urban governments. These pawnbrokers, who were popularly known as "Lombards" were basically citizens of Asti and Chieri in Piemonte. Pawnbrokers are the money lenders who lend against any personal property deposited with them, as a pledge against the loan, generally at a high-interest rate. The borrowers may redeem their pledge or pawn within the time period of six months otherwise the pawnbrokers have full right to sell the items. There was severe competition between Christian and Jewish pawn merchants, in which the Jewish merchants usually emerged victorious because of strong family networks. The Jewish moneylenders in Italy encountered rigorous pressures from the Franciscan Order, which tried to alternate them with the new charitable institution of the monte di pietὰ.

Lombard Street is a term almost synonymous with the money market. It is the centre of the bank's head offices and discount houses. The name comes from the Lombards, a group of Italian merchants and bankers who came to this country from Lombardy in the Middle Ages, bringing their trade of exchange with them (Perry, 1979, P.145). In 1462, the first step of this attempt was taken when monte dὰ poveri was formed in Perugia. But the institution failed in its first attempt as both organizations existed together to satisfy the needs for different forms of credit. The monte di pietὰ provided many new and different services in comparison to the Jewish moneylenders. In cities, it offered small credits to the consumers whereas in countryside it demanded 3 percent interest and later repayment. It also exchanged wheat with seed corn, which was supposed to be returned back after the harvesting period.

During the sixteenth century, the working capital of monti di pietὰ enlarged as they opened many branches which soon started accepting deposits at an interest rate. The success story of monti di pietὰ soon spread to the Southern Netherland, where Ypres (Ieper) and Bruges opened public pawnshops in 1534 and 1573 respectively, after the withdrawal of the "Lombards". These banking institutions further developed in early modern period. At that period, there were two models of Italian banks: deposit and clearing banks and; discount and issuing banks. These two models of the banking system were born in Antwerp and perfected in London. Immigrants, mercantile contracts, and communication at the public fairs, which were dominated by the Italian merchant banking houses extended the Italian traditions to other European territories.

During the sixteenth century, Frankfurt was the leading banking center in Central Europe and it was incorporated with the fairs of Besancon, Lyon, and Piacenza. From 1585 onwards, Frankfurt merchants created a setting off system that was basically predominant at the Frankfurt Exchange Centre. This financial transaction occurred mainly in the periods between the fairs at weekly paydays.

The most innovative step took place in the history of banking when the exchange banks in Nuremberg and Dutch were formed. In northern commerce, the Dutch immigrants had contributed a lot in the dispersion of the bill of exchange. In 1619, a public exchange bank was founded by the initiative of Dutch immigrants in Hamburg. There were two categories of money in the deposit accounts; the first one was stable bank money which was also known as *mark banco*, and the second one was current money popularly called *mark courant*. Until 1875 the bank served as a successful clearing institution for both northern and eastern Germany due to its obligations to settle bills over four hundred Marks lübisch. In contrast to the Italian or Amsterdam traditional banking, from the early sixteenth to the mid-sixteenth century a major significant financial advancement appeared in the banking system of Habsburg Low Countries as they started legalizing and full negotiability of credit instruments. The use of obligatory bills or promissory notes had been common practice at the Brabant fairs of Antwerp and Bergen-en-Zoom. The maturity period of these bills was three months, set according to the dates of the cycle of fairs. Due to various legal tribulations like insecure claims and payments by the third parties, the hand-to-hand circulation of these bills was limited in number. The law merchant court of Antwerp removed these legal barriers on bills in 1507.

In 1537 and 1541, the Estates General of the Habsburg Netherlands granted the status of legal tender with a bearer clause to make payment by transfer. The clause also mentioned that all creditors were required to remain jointly liable for payment. Gradually discounting became a common practice for the long-term bills by the end of sixteenth century.

Legal tender is what the law of the country states is acceptable as means of payment. Notes issued by the central bank are always legal tender; i.e., people are required by law to accept them. In nearly all countries, moreover, the law gives the central bank the exclusive right to issue banknotes. Historically this was the foundation of central banks' importance (Deane, 1994, P.115).

In the late sixteenth and early seventeenth centuries, the principle amount of the fairs of Geneva and Lyon was stable money like the fairs of Besancon and Piacenza. The Lyon fairs further developed into foires de change whereas the fairs of Besancon and Piacenza were dominated by trade in bills instead of goods. Further advancement in banking system appeared when a permanent system of multilateral clearing started expanding. Public exchange banks such as the Banco della Piazza di Riatto and the Amsterdam Wisselbank introduced a system in which all accounts were concentrated into a single bank.

The civic ordinances that established the Wisselbank in 1609 prohibited the unregulated exchange activities of the private kassiers (money lenders) and transformed them to the new public bank. In the seventeenth century, one of the monetary chaos occurred when the bank created stable silver coins that were highly required by the Dutch for their commercial actions in the Baltic, the East Indies, and the Levant. The bank also formed an international clearing system, in which all transaction over 600 guilders (florins) had to be cleared by the bank. Thus, it forced all the important companies and organizations to open an account with the bank. It was rather engaged in the precious metal trading than money lending. However, many important institutions such as the East India Company or the City of Amsterdam were involved in money lending process through overdrafts by paying penalty fees as interest. From 1683 bank clients were allowed to deposit precious metals in exchange for their monetary value and they used these bank receipts to settle their debts. The value of these metals was credited to the clients' accounts whereas the bank itself traded with the metals deposited.

In the eighteenth century, Amsterdam became a major European financial centre as many private banks besides the Wisselbank provided different banking services like discounting, cash deposits and acceptance credits. The success of the Amsterdam banking system widened from the Low European countries to Germany. Alternatively, Italian banking services were directly under the control of the Dutch middlemen.

8. Conclusions

Banking sector has witnessed a massive change at present scenario. It not only changed structurally but in performance wise too. As financial establishments, banks play an important role in our economy. Historically, banks were formed primarily for domestic and foreign currency transactions. But, at present banks serve as the most important financial organization for both Indian and World economy. They became an inseparable part of our society. History of banking sector reveals the banks played an important role for the mankind since Assyrian empire era.

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EFFECT OF AUDIT FIRM CHARACTERISTICS ON FINANCIAL REPORTING QUALITY OF LISTED CONSUMER GOODS FIRMS IN NIGERIA

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Abstract

In Nigeria, like many other developing economies, improving investor confidence through enhanced information contained in financial statements of listed companies is a major concern of regulators. This study empirically examines the extent to which audit firm characteristics explain financial reporting quality of listed consumer goods firms in Nigeria. Audit firm characteristics utilized include audit firm size, audit firm rotation, audit delay and audit remuneration. Financial Reporting Quality was measured using the performance-enhanced modified Jones Model. Data were obtained from annual reports and accounts of listed consumer goods firms. The study utilized multiple regression to analyze the data. Findings of the study provide evidence of weak relationship between audit firm characteristics and financial reporting quality of affected listed firms. Specifically, the study found that audit firm size and audit rotation have negative but statistically insignificant effect on financial reporting quality. On the other hand, audit delay has an insignificant positive effect on financial reporting quality while auditor remuneration has a negative and statistically significant effect on financial reporting quality of listed consumer goods firms in Nigeria. The study recommends, among others, that companies in consumer goods sector who hire the services of audit firms should assess them on the basis of performance in prior engagements and not just the size of the audit firm. In addition, regulators (SEC, NGX) should ensure compliance with the statutory reporting timeline. They should also pay close attention to reporting quality of companies paying high audit fees.

Keyword: Audit Firm, Financial Reporting Quality,

Introduction

Audit scandals and corporate failures at firms like Enron, Tyco International, WorldCom, and Cadbury have drawn heavy criticism for the quality of audit services and weakened public trust in the integrity of the accounting profession globally. Due to these occurrences, there is an urgent need to review audit services globally and to reposition the profession in order to provide better services. One of the main duties of management is financial reporting, which enables them to account for their stewardship. To help interested parties evaluate the performance and financial status of the reporting entity, managers of public firms are required to prepare and present yearly financial reports to shareholders, and other stakeholders. The provision of information on the financial performance and position of the reporting entity that is useful to various users, allowing them to assess the management's stewardship and make informed economic decisions, is therefore the primary goal of financial reporting (International Accounting Standards Board (IASB), 2008; Glautier, Underdown, & Morris, 2011). This means that financial reports that are produced but do not provide the users with the information they require, do not serve their intended function.

In order to form an opinion on a true and fair view of the financial statement and provide users with reasonable assurance, an external auditor must examine the organization's books, records, and accounts. This ensures that the financial statements prepared by the management are free from material omissions and willful mistakes. Users of financial statements are given some degree of confidence when a quality audit report is produced. Because they feel the independence of the auditor increases the certainty that the financial statement is free from error or material misstatement. Investors, in particular, tend to have confidence in financial statements that have undergone auditing. On the basis of audit evidence obtained throughout the course of an audit assignment, auditors form conclusions about the financial statements generated by management of an organisation.

The global incidence of financial and audit scandals has called to question, the reputation of audit firms world-wide. The importance of external auditors in preventing financial statement fraud and manipulation has been called into doubt by well-known financial and audit crises like WorldCom, Enron, and Cadbury Nigeria PLC. While some research show a connection between audit characteristics and reporting quality, others show a negative connection. The contradictory results show that research into the connection between audit attributes and financial reporting quality is inconclusive.

Empirical Review

Audit Firm Size and Financial Reporting Quality

Since large audit firms have a reputation to uphold and will thus go to great lengths to ensure a quality independent audit service, the size of the audit company has been used to gauge the extent of financial reporting quality. In comparison to smaller audit firms, larger audit firms have more advanced technology, financial resources, and research facilities, as well as greater expertise and skilled staff. Smaller firms provide more individualised services because of their sparse client portfolios and are expected to give in to management pressure, whereas larger firms have strong client portfolios that enable them to resist management pressure (Lys & Watts 1994). Therefore, an essential audit attribute that affects a company's financial reporting quality is the size of the audit firm. A favourable correlation between size and real audit quality as well as financial reporting quality has been called into question by corporate collapses like Enron and WorldCom. DeAngelo (1981) proposed that audit firm is positively correlated with audit quality because a big audit firm will be forced to disclose a major misrepresentation in a client's records if it discovers one.

