CHAPTER-II
REVIEW OF LITERATURE

A number of studies have been conducted in our country from time to time on farmer’s socio economic characteristic. A brief review of studies which have a direct or indirect fanning on the objectives of present study, is attempted in this chapter. Commeasures with the objective of the present study, the available literature was scanned and is briefly reviewed and presented under following heads.

2.1 Customer profile
2.2 Pattern of sample arrival
2.3 Establishment cost of laboratory
2.4 Financial ratios

2.1 Customer profile

Carpentier and Iverson (1996) studied characteristics of members in the national young farmer education association. A random sample was drawn of the 17,750 members nationally. A mailed questionnaire provided data for the study. NYFEA were 12 years younger than the national average for farmers; their farms were twice the size and they had a larger investment; NYFEA members sold twice the agricultural products; and, had a higher level of education than the average American farmer. Over one-third of NYFEA members worked off the farm and a majority planned to expand their farm operations. The age limitation on membership should be re examined based on the findings of the study; demographics should be considered in developing curriculum and activities for the NYFEA. Result revealed that 89 per cent of the respondents were male. The great majority were married, 84.4 per cent and averaged 1.4 children living at home. Almost all of the respondents graduates from high school. The average years of formal education for all respondents was 13.6 years with 29.3 per cent indicating they possessed a bachelors, masters, or doctoral degree.

Dwivedi et al. (2011) studied socio-economic profile of animal traders and their constraints in following animal welfare practices. The study was undertaken in Bareilly and Aligarh district of Uttar Pradesh by selecting 100 animal traders as respondents. The data were collected personally with the help of pre-structured interviews schedule and observation. It was found that majority of the respondents were in 30-50 years of age group, educated up to high school and above, had marginal
and small land holdings, had animal trading as main occupation and were in medium income categories. Regarding the constraints, majority of respondents reported lack of availability of veterinary doctor, lack of money, information, high cost of transportation, lack of government support and people support in creating the facilities in animal markets, the major constraint perceived by majority of animal traders in following animal welfare practices.

Singh et al. (2011) studied socio-personal profile of mentha growers in Ludhiana district of Punjab. For the study Mangat and Sudhar blocks were selected from Ludhiana district of Punjab because these blocks were having maximum area under mentha cultivation in the district. 85 mentha growers from Mangal block and 65 mentha growers from Sudhar block, each have a minimum 1 acre of land under mentha cultivation, were selected using probability proportional to size sampling to make a total of 150 respondents in the sample. The data were collected with the help of the interview schedule. Most of the respondents belonged to the age of 20-41 years and majority of the respondents were matriculate, 50.66 per cent respondents had operational land holding between 1-37 acres, 78 per cent respondents had 1-14 acres of area under mentha cultivation and 62.66 per cent respondents had 1-8 years of experience in mentha cultivation. Majority of the respondents had low level participation in extension activities. Wide publicity should be given to the various extension activities to be organized. The farmers need to be motivated for participation in various extension activities like meetings in village regarding mentha cultivation, village training camps, field days, kisan melas etc.

Chaturvedi (2014) studied personal characteristics and behavior of small scale dairy farmer: An Empirical Analysis. The presented study is conducted on the basis of a sample size of 351 units, drawn randomly from the Ghazipur district of Uttar Pradesh on the basis of a questionnaire constructed for the purpose. The questionnaire contain besides personal characteristics of Milk producing Owner. The variables that are included in the study may be define under the heads of personal characteristics such as age, level of education, sex, caste, religion, type of family which owner belongs to, type of the ownership and aim of production. The data on above mention variably are collected from cross section of Small scale dairy farmer belonging to study area. Ghazipur district of Uttar Pradesh is marked by mass poverty, unemployment, lack of Diversification of economic activities and lack of enterprise.
Most of the people reside in rural areas and are associated directly or indirectly with agriculture. On one hand, development of small scale dairy farmer on the line of small and medium enterprise offer useful link between agriculture and industry. Generally this is a business carried on traditional line. Behavior of farmer, caste, education & religion play an important role in opting for this occupation.

Preethi et al. (2015) studied on profile characteristics of SHG women in Chitter district of Andhra Pradesh. Chittor district was selected purposively for being one of the district where highest numbers of SHG’s are in operation. Two village from each mandal and four mandals from district, 10 women from each village making a total of 80 women were selected by simple random sampling technique. Ex-post facto research design was adopted for the study. Result reveal that majority of women are middle aged, educated up to primary school, having nuclear families with medium family size, belonging to the backward caste, with agriculture and farming as their main occupation and have medium income levels and urban contact.

2.2 Pattern of sample arrival

Ravichandra and Banumathy (2011) studied trend in area, production and price movement and marketing strategies of chilli in Guntur district, Andhra Pradesh. The sample size was fixed as 60 farmers, comprising 30 respondents from regulated market 30 unregulated markets and the collected data were analysed by using simple percentage analysis, linear growth rate, Garret’s ranking and seasonal price index. The trend line showed linear trend in chilli arrivals and prices and it also inferred that there is a decreasing trend in arrivals and increasing trend in prices. The average price index was high (109.35) in lean season and it was less in peak season (97). The analysis on marketing strategy of farmers sold their produce immediately after drying, and all the farmers were having the practice of primary grading like removal of discoloured and damaged chilli. The respondent’s ranked cumbersome marketing procedure in regulated market was the prime reason and ranked it as the first problem.

