"POTENTIALITY OF SMALL SCALE BAKERY UNIT FOR ECONOMIC EMPOWERMENT BY UNEMPLOYED YOUTH"

by

Bindu Yadav

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Dedicated to
God on Earth
&
My loving Parents

Certificate - I

This is to certify that the thesis entitled, **"Potentiality of small scale bakery unit for economic empowerment by unemployed youth."**, submitted for the degree of M.Sc., in the subject of Home Science Extension Education of the Chaudhary Charan Singh Haryana Agricultural University, Hisar, is a bonafide research work carried out by Ms. Bindu Yadav under my supervision and that no part of this dissertation has been submitted for any other degree.

The assistance and help received during the course of investigation have been fully acknowledged.

27/9/99

[DR.(Mrs.) S.K. VERMA]
Major Advisor, Assoc. Professor,
Deptt. of Home Scienc Extension education
CCS Haryana Agricultural University,
Hisar - 125 004

Certificate - II

This is to certify that this thesis entitled, **"Potentiality of small scale bakery unit for economic empowerment by unemployed youth."**,submitted by Ms. Bindu Yadav to the Chaudhary Charan Singh Haryana Agricultural University, Hisar, in partial fulfilment of the requirement for the degree of M.Sc, in the subject of Home Science Extension Education has been approved by the Student's Advisory Committee after an oral examination on the same.

MAJOR ADVISOR

HEAD OF THE DEPARTMENT

DEAN, POST-GRADUATE STUDIES

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Chapter - I

INTRODUCTION

Small scale sector occupies a central place in Indian economy. Small Scale industries paly a vital role in accumulation of the human capital and its effective investment in the development of the country. The term human capital formation means increasing persons with skill, education, training and experience. That is why scientists have always emphasized for special mechanisms to promote credit flows to the small scale sector, enabling small enterprises to raise equity in the capital market on more favourable terms than they are able to do now. Thus, there is need to promote small scale industries to ensure regional and balanced industrialization of our country.

Small scale industries are defined as an undertaking having investment in fixed assets in plant and machinery whether held on ownership or any lease or by hire purchase not exceeding Rs. 35 lakhs. While in case of Ancillary Small Scale Industries, the limit of the investment in fixed assets on plant and machinery is extended from Rs. 35 lakhs to Rs. 45 lakhs. Recently, it has been proposed that the industries in which investment in plant and machinery is upto 60 lakhs are considered as small scale industries. At present there are 9.57 lakh registered and 5 lakh unregistered units in

small scale industries sector producing over 5000 products like electronic and electrical equipment and components, machinery, consumer durables, sports goods, food products, leather goods etc. worth Rs. 72,250 crores and employing about 101 lakh persons.

The growth of small enterprises in India have been recognized as one of the most significant features of planned economic development. The share of small scale industries in the industrial production is more than 50 per cent of the total industrial production in terms of gross value of output and 80 per cent of the total industrial employment in this sector.

In view of the competency established by the small scale sector, the Government of India has embarked upon a policy of reservation of a large number of items for exclusive manufacture in the small scale sector. Out of 850 itmes about 409 items reserved for small scale sector. Unfortunately, food items reserved for small scale sector hardly enjoy this facility.

Any country which starts developing its economy concentrates on the development of its food industry, primarily because food is as basic requirement for humen being. And yet, in India, where food processing accounts for 26 per cent of the country's GDP and more than 60 per cent of the employment is neglected. Indian agriculture grew 3.3 per cent during 1990-95 as against the industrial growth of 7.5 per cent annually. Under food processing industries, the majority of processing units (about 53%) are small scale units.

Ministry of food processing industries was set up in July 1988 to give an impetus to the development of food processing industries in the country.

In the era of economic liberalization, the Ministry can acts asa catalyst for bringing in greater investment in this sector, by encouraging exports and creating a conducive environment for healthy growth of the food-processing industry.

The past growth pattern of these industries was spontaneous, unregulated and based solely on the trade infrastructure such as power, banking facilities, markets etc., which were available only in urban areas. But now tthe Government is making efforts to extend these facilitoes gradually in rural area. The Ministry of Food and Agro-Industries is committed to allocate 50 per cent of plan outlay to the rural sector, and the new agricultural and industrial policy statements are also designed to give greater emphasis on the employment oriented agro-industries.

At the same time, we have to ensure that while our economy develops, the poorer sections of our society are also enabled and empowered to take fuel benefits of the opportunities of growth. This means greater emphasis on vocationalisation and technical training. For this, we have to keep the doors open and let the noble ideas come from all directions of society.