The relationship between the size of an audit company and the calibre of financial reporting was explored by Sawan and Alsaqqa in 2013. Data collection involved using a questionnaire. Semi-structured interviews were undertaken to verify and complement the results of the questionnaire. The demand side (Libyan oil firms) and the supply side (audit firms working in Libya) provided the data for the study. Internal auditors, financial managers, and accounts managers were the three different types of respondents who provided the information for the Libyan oil companies. Data were acquired for the audit firms from employees at all levels of the company, including managing partners, audit supervisors, and auditors. The study's findings showed that the vast majority of oil companies and audit firms concur that Big Four firms outperform their non-Big Four counterparts in all reputation-related issues and that the size of the audit firm is positively correlated with Financial Reporting Quality. The use of a questionnaire, a subjective method of data collection, is a weakness of this study.

Enofe, Mgbame, Aderin, and Ehi-Oshio (2013) examined the factors that affect the quality of financial reporting in the corporate environment in Nigeria. Determinants such as audit tenure, audit firm size, board independence, and ownership structure are among the factors investigated. A survey with a Likert scale was created and utilised to gather information from a sample of 100 respondents in Nigeria's South-South geopolitical zone. The OLS regression method was used to analyse the data. According to the findings, financial reporting quality is positively (statistically significant) influenced by audit firm size, board independence, and ownership structure.

Ilaboya and Ohiokha (2014) looked at how audit firm characteristics affected the calibre of financial reporting. The study used the standard dichotomous variable of 1 if the big 4 audit firm and 0 if not to proxy financial reporting quality. The study examined a sample of 18 food and beverage firms that were listed on the Nigerian Stock Exchange market between 2007 and 2012. To estimate the study's model, a multivariate Logit and Probit regression was applied. The results show a negative relationship between the size of the audit firm and the financial reporting quality.

This study makes the following hypothesis in light of the review above:

H_{O1}: Audit Firm Size has no significant effect on Financial Reporting Quality of listed Consumer goods firms in Nigeria

Audit Firm Rotation and Financial Reporting Quality.

The number of years an audit firm has been auditing an organization's financial statements is known as the audit firm tenure. The relationship between audit tenure and reporting quality has been the subject of extensive debate in academic literature and the accounting profession (Jenkins & Vermeer, 2013; Blandon & Bosch, 2015). The ability of auditors to retain an unbiased posture in carrying out their audit assignments, providing audit opinions, and guaranteeing high quality audit reports is at the heart of the dispute (Odia, 2015). Regarding the impact of audit tenure on reporting quality, there are two conflicting points of view. Some people believe that as the auditor-client relationship deepens, the auditor may become more closely involved with the client and lose their independence, which will eventually lead to poor audit quality and more effective earnings management (which will degrade reporting quality) (Becker, DeFond, Jiambalvo &Subramanyam1998; Lys & Watts, 1994). The opposing argument is that as audit tenure increases, auditors have a greater grasp of their clients' operations, corporate strategy, and internal control over financial reporting, which will lead to higher reporting quality (Arens, Elder & Beasley, 2005; ling & Nopmanee, 2015). In order to ensure independence, the Nigerian Code of Corporate Governance 2018 recommends a five-year rotation of auditors.

All listed banks on the floor of the Nigerian Stock Exchange make up the population of Adeniyi and Mieseigha's (2013) study, which examines the relationship between the tenure of the auditor and reporting quality in Nigeria. Using a regression analysis method called ordinary least squares (OLS), cross-sectional data from fourteen (14) banks in the banking industry were examined from 2010 to 2015. The results show that, despite the variable's lack of significance, there is a negative link between auditor tenure and financial reporting quality.

Financial Reporting Quality and mandated audit firm rotation were both studied by Onwuchekwa, Erah, and Izedonmi in 2012. The information was gathered by sending questionnaires to investors, professors, consultants, accountants, and auditors in southern Nigeria. Percentage analysis was used to evaluate the data, and binary logistic regression was used to estimate the given model. Financial Reporting Quality and Mandatory Audit Firm Rotation (MAR) are shown to be negatively correlated by binary logistic ordered regression (AUDQ).

The association between audit tenure and Financial Reporting Quality is examined by Myers, Myers, and Omer (2013) utilising proxy variables such discretionary accruals and current accruals. The univariate results indicate that when auditor tenure is longer, the negative value of accrual measures was observed to be minimal. The study also employed multivariate analysis in order to examine if the discovered relationship between tenure and accruals is also influenced by other factors. The relationship between auditor tenure and accrual measures (proxies for reporting quality) was also observed to be consistent in multivariate analysis as in the univariate analysis. The study found that extended auditor tenure had a beneficial effect on the dispersion of accruals. The implication is that there is the tendency for auditors to place greater constraints on both income increasing and income decreasing accruals as the audit client relation lengthens. These results suggest that Financial Reporting Quality does not appear to deteriorate with tenure.

The following assertion is made in light of the positions taken in the literature discussed above:
Ho_2: Audit Firm Rotation has no significant effect on Financial Reporting Quality of listed Consumer goods firms in Nigeria.

Audit Delay and Financial Reporting Quality

A trustworthy audited financial statement is a crucial element that enhances stakeholders' decision-making. Financial analysts have recently suggested that it is impossible to overstate how crucial timeliness is as a fundamental quality of audited financial statements. The time between the end of a company's fiscal year and the date of the auditor report is how Almosa and Alabbas (2007) define audit delay. According to recent studies, in order to increase the effectiveness of the capital market, the timeline for publishing audited financial statements should be shortened. There is evidence that additional information regarding earnings quality beyond that in the earnings report delay is provided by audit delay (Alkhatib & Marji, 2012). Investors are, in essence, disbelieved about the quality of the earnings when an extraordinary audit delay occurs, and they value the revealed earnings after discounting for this delay. Since investors disregard the value relevance of such earnings when making resource allocation decisions, the existing literature supports the concept that audit delays indicate low-quality earnings.

Using cross-section data from 628 companies in 2002, Mohammed-Nor, Shafie, and Wan-Hussin (2010) evaluated audit reports from Malaysian public listed corporations. Board of directors and audit committee characteristics were regressed on the audit lag. The findings indicated that larger, more active audit committees reduce audit lag, but there was no empirical support for the nexus between audit committee independence and expertise and the timeliness of audit reports.

$Ho_{3:}$ Audit Delay has no significant effect on Financial Reporting Quality of listed Consumer goods firms in Nigeria

Audit Remuneration and Financial Reporting Quality

According to varying opinions in the literature, there is a connection between audit compensation and the financial reporting quality to some extent; most frequently, compensation given to external auditors has this effect. Additionally, according to Yuniarti (2011), the complexity of the services rendered, the expertise, the assignment's risk, and other professional factors affect the audit fee that the auditor charges. Higher Audit Remuneration increases a higher quality audit, the study further demonstrates. Supriyono (1988 in Wati & Subroto, 2003) expressed the opposite opinion, claiming that high audit fees can compromise public accountants' independence. He attributed this to the fact that high fees can make audit firms less willing to challenge the client's wishes, whereas low fees tend to keep the cost and duration of thorough audit procedures to a minimum. Although some research show a connection between audit remunerations and audit quality, others show a negative connection. The contradictory results show that further research into the relationship between audit compensation and audit quality has not yet yielded definitive results. Boeijink (2011) used a sample of 2767 businesses to investigate the effects of excessive auditor compensation (abnormal audit compensations) on audit quality in 13 different nations between 2004 and 2008. The study found no evidence of a significant relationship between aberrant audit compensation and audit quality.

Using information from Nigerian building material companies between the years of 2002 and 2011, Umar (2014) performed research on the audit attribute and financial reporting quality. The model chosen for this investigation was the Dechow and Dichev model from 2002, as modified by McNichol (2002), and it was analysed using OLS multiple regression (dependent variable).

The study discovered a significant positive relationship between audit compensation and the quality of financial reporting.

Choi, Kim, and Zang (2010) used a multiple regression technique to investigate the relationship between Financial Reporting Quality, as measured by the size of absolute discretionary accruals, and abnormal Audit Remunerations, defined as the discrepancy between actual Audit Remuneration and the expected, normal level of Audit Remuneration. Depending on the sign of the aberrant Audit Remuneration, the findings of multiple regressions show that the link between the two is asymmetric. Financial Reporting Quality and abnormal Audit Remuneration do not significantly correlate for observations with negative abnormal Audit Remunerations. For observations with positive abnormal Audit Remunerations, however, there is a negative correlation between abnormal Audit Remunerations and Financial Reporting Quality.

Using a sample of 2,568 US-listed corporations having fiscal year 2010 financial data available, Karsemeijer (2012) examined the relationship between audit remunerations and audit quality. The study's findings revealed that there is a positive and significant relationship between audit compensation and the absolute value of discretionary accruals, as well as between non-audit compensation and this same relationship. Despite being done in industrialised nations with a sizable sample size, this study's findings could alter if it were to be re-conducted today because its time frame ended in 2010.

Using secondary data taken from the annual report of the sampled companies for a period of six years, Abdul-Rahman, Benjamin, and Olayinka (2017) studied the impact of audit remunerations on audit quality (a measure of reporting quality) of listed cement manufacturing companies in Nigeria (2010-2015). The link between the explanatory variable and the dependent variable was examined using the ordinary least square estimation approach. The study's findings indicate that audit quality is significantly influenced by factors such as audit remuneration, client size, audit tenure, and leverage ratio, with audit remuneration in particular having a considerable positive impact.