Mittal et al. (2012) studied investor preference and promoter’s ownership pattern in graded IPOs of India. The purpose of this grading was to provide retail investors with a ready-made assessment of the fundamental quality of the issuer of an IPO, so that they could make a better and informed investment decision in an era of information overload. Grading of IPOs is subject to severe criticism. Critics question
efficacy and effectiveness of this process. However, the findings of this paper suggest that IPO grading does influence investor preference and demand. Further, strong negative effect on post-issue promoter’s ownership holding is noted. The paper infers all investor’s classes, including retail investors, benefit from IPO grading.

Sinha (2013) studied emerging trends in distribution in the life insurance sector in India: A study of few leading players. This exploratory research discusses the various distribution channel operating over period from 2005-06 to 2009-10. The researcher considered seven dominating players in the life insurance industry to understand the recent pattern in distribution. The analysis clearly shows a move-away from traditional channels by the private sector.

Tomes (2014) analysed trend analysis of human resource development representing the base for researchers in selected economics. An analysis carried out on higher education graduates, who can be considered a base of a group of researchers, and the number of inhabitants. A method such as regression analysis for empirical data variables dependence was used. An assessment of quantitative indicators related to the number of inhabitants and the number of higher education graduates was performed by regression analysis. An analysis on higher education graduates and the number of inhabitants was conducted with the same method. Based on the analysis values of all variables, a comparison of the countries carried out. Regression analysis of the time series ratio values has shown increasing proportion of graduates with tertiary education per capita in all selected economies. This is a positive prerequisite for the fulfilment of the target group of researcher. Regression analysis of the time series ratio values has shown of scientists per tertiary graduate absolvents has decreased. This trend is seen negative, therefore some recommendations are proposed in the article.

Verma et al. (2014) examined market behaviour, arrivals, and price behaviour of cumin in Mandor market of Jodhpur districts, Rajasthan. The present study was conducted in Jodhpur district of Rajasthan, Two tehsils, namely Looni and Falodi were selected on the basis of highest production and area. Six villages were selected randomly from the selected tehsils. Primary as well as secondary data were utilized in the study. The marketable and marketed surplus ranged between 95 per cent to 97 per cent on different sized farms. The sample farmers disposed of 85.74 percent surplus cumin seed in the Mandor regulated market, and only 14.26 percent of the surplus cumin seed was disposed in the villages to village tenders. 53 percent was sold in the
first quarter immediately after harvest (March to May), and the remaining 47 percent was marketed in the remaining three-quarters of the year (August to February). Small-size farmers disposed off their total surplus cumin seed in one lot as against the medium and large-size farmers, who disposed of their total surplus in two and more lots. It was noted that 63 percent of the cumin produce arrived in the first quarter of the year. The arrivals were 17.93 percent, 8.54 percent and 10.02 percent in the second, third, and fourth quarters. The value of the correlation coefficient between yearly arrivals and prices of cumin were negative in four years and was positive only in one year out of the five year study.

2.3 Establishment cost of laboratory

Reddy and Reddy (1995) examined economics of mulberry silk reeling in Chittor district. A sample of 75 charkhas is conveniently chosen out of 150, on the basis of random sampling technique. Four filature units and two cottage basins are presently working in the district. Hence, all the cottage and filature basins are to be necessarily chosen. In all, 81 units are selected for the present study. The data are elicited through personal interview method by administering a schedule specially designed for the purpose. It may be conclude that among the units, 69 earned profits while 12 incurred losses. All the cottage basin made profits while all the filatures incurred losses. In the case of charkhas, 90 per cent of the units earned profits and the rest incurred losses. The average profit per unit in charkha and cottage basin techniques is estimated to be at Rs. 29,365 and Rs. 28.875 respectively. Similarly, profit per kg works out to be Rs. 38.52 and 56.51 for the former and latter sequentially.

Alagumani (2005) studied economic analysis of tissue-cultured banana and sucker-propagated banana. The study has been conducted in the Theni district of Tamil Nadu using personal interview method. Probit model has been employed to find out the factor influencing the adoption of tissue culture. The study has revealed that tissue-cultured banana is more profitable to farmers than sucker-propagated banana. The resources could be utilized efficiently in TCB. Gross income and bunch weight are the major factors influencing the adoption of TCB. Also, the risk is lower in TCB than in SPB. The study has suggested that farmers should be encouraged to adopt TCB to get higher yield and profits
Reddy and Kumar (2010) studied an economic appraisal of mango processing plants of Chittor district in Andhra Pradesh. Multistage stratified random sampling technique was employed for the selection of mango processing plants. In Andhra Pradesh, Chittor district was purposively selected for the study as it has maximum area under mango cultivation and has large number of mango processing units. The list of processing units was prepared and 14 units from small scale units, 4 from medium scale and two from large scale units were randomly selected. The various tools used to assess the feasibility of the processing unit. The study conclude that the investment in mango processing plant has least pay-back period for small firms (5.25 years) followed by that of large firms (5.99 years) and medium firms (6.89 years). The shorter payback period for mango processing plants provides an important opportunity for an entrepreneur. The break-even point for small firms (Rs. 113.54 lakhs) is lowest followed by medium firms (Rs.380.97 lakhs) and large firms (Rs.1138.85 lakhs) respectively. The total cost for small firm (3.26 crers), for medium firm (9.84 corers) and for large firm (25.92 corers).