Ashbaugh et al., 2003 investigated the relationship between discretionary accruals, audit fee ratio, and overall fees in a sample of American businesses. The study shows that there is no statistically significant relationship between total audit fees and discretionary accruals. They also demonstrate a favourable association between the fee ratio and the discretionary current accruals of the absolute value firm. In their second experiment, they find no correlation between fee ratio and the probability that businesses would report minor earnings increases and a negative correlation between total fees and the probability that businesses will report small earnings increases. In contrast to Frankel et al. (2002), they discover no correlation between the fee ratio or total fees and firms reaching analyst estimates. They come to the conclusion that the argument that auditors breach their independence because customers pay excessive fees has no merit.

Ho_4 Auditor Remuneration has no significant effect on Financial Reporting Quality of listed Consumer goods firms in Nigeria.

Theoretical Framework: Monitoring Theory

Wilson (1983) developed the monitoring hypothesis, which is based on the agency theory. According to agency theory, an independent audit is one of the solutions to the issue of agent-principal conflicts, and agency cost is a potential remedy (Jensen & Meckling, 1976). According to Wilson (1983), the monitoring role of audit minimizes the moral hazard and adverse selection problems that arise from the information asymmetries problem. Wilson (1983) explains the case of a moral hazard problem, the managers responsible for protecting a firm's assets may misuse the assets or fail to maintain them, in which case such actions are not directly observable by the owner and potential investors. In the case of an adverse selection problem, such assets have their own fixed values. The managers have more information about these values and they are able to manipulate information for their own personal gain. The independent audit can be generated by the principal (monitoring cost) or the agent (bonding cost). It is argues that agents can demand an independent audit because principals tend to neglect monitoring activity as they are able to shield themselves from the risk of loss by paying lower wages to an agent (Humphrey, 1997). The presumption is that principals will pay more to agents for work that has been verified by an independent audit than that which has not been so verified. The stewardship (monitoring) theory states that when one party is delegated decision making power, he has an incentive to agree to be checked if the benefits from such monitoring activities exceed the related cost Wallace (Wallace, 1980). Wallace (1980) noted that an independent audit provides an assurance that the financial reports that are provided by the managements have been carefully prepared and they are free from material errors. Thus, the market participants including the potential investors can use the audited financial statements without any hesitation. Moreover, an independent audit also mitigates financial statement fraud and illegal reporting and improves the internal control and operational efficiency of a firm (Wallace, 1980; Chow, 1982)

Methodology

This study employs Ex-post facto research design. The population of the study comprises of all the twenty (20) Consumer goods firms listed on the floor of Nigerian Stock Exchange (NSE) Market as at 31st December, 2021. In arriving at the sample size, all Consumer goods firms that suspended their operations for sometimes during the period covered by the study (2014 to 2021) are excluded because of the unavailability of data for the period they are not in operation. Only seventeen (17) firms out of the twenty (20) meet the above criteria. Secondary data sourced from the Annual Reports and Accounts of the various Consumer Goods Firms listed on Nigeria Exchange Group (NGX) were used. The study employs the use of panel multiple regression for data analysis. The study carried out data diagnostic assessment using multicollinearity test . The fixed and random effects regression models were applied; and in choosing the most appropriate model for the study, Hausman specification test was conducted to ascertain whether fixed or random effects model is most appropriate for the data. The Hausman results suggest random effect model is appropriate.

Model specification

To determine our proxy of financial reporting quality, Discretionary Accruals (residuals) is used (higher level of the residual indicates a lower level of accrual and earnings quality). To measure discretionary accruals, this study adopts a performance-matched modified-Jones (1991) discretionary accruals model. This is because Dechow et al. (1995) provide evidence that the modified Jones model had the highest statistical power in detecting earnings management, and Kothari et al. (2005) suggest matching for performance helps to control for changes in accruals models associated with client performance levels.

$$FRQ_{it} = \beta_0 + \beta_1 AUDFSZ_{it} + \beta_2 AUDROT_{it} + \beta_3 AUDDLY_{it} + \beta_4 AUDREM_{it} + \varepsilon_{it}$$

Where:

FRQ_{it}	=	Financial reporting quality of firm i in year t as measured by discretionary accruals
$AUDFSZ_{it}$	=	Audit firm size of firm i in year t
$AUDROT_{it}$	=	Audit firm rotation in firm i at year t
$AUDDLY_{it}$	=	Audit delay in firm i at year t
$AUDREM_{it}$	=	Audit remuneration of firm i at year t

β_1, β_2, β_3, β_4, are parameters estimates; β_0 intercept

ε = Residuals

β_0 = Constant

Audit Firm Size (AUDFSZ): Measured by dichotomous variable 1 if the company is audited by a Big 4 audit firm and 0 otherwise

Audit firm Rotation (AUDROT): Measured by dichotomous variable, 1 if there is a change in audit firm during a year, and 0 otherwise.

Audit Delay (AUDDLY): This is measured by the number of days from the company's accounting year end to the date of audit report.

Audit Remuneration: (AUREM) Total audit fees paid to the audit firm by a client at the end of accounting period.

Results and Discussions

Table 1 Correlation Matrix

	FRQ	AUDFSZ	AUDROT	AUDDLY	AUDREM
FRQ	1.000000				
AUDFSZ	-0.078145	1.000000			
AUDROT	0.177185	0.085717	1.000000		
AUDDLY	-0.055925	-0.155522	-0.135318	1.000000	
AUDREM	0.001405	0.244094	0.070866	0.292464	1.000000

From the individual correlation, it was gathered that audit firm size has a negative correlation with financial reporting quality. In the same light, there is low negative correlation between audit firm rotation and financial reporting quality of consumer goods firms. However, audit delay has positive correlation with financial reporting quality while audit remuneration has negative correlation with financial reporting quality. From the relationship between the audit characteristics and financial reporting quality, there is no indication of correlation problem because the relationship is less than 0.7% as asserted by Gujarati (2009)

Table 2: Regression Summary

Variables	Coefficient	t-values	P-values	VIF
AUDFSZ	-0.005924	-1.238049	0.2177	1.130282
AUDROT	-0.001291	-0.192036	0.8480	1.027637

AUDDLY	0.011197	1.373443	0.1717	1.182043
AUDREM	-0.024665	-5.757105	0.0000	1.205320
Constant	0.096057	4.172903	0.0001	
R^2	0.317697			
F-stat.	17.11173		0.000000	
Hausman Specification Test	0.979050		0.9130	
Breusch and Pagan LM Test	29.17		0.0000	

In table 2, the multicollinearity of the audit characteristics variables indicates no multicollinearity problem because their VIF values is below 10. In addition, p-value of the F-Statistics indicates that the model is fit and appropriate while both the Hausman Specification test and Breusch and Pagan Lagrangian multiplier test for random effects results support the use of Random Effect Model. From the coefficient of determination, the audit characteristics used in the study explained 31.7% variation on financial reporting quality of consumer goods firms while the remaining variation is explained by other variables not included in the model. The model is fit with f-significance less than 5% level of confidence.

The finding shows that audit firm size has negative but insignificant effect on financial reporting quality of listed consumer goods firms in Nigeria. This finding is in line with findings from the study of Dehkordi and Makarem (2011); but not in line with the findings of Branda and Ann (2005); Sawan and Alsaqqa (2013); Enofe, Mgbame, Aderin, and Ehi-Oshio (2013); Ilaboya and Ohiokha (2014) that audit firm size has significant effect on financial reporting quality.

Audit firm rotation has negative but insignificant effect on financial reporting quality. This finding agrees with the findings of Adeniyi and Mieseigha (2013); Onwuchekwa, Erah and Izedonmi (2012) but disagree with the findings of Ebimobowei and Oyadonghan (2011); Carcello and Nagy (2010).

It was found that audit delay has positive but insignificant effect on financial reporting quality. This is in line with Mohammed-Nor, Shafie and Wan-Hussin (2010) but not in line with Iyoha (2012); Modugu, Eragbhe and Ikhatua (2012).

This study found that audit remuneration has negative and significant effect on financial reporting quality of consumer goods companies in Nigeria. This finding agrees with the findings from the study of Choi, Kim, and Zang (2010); Hoitash, Markelevich and Barragato (2007); Abdul-Rahman, Benjamin and Olayinka (2017) but it however does not align with the findings of Umar (2014); Boeijink (2011); Karsemeijer (2012); Oladipupo and Monye-Emina (2016); Yuniarti (2011).

Conclusion and Recommendations

The study ascertained the effect of audit characteristics on financial reporting quality of listed consumer goods firms in Nigeria. From the outcome, the study concludes audit firm size, audit firm rotation and audit delay have no statistical significant effect on financial reporting quality of consumer goods firms in Nigeria.

Since audit firm size does not exert any significant influence on financial reporting quality, Nigeria companies in consumer goods sector who hire the services of audit firms should assess them on the basis of performance in prior engagements and not just the size of the audit firm. Competence and experience of the audit firms rather than size should be considered. Also, users of audited financial statements should subject all audited financial statements to the same scrutiny regardless of whether the audit report is from a big or small audit firm. This is to avoid making wrong investment decisions.

The study does not provide any significant statistical evidence showing that audit rotation has any significant effect on financial reporting quality. The recommendation in the Nigeria Code of Corporate Governance is encouraged.

Timeliness of audit report is important to make good investment and managerial decisions, and to achieve this the study recommends that, Nigerian Stock Exchange, Securities and Exchange Commission, Financial Reporting Council and other regulatory bodies should put in place measures to ensure strict compliance with the laid down rules and regulations regarding time frame for audit to be carried out on company's financial statement by external auditor. Also, companies should put in place measures to reduce the time lag between the financial year end and the Annual General Meeting (AGM).

The study in this circumstance recommends that auditor's remuneration should commensurate with the quantity and quality of audit expected to deliver. Attention of regulators should focus on reporting quality of companies paying high audit fee.

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CROSS- CULTURAL MANAGEMENT: EMERGING ISSUES AND CHALLENGES IN GLOBAL BUSINESS

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ABSTRACT:

Cross- cultural management is essentially discussing issues and engage of transnational businesses running in various parts of the globe.

In the late twentieth centuries business organisation or an expert group of people were strike with cross- cultural diversities in workforce values and behaviour.

With cultural convergence of economy, communications innovation, driven through information technology as well as emerge of worldwide enterprises from eastern globe has relighted activity in comprehending issues in cross-cultural (or multiculturalism) management in this millennium.

Multiculturalism/or diversity management is managing divergence of employees following shared goals. Actually, within the particular corporations, the management involves individuals originated around the globe, growing in various casts, operating towards a corporate plan, sharing unique perspective, challenging one another as well as eventually approach to creative solutions. Thus, diversity is considered to be an effective for creative cohesion.

Cultural convergence has led in a fast growing of global (multi- national) companies which has driven to companies given greater cross- cultural employees. Cross-cultural/or multiculturalism influence the performances of a businesses with many strides possibly emerge because of miscommunication/or misperception amidst the cross-cultural divergence employees.

The aim of the study is to examine the today's domain of cross-cultural management and in what ways its workforce managed in the age of cultural convergence. Moreover, also discuss the emerging issues and the challenges in cross-cultural management in global business.

KEY WORDS : Business, cross-cultural, Challenges, Emerging, Global, Issues, Management.

INTRODUCTION

Cross-cultural management specifies in what way corporation operating around the present cultural backgrounds as well as the challenge it meets like diversification relating to philosophy and principles of divergent racial group. These differences have bearing on the modes of management from leadership, motivation and negotiation (McCaughey & DeCiert, 2002)". Cross- cultural is useful to an integration of individuals through divergent culture, sub- culture, ethnic and racial groups, genders, generations group. Dealing with cross- cultural is a contemporary phenomenon. This includes overseeing and bridging the diversity of people along diversified experience to make sure which a corporate's plan are successfully achieved.

Businesses performing in cross- cultural contexts and dealing with cross- cultural successfully are better productivity for the reason that they are better competent to recruitment and engagement ethnically different workforce enhance their capability to attracting newer clients, innovate modern analysis, way of managing, developing modern models of inter-personal relationship as well as make systems which satisfy the necessity of different workforce as well as clientele in a good deal of appropriate solutions.

There are various causes for what purposes the businesses promote cross- cultural in its employees. For the purpose of managing cross-cultural successfully, it is significant to aware the challenges such as demography change, inequality across female, minorities inequality, ageing-related inequality and employees with incapacity and so on.

The wide strategies of managing cross-cultural are accepted from corporations to deal with cross- cultural. Firstly, encouraging cross- cultural by similar engagement as well as equal opportunity. Secondly, encouraging cross- cultural by organisation commitments. Thirdly, it is encouraging cross- cultural by multiculturalism and it includes of adaptation approaches, downfall previous inequalities, cultural particular approaches as well as cross- cultural ways.

The majority of the international organisation in current settings either they are in India or America, Australia, China, Japan or Singapore have cross-cultural workforce. Managing heterogeneity in workforce, diversity of marketplaces and consumers, diversity of talents has required a newer model for cross- cultural management. But it's barely correct of a country like India where majority of corporations have an individual from divergent areas talking divergent expressions, contributing some cultural value while communicating themselves into alternative approaches.

Besides, enhancing multiculturalism and wide range of multi- nationals, cross- cultural differences are seemly insignificant as well as progress of cultural diversity standards seemly major importance. Some of the study with multinational companies within India like Citi Banks, Proctor & Gamble, ICI and Caterpillar has reveal that management practices are engage in managing cross-cultural management of their workforce.

Although, the cultural environment as a significant behaviour determinant in management can't be overlooked. Ethnocentric approach in dealing with multicultural circumstances is not working anymore.

Successful cross-cultural management calls for a comprehending of the cultural environment of the teammate/or associate to collaboration as well as resolution of conflicts, their capacity for understanding the distinction in communicating mode of one another. Expression/or word don't essentially have the same connotation in cross – cultural. Though being directly and immediately, coherent, and precise communications perhaps a righteousness in the United States cultures e.g., ambiguous and indirect communications is the best approach in some of the societal development. Especially, in Indian corporations' greater communication has homonyms. Whether one doesn't work, the another will, hence, there is forever way out for the management.

Cross- cultural management should emphasis on cross- cultural communications for assuring teammate performances. Also, inter-personal skills are significant to cross- cultural performance. Whereas task- orientations is the quality of successful cross-cultural management which ensure achievement.

Although cross- cultural management renders diverse insights, various talents, wearing individuals' orientation as well as divergent competence, and it contributing to excellence of generating creative ideas that causes numerous options, religious foundation into synergism.

Most significantly, it doesn't accept a member to rely on earlier experiences and traditions/or customs and motivates themselves to explore for innovative choices. Cross-cultural management empowers a corporation to create a modern culture in accordance with homogeneousness while on cross- cultural with inter-personal skills and rapport, it builds a more effective culture.

Cross- Cultural management is at risk to pull and pressures that perhaps impact teammates cohesiveness. It's outgoings significant barrier in making convergence of purposes. Diversity of cultures norm and people susceptibility occasionally hinder a solution.

The cyberspace forecasted in the past became a truth, confusing marketplace boundaries, incorporation, acquisitions, association and ambiguous the citizenship of not only businesses even so people of the world. This which prosper be conscious that cross-cultural diversity is at that place to staying of and which certainly have to developing the potential to face and overtaken these diversities.

With the global development individuals are always moving from one nation to other on temporary appointments as emigrants and also on a sustainable when they establish their company in a overseas. Currently, there are global, internally and multinational corporations having workforce merely from the holding and beneficiary countries, while from diverse nations also as foreign nationals. With this the multicultural issues multiplying repeatedly.

This highlights the issues and challenges for executives just as in what ways to comprehend multiculturalism appreciates themselves in order that they possibly resolve multiculturalism constraints.

Hence, cross- Cultural management is the human's behaviour within corporations everywhere which indicates how an individuals or workforce along diverse cultural context working in a corporations as well as the services they would increase to the customers. It is a serious business to deal with the workforce along diverse ethnic orientation being a key component of accomplishing an efficient corporation.

Consequently, dealing with cultural diversity employees is a great significance in corporation from various areas of the world must considering due to it's a well- known fact which cultural wars can be a result for collapse of corporations to deal with various problems which shares to like conflicts/or wars. Moreover, the collaboration among divergent nations is similar importance mainly in setting resolving conflicts wherever conflicts emerge.

Managing cross-cultural is emergent when a key function, particularly whenever a corporation drive to around the world and international performance. In order to like a corporation, it is significant to have wider context on the multiculturalism amid employees, have a participation in private life of people and have a perception of greater as well as wider international effects on the corporation's performances.

REVIEW OF LITERATURE

Cross- Cultural management is valuable and have a positive influence about the achievement of global corporations activities. According to Cullen and Parvoteeah (2008), stated that global business management is indivisible from the domain of modelled cultural behaviours due to culture is described relating to the comprehensive and common opinion, faith, standards, ethics, and signs which roadmap the daily routine of diverse classes of individuals." Obinna & Farakas (2011), reports that "global managers have to adjudicate to select and adapt their strategies aligned with each country's culture. The classical approach utilized through the management to deal with culturally diversified employees are justifying insufficient and cannot manage to resolve this issue along some innovative way. Safeguarding productive relationship in a multicultural background needs each workforce and executives to responding to cross- cultural sensitivity systems of accommodate to the cross- cultural". According to Thomas, R. (1991), described cross- cultural management as "a way of thinking towards the objective of creating an environment that will enable all employees to reach their full potential in pursuit of organisational objectives".

New study also indicates that another aspect of diversity within corporations. The emphasis would be growing practices of the measurements of cultural recognized from Hofstede (1980). Also the appearance of multiculturalism leadership as a lawful as well as separate area of an effort (Dicksona, Hartogb and Michelson (2003). This indicates the commencement of the failure in the search for global leaderships theory which practice uniformly within culture, records significant progress and innovative forms in investigation about leaderships within cross-cultural environment during 1996.

Gardner & Early (2008), emphasis on the area of cross-cultural organisational behavioral issues, that Gelfand, Erez & Aycan (2007), described as " the study of cross- cultural homogeneity and heterogeneity in procedures and behavioural at workplace and the dynamics of cross- cultural inter-faces in multi- cultural domestic as well as global contexts".

Soin & scheyet (2006), focus on "narrative methods for organisational study on cross- cultural issues have also been explored. Utilising instances of story-driven researches in cross- cultural, he clarifies the possibility of this procedure. During internalisation and cross- cultural issues can't be isolated, study on organisation with international performance in the Asia Pacific rim (Ballow, 2006)". It was alleged that management frameworks like Management by objective that was highly efficient in a culture along low power-driven distance such as USA failed, in French Republic that has high power-driven distance and strong uncertainty avoidance (Hofstede, G. 1980)". There have been various researches of cultural boundaries in transferring of technologies (Bhagat et al., 1988)".

Principle of convergent describes in what way diverse corporations aim to achieve the similar efficient strategy of management. This indicates in what manner corporations aim to expect same structures and into the approach the perform their businesses. Levitt(1983), stated "convergent is a consequence of the increased international approaches of communications as well as transportation. Globalism as well as the great demands from the consumers are key factor in building corporate strategy. “

For profitable competitiveness from by businesses, it is necessary to emphasis innovativeness as well as adaptability for enabling speedy development and modification in accordance with consumer requirements (Tjosvold& Leung; 2003)”.