Ibrahim et al. (2015) evaluated of groundnut processing by women in a rural area of north central Nigeria. 100 women processors randomly selected from the study area. Data analysis was done using descriptive statistics. Net farm income model used for analysis. The average pure technical and scale efficiency scores were 80 and 83 per cent respectively. The major constraints confronting the processing of groundnut include inadequate capital for expansion and lack of processing machines. A significant opportunity exists for empowering rural women through groundnut processing.

2.4 Financial ratios

Kumbairai and Webb (2010) work out the financial ratio analysis of commercial bank performance in South Africa. This paper investigates the performance of South Africa’s commercial banking sector for the period 2005-2009. Financial ratios are employed to measure the profitability, liquidity and credit quality performance of five large South African based commercial banks. The study found that overall bank performance increased considerably in the first two years of the analysis. A significant change in trend is noticed at the onset of the global financial crisis in 2007, reaching its peak during 2008-2009. This resulted in falling
profitability, low liquidity and deteriorating credit quality in the South African Banking sector.

Reddy (2012) analysed of liquidity, profitability, risk and financial distress of Dr. Reddy’s laboratories Ltd. In view of the objectives of the study exploratory design was adopted for the present study. The study is based on secondary data and on discussions with the concerned personnel. The financial ratios are the tools that were applied for data analysis in the present study. The Altman’s Z-score model has been employed by the researcher to predict the risk of financial distress of Dr. Reddy’s laboratories Ltd, from the year 2005-2011. The result indicates that the liquidity and solvency position of the company have been satisfactory. The Z-score analysis revealed that the company was not suffering from financial distress and there are indications of turnaround activities already undertaken by the company.

Maheshwari and Agarwal (2013) worked out the financial performance of SBI through financial ratios. For this purpose, financial ratio analysis has been used. With the help of this analysis, it was inferred that in the public sector banks, it is the top ranking bank in India, with its performance in terms of financial soundness being the best. For this analysis, profitability ratio, management efficiency ratio, balance sheet ratio, and cash flow indicators were used. Results indicate performance of SBI in the study period has been excellent. SBI’s excellent performance can be attributed to the adoption of modern technology, banking reforms, and good recovery mechanisms. However, SBI needs to improve its position with regards to a few parameters including debt-equity, operating profit, and non-interest income to total income.

Matthew et al. (2013) analysed financial ratio analysis as a determinant of profitability in Nigerian pharmaceutical industry. These financial ratio analyse have immense potentials to help organizations in improving their revenue generation ability as well as minimization of costs. The researcher used five variables for the analyses such as: inventory turnover ratio, debtors turnover ratio, creditors velocity, Total assets turnover ratio and gross profit margin. Profitability as a dependent variable is represented by Gross profit margin while financial ratio analysis stands other four variables for independent variables. Secondary data were obtained from the financial statements of the selected quoted pharmaceutical companies’ financial statement. The data have been analysed using descriptive research method and multiple regressions to find out the relationship between the variables. The results of the analysis showed
that there is a negative relationship between all independent variables with profitability in the Nigerian pharmaceutical industry. It also revealed that debtors’ turnover ratio, creditors velocity and total assets turnover ratio have no significant relationship on the profitability of the company while only inventory turnover ratio shows a significant relationship with profitability. It is also recommended that creditors velocity should be at a point where the creditors and purchases are equal in order to take the advantage of credit facility and any discount associated with prompt payment for goods to increase the profitability of the company. The management should utilize its assets efficient in generating more income for the company.

Islam (2014) analysed the financial performance of national bank limited using financial ratio. This paper measured the performance of NBL over the Financial 2008-2013. Analyse the ratio here used financial ratio analysis method which help to draw a overview about financial performance of the National bank limited in terms of profitability, liquidity and credit performance. To test the hypothesis the study has been worked on student t-test by using SPSS. These analyses helps to see the current performance condition of this bank compare past performance. The performances of banks are dependent more on the management’s ability in formulating strategic plans and the efficient implementation of its strategies. The study findings can be helpful for management of National bank ltd. always for private commercial banks in Bangladesh to improve their financial performance and formulate policies that will improve their performance The results indicate that the overall bank performance in terms of profitability, liquidity and credit performance has been improving since 2008 up to 2011 and declining at 2012 including 2013. Banks increased the size of their portfolios during the period.