The concept of divergent describes in what way a business involving of workforce along diverse societal value and faith give diverse implications of a same managerial issues in a particular context. These workforces too exhibit diverse choices, perspectives and plans within the commercial strategies executions. McGaughey & De Correo(2002), “ Divergent perspectives or patterns of leadership, national and corporate culture are potential cause for divergence in an corporation. This divergence should be resolved by participation and interaction”. Divergent organisations environment has an impact on the perfect way to convergence exercises for perfect management practices. For the reason that it increases adaptability was, perfect linkage among the central office as well as the subsidiary, perfect corporate climate, best performances from workforce because of driving force and normally greater betterment.

Consequently, it's wise to end that convergence as well as divergence aspects coincide. Divergent principle is a integration of three factors like leadership, national culture and human resource management practices (Trompenaars & Woolians, 2003)”.

Even though it may be argued whether impact of cultural in management practices is downfall as a result of cultural convergence, there is an emerging use to find a inter-cultural model wherever workforce answer in the affirmative way across to the cultural to that the associate with. In cultural constrained management practices, there is a presumption which workforce are similar along with common languages as well as feeling associated with similar cultural standard.

RESEARCH METHODOLOGY

The type of information utilized in this research was mostly secondary data. The information mainly comprises of thorough examination of current literary texts consisting of Articles, Journals, text-books, websites already carried out study within the topic concerned area.

Also, identified the relevant gaps in the existing review of literatures which motivated me to take on this research.

Implementation of cross- cultural programs:

The components of an effective implementation of cross- cultural programs are described below.

Components of an effective cross- cultural programs:

The highly developed cross- cultural programs must include as follow as :

- The straightforward or clearly identify visual perception or perspectives of the organisation as a global worksite;
- Sound and unambiguous assistance by senior managers;
- Mentorship/or coaching and the utilisation of higher-end IMG executives to lead female, ethnic-groups and another divergent workforce which one have potentiality or ability;
- Group counselling which possibly support to create ethnic-groups group connecting for the assist and advice of relevant workforce;
- Adjustability plans for the recruiting, learning, retentiveness, training and development and career advancement of a different employees;
- Upward mobility or career advancement and promoting to optimize the career advancement/or development of different workforce or staff to resolve the barriers against women's advancement which prioritize restrain themselves;
- Plans or schemes to adopt families need like child care facilities and end-to-end of- life care;
- Different hours of working comprising short-time working, part-time work and work share, compressing weekly working, flexible working hours etc.
- Teleworking prospects for unconventional workforce and expatriate workforce.
- Cross- cultural and learning a languages.
- Sustained effort to evaluate the cross- cultural management plans.

  The duties and the responsibilities of the cross- cultural managers is to lead the cross-cultural and inclusiveness programs along the primary goals of building millions of changing agents through corporations which perform innovation schemes to encourage and deal with cross- cultural.

Emerging Issues and Challenges:

International executives are always faced various problems in dealing with international employees. It is because workforce cross- border has trust corporations' culture and performances. A few of the notable aspects of culture as well as obstacles which disrupts cultural renovation are stated like this:

- **Cultural Distance:** It occupy a prominent place towards evaluating the quality of cultural adjustment which workforce possibly accomplish into relocating from hometown to other nation. It influences the reactions and responsiveness of workforce within the organisations.
  The issue of workforce is to differentiate the hometown's cultures to the modern cultures indicates the higher level of cultural distance which could lead to ongoing ethno-centrism. Thus, dealing with this issue is significant to eliminate cultural boundaries.

- **Individuality:** Various workforce change into individualist instead specialist. Thus, the notion of working together finds it challenging to accomplish as a result of the workforce don't desire likely a teamwork while the mindset is greater prepared about egoism and dissoluteness.

- **Cultural Shock:** It possibly defined as a stipulation which workforce experiences through getting the problem to adjust the modern cultures due to uncertainties as well as mental confusions confronting entirely distinct cultures.
  Workforce may perhaps unknown experiences to feedback to the particular circumstances. They lost assertiveness and perhaps emotional distress. Despite the fact that, it is a global contexts and various individuals are in difficulty which perhaps issue for diverse to separate oneself and also planning to return homeland due to they haven't resolve and subdue their phobia and uncertainties.
  A few of the causes for cultural shock possibly issues are: divergent management cultures, langues, foodstuffs, dresses, drive mode, frame of mind concerning activities and productiveness, isolation by association and teammates etc. Though, if anyone is competent to manage this and make cohesive cultural team, its performance excels.
- **Ethnocentricity:** The other problem is obstacle to cultural belief which is the notion of ethnocentricity. It supports the reality which workforce from their country prioritise to practice their personal culture to the global context and working environment.
  They mostly accepted that the cultural environment and workplace in their nation is significantly improved compared to the modern circumstances that hamper themselves to adjust the modern culture. Furthermore, their judgments and understanding are in accordance with own convention which finally impacts adversely affect their productiveness and performances.
  Hence, it is necessary to realise another culture and temporarily neglect the original hometown's customs.

- **Parochial:** The individuals perhaps believe that the corporations from the nation wherever they arise and work along the parallel prospect the global market which both are regularly involve. While the truth is the global market works has broad range and obligations compared to home market activities and the framework of society is divergent from the oldest corporations.
  Therefore, the workforce be likely to parochial and they fail to understand the diversity among trust cooperation cultures and another culture and continue to conduct along theirs personal cultures across the different cultures driven through globalization. Also, they observed the indifference of their cultures and the colonial/or modern cultures leading to unappreciative of the modern cultures.
- **People's Behaviour:** people's behaviour within management structure differs cross-cultural. Hence, workforce located in different parts of countries are possibly to have multiple attitudes as well as behavioral pattern. The behavioral pattern is expected to be extensive as well as prevalent in a corporation.
- **Cultural:** Cultural alone is a significant adaptable to diversity. There're more other causes such as different norms of having life and diverse environmental circumstances that make a divergence in way of behaving. Thus, cultural is a important determinant.
- **Divergent communications patterns:** The manner employees communicate differs commonly among and also across culture. Another variant of communications pattern is languages used. Cross- cultural, few sentences and expressions are utilized differently.
  Other key characteristic of communications pattern is the level of significance provided to gesture languages.

Gesture languages expressions comprises body languages and act of kindness as well as comprises seat assembly, privacy, individual space and time perception. Besides, cultural standards concerning the suitable level of self- confidence in interacting possibly adjoin to cultural misconceptions.
The linguistic differentiations are other issue which can't be neglected whenever communicating along with employees from cultural diversity e.g., Italian speaking.

Some other challenges which global managers confront while performing with a different people:
Various causes for what purposes corporations promote cross- cultural in the employees. For the purpose of managing cross-cultural cultural successfully, it is significant to realise the below challenges:

- **Demography change:** Demography change is significant mechanism which managers possibly utilise to analysis employees cross- cultural. Demography analysis in developed economies and in underdeveloped nations such as China and India provide a strong signal on talents accessibility and etc. They as well provide managing/or leadership perceptions in to prospective cross- cultural managing difficulties or problems.
- **Racial- based discriminations:** Female in the corporation’s face gender status quo. These are understanding on employees related on whatever community trust is acceptable conduct for male as well as female. Molestation in other frame of discriminatory which influences women workforce.
- **Discriminatory ethnic-groups:** Ethnical, cultural diversity ethnic-groups face hindering typecast or cultural concern their groups. Various employees of racial or ethnic-groups groups becoming member of dyadic ethnic-groups groups, the prevailing cultural and especially their ethnical cultural.
  Incorporation standards as well as ethics of individual's cultural of birthplace possibly cause challenges and misconceptions in the worksite, especially, whenever an executive understanding only about the social standards of the plurality groups.

  Discriminatory related on aging : Former employees is important as well as essential elements of instant's workforce/or manpower. They introduce few definite difficulties for executives. Stereotyping as well as biases connecting aging along old agility incompetency and worthless into the marketplace.

- **Workforce with incapacities:** Employees with incapacities is identical problems of adverse movement which irritate female, ethnic- groups as well as elderly person. Various corporations are neglecting like adverse movement and getting affirmative actions to engage employees with incapacities as an effective workforce.

Strategies for encouraging cross- cultural in business corporations:

Following are the some approaches through which corporations possibly exhibit their commitments to encourage cross- cultural as follows as:

- **Neglecting Diversity:** various corporations have lack of efforts to encourage cross-cultural. This type of corporations doesn't have some engagement in following the rules with proactive steps.
  They are conveying a powerful information to their workforce which the forceful of diversity is insignificant.

- **Conforming with International Relations:** Few of the corporations sound their cross-cultural strategies only about conformity along proactive steps to give instruction, educational, learning, trainings, and rewards to encourage cross- cultural.

- **Implementing International Policy:** Few of the corporations imposed about to implement proactive steps while none institution strengthening for instructions, educational, and trainings for cross- cultural.

- **Reacting incompletely:** Few of the corporations completely conform along proactive steps however, describe these strategies completely marginally. Institutional framework is incomplete to help actual institutional changes. Educational as well as trainings in cross- cultural are irregular and executives reward for executing cross- cultural plans are contradictory or inexistent.

- **Implementation of complete plans:** Few corporations successfully implementing proactive steps, give continuing instructions, education, and trainings plans concerning to cross- cultural and make sure executives reward for progress and advance in accomplishing cross- cultural objectives as well as communicating cross- cultural problems.

- **Adopting efficient measures:** The more efficient cross- cultural attempts are in accordance with executives implementing of proactive steps and are advanced in union with corporate- level evaluation of the corporation's framework. In essence, a review is obligatory to find out in what way the framework help or block cross- cultural objectives of the corporation.

Merits of Cross- Cultural in Corporations:

An international corporation operating in multi- fold geographical, its accomplishment relies upon its teamwork /or co-operation shared developmental paradigm or pattern. The paradigm is concern to teammates around the globe come together into unity and amity to developing panaceas for its clients.
In these conditions, the adaptation and accomplishment of entire rely upon cross- cultural talents.
Businesses performing in a cross- cultural contexts and dealing with cross- cultural successfully are better productivity for the reason that they are better competent to hire, engage ethically different workforce.
They enhance theirs capability for attracting newer clients, innovative modern working systems and way of managing, developing modern models of inter-personal relationship

as well as make systems or /framework which satisfy the necessity of their different workforce and clients in a good deal of appropriate solutions.
“ Certo and Certo (2010), has described the merits of Cross- Cultural in Corporations which is described below :

- **Acquiring and Holding Business Segment:** Executives should realise different marketplace. Misunderstanding market research possibly outlay a corporation businesses in each of the internal national markets and global marketplace. This is also indicates thatcross-cultural in executive-levels enhance a corporation's trustworthiness along its consumers.
- **Domination of costs :** Entire corporations draw big budget in recruitment, trainings, relocation and replacement staff and in giving cut throat fringe benefits.
  Corporations possibly cut coststhrough establishing cross- cultural practises which provide conventional managers more encouraging to continue. Whenever conventional managers continue with the corporation, conventional workforce towards low-ranking believe more dedicated to the corporation.

- **Enhanced productiveness and cutting-edge :** It is discovered that workforce who believe valued, are capable and believe at convenience in their working environment enjoying their works and performing at a higher-priced ranking.
  The cross- cultural approaches has a positively impact on people's perception of fairness. It become beneficial impacts onpeople's higher morale, establishment of goals, attempts, and accomplishment. Cross- cultural became the spark which ignites cutting-edge (Johanson, F., 2005)”.

- **Excellence Management :** The openness to different teammates supports executives for developing broadness and open-mindedness. The excellence of management too possibly improving through creating more successfully human resource policies and practises. These policies when improved benefits not only single minority but also entire the workforcein the corporation”.

The study has reveal that cohesiveness as well as performance have positive correlation. Other challenges in dealing with cultural diversity teams is to handle multi-cultural discrimination as well as conflicts, though if inter-personal skills overcome cross- cultural communications, the outcome is higher performances. However, cross-cultural management emphasis below competencies :

- Inter-personal competencies ;
- Capability to encouraging differentiation as well as to manage misconception/or misinterpretation ;
- Awareness on cultural context of the teammates ;
- Knowledge of only personal social practicing ;
- Understanding of the quality of life in managing fellow by divergent cultures ;
- Better understanding of cross- cultural differentiation ;

Cross- cultural management efficacy depend upon various aspects as follows as :

- Awareness and cooperation of teams goal and individuals role ;

- Assessing and adopting encouraging comments ;
- Resolving issues by debate and investigation;
- Actual conflicts cause a advantageous proposal;
- Joint acceptance for teammates ;
- Collective leaderships inter- organisational .

It has been shown that efficient multicultural teams is capable of doing with cultural uncertainty, whenever colleagues exercises fortitude, endurance and ambiguity, whereas they are clear to divergence, adaptability in orientations, approaches, and readiness to embrace difference.

There is other significant dimensions, whenever the colleagues are capable of adjusting oneself in oneanother's shoes, wherein divergence in patterns is embraced as well as valued, where colleagues are noncritical if those pertaining to another nations.

CONCLUSION AND SUGGESTIONS

Cross- cultural management addressingwith flexibility orchangeability, adjustability and agility. It leads innovation and cultures of continuing training. This demand formulating a layout ofmodern business cultural with co- leadership wherein heterogeneity along respect for each other viewed as acore of its progress and high-tech quality.

Cross- cultural management higher performances became feasible due to its mates/or groups comprising of participants attracted by cultural diversity. They contribute a shared goals, talk the similar languages, appreciates or value the divergence in their socialisation as well as directions while strongly appreciates their commonality of purposes.

Toward like this cross- cultural groups, technological competency is the essential for its successful. Diversity of cultures in cross- cultural management has viewed as a sources of sharing unique perspective that emerge creative ways to viewing issues.

It increases synergism/or co-operation into adjudicative process as well as support to managing differences and combines domestic along the common purposes. There must be reviewing difficulties through multidimensional perspectives.

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ASSESSING FISCAL FEDERALISM AND ECONOMIC GROWTH IN NIGERIA

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Abstract

When Nigeria adopted a federal constitution in 1954—after years of British control as a unitary state—fiscal federalism was established in the nation. However, despite more than 50 years of experience with fiscal federalism and the numearous changes put in place over the years to address Nigeria's fiscal relations issue in order to encourage economic progress, the country is still beset by problems with economic growth.This study was done to find out how much Nigerian economic growth has been impacted by fiscal federalism. This study only employed secondary sources, such as academic literatures and official records, for its data. The formulated and tested null hypothesis was that there is no discernible link between fiscal federalism and Nigerian economic growth. Simple percentages were used to examine the data, which were presented in tables. The results show that fiscal federalism and economic growth are not significantly correlated; fiscal imbalances in the federal government's favour reduced the contribution of state and local governments to economic growth. This report suggests that in order to contribute to economic growth, State and Local Governments should examine internal revenue production strategies and analyse their current fiscal relationships. Additionally, it is recommended that all levels of government cut back on recurrent spending to free up funds for capital investments that will spur economic growth.

KEYWORDS: Fiscal federalism, Economic growth, Fiscal relations

1.1 Introduction

Nigeria acquired federalism and parliamentarianism from the British at the time of its independence in 1960. (Jega, 1996:89). The numerous constitutional amendments made between 1922 and 1960 helped lay a solid foundation for Nigeria's federal system prior to 1960. The 1914-established unitary organisation progressively changed into a three-regional structure with a weak central authority in 1960, four regions in 1963, 19 states in 1969, 23 states in 1987, 30 states in 1991, and 36 states, Abuja, and 774 local government councils in 1996.

This evolution of Nigeria's federal structure coincided with modifications to the revenue-sharing plans incorporated into earlier constitutions or executive orders. Further decentralisation of governmental functions to the federation's constituent units was also a result of these modifications to the federal structure. This thus had an impact on the practise of intergovernmental fiscal relations, which focuses more on how the various levels of government interact financially when carrying out their respective duties. Nigeria has a federal political economy (federalism), which denotes a set of formal administrative arrangements among branches of government with varied degrees of practical authority and jurisdictional autonomy Amusan, L., Saka, L., & Omede, A. J. (2017)..

By incorporating regionalism to the system of colonial administration in Nigeria, the 1946 constitution significantly changed the formal unitary framework already in place. Despite the fact that the constitution was not completely federal, the establishment of regional governments brought up the issue of how to divide money among the federal government, the new regional centres, and the previous native authority administration Amusan, L., Saka, L., & Omede, A. J. (2017).. Over time, the constitution, decrees, and administrative modifications have danced to the rhythm of the revenue allocation process.

The discussion concerning public sector reforms generally and the function of sub-national governments in the formulation of macroeconomic policy was sparked by the recent interest in fiscal decentralisation. Power must obviously be split between the central and other levels of government in every nation. The degree of power separation has significant effects on how well government functions and how effectively services are delivered. The division of policy-making responsibilities affects both service delivery and financing, which in turn affects a country's macroeconomic performance. Sub-central government units must make judgments about the delivery of public services at the lower level as a result of fiscal decentralisation, Nkwede, J. O., Nwali, T. B., & Orga, J. (2013). . The crucial point that needs to be addressed is whether spending by lower-level governments increases, for instance, central government fiscal imbalances and endangers macroeconomic stability. Generally speaking, macroeconomic factors including prices, the amount of money in circulation, interest rates, unemployment, and the foreign exchange rate are susceptible to abrupt changes that could jeopardise the expansion of the national economy and foster an unstable macroeconomic environment. On the basis of its spatial incidence, which spans the entire nation, this is of particular relevance in the performance of the stabilisation role, typically assigned to the central government, particularly with respect to the issue and administration of the national currency. Thus, it is clear that concerns over fiscal federalism have an impact on both macroeconomic stability and national growth.

Therefore, the purpose of this article is to investigate the contribution of fiscal federalism to the macroeconomic development of the Nigerian economy, particularly economic growth.

1.2 Statement of the Problem.

Nigeria acquired federalism and parliamentarianism from the British at the time of its independence in 1960. (Jega, 1996:89). The many constitutional amendments made between 1922 and 1960 had an impact on intergovernmental fiscal relations, which is more about how the various levels of government relate financially when carrying out their functions, prior to 1960. Nigeria has a federal political economy (federalism), which denotes a set of formal administrative arrangements among branches of government with varied degrees of practical authority and jurisdictional autonomy (Anyanwu, 2005:149).

By incorporating regionalism to the system of colonial administration in Nigeria, the 1946 constitution significantly changed the formal unitary framework already in place. Despite the fact that the constitution was not completely federal, the establishment of regional governments brought up the issue of how to divide money among the federal government, the new regional centres, and the previous native authority administration (Adebayo, 1988). Over time, the constitution, decrees, and administrative modifications have danced to the rhythm of the revenue allocation process.

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Nigeria's fiscal federalism began in 1954, when the country, which had been ruled by the British as a unitary state up until that point, adopted a federal constitution. Nevertheless, despite having used fiscal federalism for more than 50 years, the nation continues to face difficulties with macroeconomic management, slow production growth, high inflation, and a precarious balance of payments position. Nigeria's fiscal management system has not been effective or equitable since its independence in 1960 till the end of 2013. Indeed, it showed a broad range of vulnerability, with ethnicity, language, area, and religion interacting to create Nigeria's cultural pluralism matrix.

Since more than 40 years ago, the Federal Government has taken on duties that should have been carried out by the lower levels of government, which has hampered the administration of public spending and slowed economic growth. (Ike, 1981; Anyanwu, 1995; Aigbokhan, 1999; Chete, 1998; Onwioduokit, E. A., & Esu, G. E. (2018).). Although there are various reasons why fiscal federalism has gained popularity around the world, one common one is that it is thought to have the ability to boost public sector performance. According to the fiscal federalism hypothesis, providing some public goods in a decentralised manner can boost efficiency and accountability in resource allocation (Bird and Vaillancourt, 1998 as cited in Kwom, 2003 and Oates, 1999; Arowolo, D. (2011). The question is: How has Nigeria's macroeconomic performance, particularly economic development, been impacted by fiscal federalism?

1.3 Aims of the research

Investigating the link between fiscal federalism and Nigeria's economic progress is the main goal of this study. The precise goals include, Analyze the effects of fiscal federalism on economic growth empirically. Examine the underlying elements that are either supporting or impeding Nigeria's implementation of fiscal federalism;

1.4 Research Hypothesis

The proper testable hypothesis for this study, which is derived from the research question and connected to the study's goals, is one that will be empirically investigated. In the case of a null hypothesis, the following is stated:

H0: In Nigeria, economic growth is unaffected by fiscal decentralisation.

1.5 Importance of the Study

In many regions of the world, interest in issues with multi-level government financing has increased. Fiscal federalism has been embraced throughout the world for a variety of reasons, but the common factor driving much of the research on fiscal decentralisation is its potential to improve the performance of the public sector, hence enhancing possibilities for higher growth. The typical area of economic study for fiscal federalism has been established federations in developed nations. Theoretically, fiscal federalism is supposed to promote growth by distributing spending authority to the levels of government that are best able to effectively meet local demand. Therefore, this study is significant for a variety of reasons. First of all, it offered a framework for comprehending the financial relationship between the various tiers of government and their capability for service delivery. Second, the study provides a framework for policymakers to use when deciding how to improve governments in developing nations. Finally, it offered a theoretical framework for further research into how tasks should be allocated among the various levels of government to promote effective economic growth.

2.0 Review of the Literature and Theoretical Framework

2.1 Literature Review

Fiscal federalism or intergovernmental fiscal relations have been argued to be concretely positioned within the definitional idea of federalism, even with economic blending, over the years. As a result, federalism, in the words of Akindele (2009), "may be considered to describe a form of governance where revenue and expenditure functions are split among the tiers/levels of government. As a result, fiscal federalism is one of the key basic ideas that a real and balanced system of federalism should be based on. It makes it very plain that under a true federation, the federal, state, and municipal governments should not rely on one another to carry out the legal obligations and duties that the country's constitution has entrusted to them.

Fiscal federalism is distributing decision-making to lower tiers of government as opposed to keeping it centralised. Therefore, each level of government should be allowed to make choices and allocate resources based on its own priorities within its own sphere of influence. The federating units should also have the freedom to make decisions on their own in topics that fall under their purview. Fiscal federalism is a term that refers to the arrangement of the several levels of government in a federal system. Both names (fiscal federalism and intergovernmental fiscal relations) are occasionally used interchangeably. In some political contexts, it is known as intergovernmental fiscal relations. Fiscal federalism can also be understood in accordance with how it was initially described by Musgrave (1959) and Oats (1972), who said that it refers to the separation of public sector functions and finances among several levels of government. In creating this division, economists place a strong emphasis on the need to pay attention to the necessity of enhancing the public sector's performance and the delivery of their services by ensuring a correct alignment of responsibilities and fiscal instruments.

In an effort to ensure economic progress in Nigeria through public sector initiatives, the Musgrave theory of public finance was adopted to describe the duties that best suit the various tiers of government.

According to Musgrave (1959), the roles of the government are allocation, distribution, and stabilisation. The "Layer-cake" model of governance or "tripartite functions" refers to this division. According to Musgrave (1959), who was cited by Halidu (1986) and Ndan (2008), the allocation function is the process by which the government uses the resources at its disposal to provide a variety of goods and services, particularly those that might not be effectively provided and fairly distributed through an alternative arrangement like the price system. These often include public goods and services including defence, water and power supply, postal services, police protection, education, and health services. According to Halidu (1986:10), who was referenced by Ndan (2008), the government has a duty to ensure an equitable distribution of income and wealth not only among members of society but also among the various socio-economic sectors and geo-political areas of the nation. Government strives to "equalise" existing socio-economic disparities between the rich and the poor, developed and underdeveloped sectors, and advanced and wealthy states and regions and their impoverished, backward counterparts through the distribution functions. The notion of equal development in the horizontal revenue sharing among States was inspired by this function of government. On the other hand, the government's stabilisation function refers to the upkeep of high rates of resource usage and steady price levels. Due to the fact that every economy experiences times of economic fluctuation, such as booms, recessions, and depressions, the stability function emerges and becomes essential.

Application of theory to the study

According to Musgrave (1959), the roles of the government are allocation, distribution, and stabilisation. According to this classification, the central government should be in charge of stability and distribution while the various levels of government divide up allocation duties. Theoretically, it has been maintained that the central government would be better able to perform the responsibilities of distribution and stabilisation as well as to offer national public goods (Oates, 1972; Musgrave and Musgrave, 1989; Cremer et al 1995; Taiwo, 1999). According to Halidu (1986:8), the federal (or central) government would be in charge of stabilising the economy, dispersing money in accordance with social consensus, and delivering public services that are on a national scale or are crucial to national security. On the other hand, the State and local Governments would be in charge of delivering public services that are geographically more constrained, funding them primarily through benefit taxes and specific funds from the Center. The allocation function, he continued, "may be considered as the major procedure through which both the State and Local governments exert some degree of control and directly engage in the mainstream of the economy." The extent to which state and local governments are able to offer social services and basic infrastructure, i.e., by carrying out the allocation function, is the only way for them to be felt in every nook and cranny under their purview (Halidu, 1986:10). The stabilising function is susceptible to the same defence. If we suppose that a given locality wishes to increase the amount of goods and services produced, which is a measure of economic activity, we can accomplish this goal by increasing the level of public spending because it needs to be funded in some way. If the increase is funded by expanding the local government's ability to print money, other municipalities will just do the same and purchase the extra products and services made possible by the programme. This is because other locals have the ability to print money as well, therefore they will do so as well. In contrast, if the activity is funded by tax increases and individuals are mobile, other citizens would move to the area that started the programme and profit from the services offered. The federal government is better placed to carry out the stability and distribution functions of the public sector, as is evident from the information presented above. The classic economic argument for fiscal decentralisation revolves around better resource allocation in the public sector. As opposed to a central solution that assumes one size fits all, local governments are able to tailor the outcomes of public services to the desires and unique circumstances of their constituents. Additionally, in a scenario where households are mobile, people might look for jurisdictions that produce goods that meet their preferences, boosting the potential benefits from the decentralised provision of public services (Tiebout, 1956; Oates, 2006). Allocation is by far the most frequent duty that is carried out concurrently at all levels of government. Authorities from the federal, state, and local governments all heavily participate in resource allocation efforts here. In fact, the presence of a multi-level structure of government can enhance the capacity of the government as a whole to enhance resource allocation and foster general growth and development (Halidu, 1986:20). After a justification for the creation of the federal government and local governments is established, the case for multilevel or federalism government is presented. The separation of duties between the various levels of government seems to be rather simple based on the reasons put forth. The provision of national public goods and the execution of the distribution and stability functions are areas where the central government has a comparative advantage. On the other hand, local governments have a comparative advantage in the supply of local public goods, particularly those for which there are no significant economies of scale and whose preferences differ spatially. Both levels of government should coexist and be given responsibilities where they can each excel in order to benefit from these benefits. From the aforementioned, it can be inferred that the central government is in a better position than the sub-national governments to carry out the distribution and stability functions and to offer national public goods. Therefore, it is essential to have these levels of government, who should be in charge of carrying out the three functions. It will be more efficient if local jurisdictions make provisions rather than the federal government for local public goods where preferences vary spatially and where there are no significant economies of scale. Considering that doing so will inevitably ensure national progress through enhanced macroeconomic performance (especially economic growth)

3.1 Research Methodology

The structural framework, which deals with data generation, will be presented in this part. Both secondary and primary sources were used to gather the data. Secondary data are ones that have been gathered by other persons for a variety of reasons. They could consist of census data, organised data created for prior investigations or studies, etc (Francis 1978). Our primary secondary source of information was a thorough review of the available literature in libraries, reports, journals, magazines, materials from the internet, and materials from the Central Bank of Nigeria. These sources allowed us to learn about the context of the problem at hand as well as identify relevant experiences from other people. The Data Collection Method, Existing literature analysis and documents served as the only sources from which data for this study was gathered. Data can be categorised, ordered, modified, and summarised using methods of data analysis in order to make them more manageable and useful for addressing research problems (Kerlinger, 1979). An easy percentage technique of analysis was used to examine the data obtained for this investigation.

3.2 DATA PRESENTATION AND ANALYSIS

In the context of the focus of this study, it would be interesting to find out how the pattern of fiscal assignments and transfers translate to macroeconomic performance implications. A channel for this is the resultant degree of fiscal decentralization (Aigbokhan 1999). The most common measure of the extent to which a system is decentralized (or centralized) is the concentration ratio, the proportion of total direct government expenditures made by the central government. Another measure is the extent of vertical fiscal imbalance, which shows the extent of expenditure-revenue mismatch among the various levels of government. Table 1 reports both measures.

Table 1. Fiscal Imbalance in Nigeria, 1990-2007

Year	Revenue Share			Expenditure Share			Surplus/Deficiency		
	Federal	State	Local	Federal	State	Local	Federal	State	Local
1990	95.6	4.1	0.3	77.3	16.1	6.6	22.6	-15.4	-8.7
1991	94.3	5.5	0.2	76.8	15.7	7.5	24.6	-17.8	-7.45
1992	95.8	3.9	0.3	75.7	16.4	7.9	23.8	-16.7	-6.45
1993	96.6	2.87	0.53	75.0	17.3	7.7	21.6	-14.3	-7.12
1994	94.3	5.1	0.6	68.2	23.7	8.1	26.1	-18.6	-7.5
1995	95.9	3.6	0.5	70.9	22.7	6.4	25.0	-19.1	-5.96
1996	96.0	3.6	0.4	72.7	21.2	6.1	23.3	-17.6	-5.7
1997	95.2	4.4	0.4	74.3	19.3	6.4	20.9	-14.9	-6.02
1999	94.7	4.8	0.5	77.7	15.6	6.7	22.1	-15.6	-5.12
2000	93.2	6.3	0.5	76.5	16.6	6.9	21.2	-13.2	-6.3
2001	95.6	3.9	0.5	76.8	15.7	7.5	20.7	-14.1	-6.4
2002	96.4	3.2	0.4	73.6	19.8	6.6	23.7	-15.3	-5.8
2003	95.3	4.1	0.6	75.7	17.6	6.7	22.2	-14.2	-5.9
2004	95.7	3.8	0.5	79.8	13.8	6.4	21.3	-13.6	-6.5
2005	95.9	3.9	0.2	79.6	14.2	6.2	20.2	-14.7	-6.7
2006	95.8	4.0	0.2	78.4	14.4	7.2	21.8	-14.4	-6.9

2007	95.5	4.2	0.3	78.6	14.6	6.8	21.9	-15.3	-7.8

Source: Computed from CBN Annual Reports and Statistical Bulletin Various Issues

According to Table 1, between 1990 and 2007, the concentration ratio for expenditures and revenues varied between 68 and 79 percent and 94 and 96 percent, respectively. The table also demonstrates that state government revenues severely lagged behind its expenditure requirements, with states experiencing the greatest shortfall. Only the federal government was in a position to cover its expenditure requirements. More decentralisation exists in the realm of expenditure than in the realm of revenue. As a result, sub-national governments typically rely on financial allocation from the federal government for their expenditure requirements. Herber (1979) refers to these issues as vertical imbalance or non-correspondence concerns. As a result, there is a significant difference between the state and municipal governments' sources of funding and their duties for functional expenditures (Anyanwu 1999). The federal government does not operate with a budget surplus, as implied by these numbers; rather, it simply means that, in contrast to state and local governments, its revenue share outpaced its spending share. Here, two conclusions are possible. First, if the current pattern of assignment persists, states may face more severe restrictions in the future. Additionally, growth and stable macroeconomic performance could be restricted by the allocative efficiency argument, which suggests lower level service provision without frequent and sufficient intergovernmental transfers. The payment of employee salaries and contractor fees is sometimes delayed by lower level administrations for months due to the mismatch and inconsistent flow of transfers at the moment. These have a tendency to have a detrimental impact on labour efficiency, service delivery, and macroeconomic performance, particularly economic growth.

Table 1.1: CORRELATIONS

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/VARIABLES=FEDREV FEDEXP STREV STEXP LOCREV LOCEXP
/PRINT=TWOTAIL NOSIG
/STATISTICS DESCRIPTIVES
/MISSING=PAIRWISE.
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Correlations

[DataSet0]

Descriptive Statistics

	Mean	Std. Deviation	N
FEDREV	95.4000	.85147	17
FEDEXP	75.6882	3.05223	17
STREV	4.1924	.83994	17
STEXP	17.3235	3.01134	17
LOCREV	.4076	.13599	17
LOCEXP	6.9235	.61393	17

Correlations

		FEDREV	FEDEXP	STREV	STEXP	LOCREV	LOCEXP
FEDREV	Pearson Correlation	1	.056	-.987**	-.010	-.164	-.206
	Sig. (2-tailed)		.832	.000	.970	.529	.428
	N	17	17	17	17	17	17
FEDEXP	Pearson Correlation	.056	1	.023	-.980**	-.489*	-.235
	Sig. (2-tailed)	.832		.930	.000	.046	.363
	N	17	17	17	17	17	17

STREV	Pearson Correlation	-.987**	.023	1	-.068	.004	.191
	Sig. (2-tailed)	.000	.930		.796	.987	.462
	N	17	17	17	17	17	17
STEXP	Pearson Correlation	-.010	-.980**	-.068	1	.480	.043
	Sig. (2-tailed)	.970	.000	.796		.051	.871
	N	17	17	17	17	17	17
LOCREV	Pearson Correlation	-.164	-.489*	.004	.480	1	.106
	Sig. (2-tailed)	.529	.046	.987	.051		.687
	N	17	17	17	17	17	17
LOCEXP	Pearson Correlation	-.206	-.235	.191	.043	.106	1
	Sig. (2-tailed)	.428	.363	.462	.871	.687	
	N	17	17	17	17	17	17

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The aforementioned correlation analysis reinforces the claim that there is an imbalance between the government's fiscal duty and its available financial resources, particularly at the local government level. The analysis shows an inverse correlation between local government revenue and expenditure.

Table 2: Government Expenditure as Percentage of GDP, 1960-2007

	Recurrent		Capital		Total
	Total	GDP	Total	GDP	GDP
1960-1969	70.5	9.9	29.6	4.1	12.3
1970-1979	56.1	11.1	43.9	9.4	20.5
1980-1984	46.3	17.4	53.7	21.4	38.8
1985-1989	64.5	17.4	35.1	9.5	26.9
1990-1994	56.1	16.9	43.3	13.3	30.2
1995-1999	45.9	11.5	54.1	12.0	22.5
2000-2007	60.6	10.1	39.4	6.5	27.8
Average	57.1	13.5	42.7	8.9	24.0

Sources: CBN Statistical Bulletin and Annual Reports and Statements of Accounts (various issues)

Between 1990 and 1994 and 1995 to 1999, respectively, government spending varied between 30.2 and 22.5% of GDP, but from 2001 to 2007, it increased to 27.8% of GDP. Between 1960 and 2007, the average share of recurrent expenditure was 57.1% of total expenditure, or 13.5% of GDP, while the average share of capital expenditure was 42.7% of total expenditure, or 8.9% of GDP (see Table 1). Inflationary pressures, the growth of the public sector, the implementation of democracy, an increase in the service of domestic and foreign debt (interest payments only), and an increase in civil servant salaries and benefits are some of the factors that contributed to the higher share of recurrent expenditure.

3.2 Testing of Hypothesis

The assumption to be examined is that Nigeria's macroeconomic performance is not considerably impacted by fiscal federalism. Refer to tables 1 and 2 above, which illustrate the amount of revenue allotted to each level of government and its level of spending over the time periods under consideration. From the tables, it is clear that as funding for each level of government has increased, there have been fluctuations (i.e., increases and decreases) in their expenditure patterns. For instance, table 2 above shows that expenditures increased between 1960 and 1994 before decreasing between 1990 and 1994 and then increasing again. When government spending increases, recurrent spending tends to increase more than capital spending does. However, as recurrent spending declines, capital spending increases, increasing the stock of capital goods and fostering economic growth.

In light of the facts presented in the Central Bank of Nigeria's annual report for the years 1960 to 2007 and in accordance with Adam's (2010) theory of economic growth, the null hypothesis is hereby accepted. This suggests that fiscal federalism hasn't enhanced Nigeria's macroeconomic performance (economic growth). That is, the alternative hypothesis that fiscal decentralisation has a major impact on growth is rejected in favour of the null hypothesis, which is accepted. This is due to the fact that for fiscal federalism to be necessary, there must be an increasing upward movement in the GDP that is irreversible, yet the situation in Nigeria displays variability (increase and decrease). Economic growth is not conceivable because the increase in GDP is caused by recurring and not capital expenditure, and the drop appears to be more significant with capital spending (which effectively guarantees economic growth).

3.3 Findings

The test of the formulated hypothesis of this study with data generated from the secondary source led to the following findings:

I. Fiscal federalism has no significant positive impact on economic growth in Nigeria over the study period. This finding conforms to a strand of the literature that establishes a negative links between fiscal federalism, public sector efficiency and macroeconomic stability and economic growth in developing countries (Yilmaz, 1999, Cole, 2008).

II. This study also observed various reforms measures and committees set up to address fiscal imbalance in Nigeria. However, a generally acceptable decision have not been reached or carried out to reposition the fiscal imbalances among the tiers of government in Nigeria.

4.0 Summary, Conclusion and Recommendation

Fiscal federalism is the decentralisation of decision-making, as opposed to its centralization, to lower levels of government. Therefore, it should be permitted for each level of government to allocate resources in accordance with its own priorities within its own area of influence. Fiscal federalism in a country has a number of political and economic advantages. The political justification is typically based on the various qualities of the numerous areas that make up the country, while the economic justification is typically focused on the need to improve efficiency in the use of national resources. Every country is required to divide taxing and spending power between the central and local levels of government to some extent. The allocation of taxing power and spending responsibilities has an impact on both the delivery of services and their financing, which in turn has an impact on the macroeconomic performance of countries.

There is no positive relationship between fiscal federalism and economic growth in Nigeria which can improve with greater participation and performance of the State and Local governments. That is, improving the capacity of the State and Local Government in the provision of public goods and services.

On the basis of findings in this study, the following recommendations are proffered;

I. The need to reverse the age long fiscal dominance by the federal government in order to re-establish a true federal system is strongly recommended to strengthen the fiscal capacity of State and Local Governments in order to play strong role in nation building.

II. The need to diversify and strengthen the fiscal base of sub-national governments is recommended. To this end, local tax administration should be improved, unproductive local taxes eliminated, and untapped tax potentials identified. Research carried out by Uzoma (2004) has proved that while the assignment of expenditure responsibilities among tiers of government appears to accord with the conventional wisdom on such, as well as with the patterns in majority of federal arrangements around the world. Thus more decentralized governance especially in terms of increase in local government and increased transfer of revenues to lower tiers of government would stimulate economic activities and growth.

III. The need to re-size the recurrent expenditure of government in order to free more resources for capital expenditure and hence, improve economic growth, and National conference should be inaugurated comprising of all the stakeholders to fashion out an acceptable revenue sharing formula.

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