It is difficult to say what type of industries are suitable for women entrepreneurs. They can venture into any trade or services depending upon their family background, education, attitude and specialised training, if any. These women who have received technical education and training can start their own units with the assistance from banks and financial institutions. The small scale and cottage industries and the service sector are considered to be most protected field for women entrepreneurs. Nonavathy (1992)

reported that there are many income generating enterprises which can be started at household level like mat making, chalk making, stiching, embroidery, basket making, match box making etc. Prospects for small and cottage industries in India are bright. These industries can generate employment, contribute to the national income and have excellent export potential. Such enterprises make the women self-reliant and improve the living standard of their families by additional income. However, around 94 per cent of total women work force is employed mostly in unorganized sector such as agriculture and agro-based industries etc. In recent years, there has been a significant shift in the occupational pattern of women, especially among those staying in metropolitan cities. They have moved from traditional industries like papad and pickle making and baking to sophisticated industries like electronic software and consultancy.

Since, latest technology is not always the best technology, knowledge is necessary and welcome from all quarters. Hence we have to chalk out paths for development of national economy from as many directions as possible. One of such directions is through Bakery industry. Bakery industry holds the key to prosperity and plays a major role in Indian economy.

Bakery industry in India is probably the largest of the processed food industries. The two major bakery industries, viz., bread and biscuits, account for about 82 per cent of the total bakery products. The most common bakery products which includes bread, biscuits, pastries, cakes, buns, rusk, etc. That is why bakery has been accorded a status of thrust area by the government by assuming the remunerable prices for wheat and sugar The expansion of

bakery industry has a good future. It is necessary that it should be given sufficient input in terms of making the whole industry develop itself for domestic as well as export market. Bakery products has a good market potential, specially teenagers prefer ready to serve baked products. They are becoming the choice of young generation.

The bakey industry in India comprises of 'organized' and 'unorganized' sectors. The organized sector consists of large, medium and small scale manufacturers who packaged biscuits, breads and fight their production data with the Directorate General of Technical Development. The production of bread and biscuits in the country both in the organised and unorganised sectors is estimated to be around 15 lakh tonnes and 11 lakh tonnes, respectively. Of the total production of bread and biscuits, about 35 per cent is produced in the organised sector.

There is a vast untapped potential which exists for stimulating the growth of biscuits industry for achieving an annual per capita consumption of 2 kg biscuits by the year 2000. This will amount to a turn over of about Rs. 4000 crores per year on current prices. This will give a growth to the agriculture as well. Biscuits require raw materials which are agro-based to the extent of 90 per cent.

In keeping with the recent liberalization policy of the government, the bakery industry also be deserved. So that it does not affect the economy of scale for bulk production, resulting in lowering of the cost. Food and Agriculture Integrated Development Action (FAIDA) report on the food

industry feels that there is an enromous potential for this industry. The total food market is at Rs. 2,50,000 crores and FAIDA predicts it to grow to Rs. 5,00,000 crores by 2005. During this period, the market of value-added food products will grow more rapidly, tripling from Rs. 80,000 crores to Rs. 2,25,000 crores. The Bakery industries should focus on quality excellence to survive, otherwise, they will vanish in the way. It is a great challenge for the industry to reduce the cost of manufacturing by improving the productivity and evolving more innovative methods of baking to reduce the consumption of energy. Further, government should help the bakery industry by reducing taxes in keeping with the policy of encouraging agro-based food processing industry.

Bakery industry is the largest constituent of processed food industries in the country. Bakery industry provides direct employment to about 2 million people and there is no estimate for indirect employmen through various sectors. As much as 55 per cent of the total biscuits are consumed in rural areas. On the other hand, India is the second largest producers of biscuits after U.S.A. Representatives of the miling and bakery industry have urged in centre to accord recognition to the bakery industry.

The recent technological development in baking offers better prospects for all sections of people particularly for those who have poor land base and have abundant of labour. Thus increasing income and employment of rural and urban youth through bakery is in confirmity with National Nutrition policy objectives, with these considerations, the present study was proposed with the following objectives :

1. To assess the performance of small scale bakery units.
2. To test the economic feasibility of small scale bakery units.
3. To ascertain the acceptability of selected technology for income generation by unemployed youth.

Scope of the study

The present study is an attempt to assess the performance, to test the economic feasibility of Small Scale Bakery Units and acceptability of the technology for economic empowerment, i.e. developing entrepreneurship and starting income generation projects in rural as well as in urban areas by youth. Since no study has been conducted so far on such aspects, therefore, this study will provide data base and important scientific information about the prospects of Small Scale Bakery Units for income generation. The finding of the study will be of some use to the policy makers engaged in the promotion of various programmes for development of whole society in general.

This will also be of importance to the entrepreneurs to establish their own units and will act as torch bearer for them.

Limitations of the study

The present study is being undertaken as a student research programme and hence it has natural limitations of resources, particularly time and money. The problem becomes more acute when a field study is done by a female student, requiring a lot of field visits. The study has been confined to two districts.

The entrepreneurs hesitated to give the required information easily and accurately in first instance and lot of efforts had to be made in establishing rapport with them before collecting the desired information.

Chapter - II

REVIEW OF LITERATURE

Although literature on economics aspect of income generation project in India is scanty yet an attempt has been made to review the available literature on economics and importance of small scale industries, acceptability of small enterprises by youth for economic empowerment andconstraints in starting income generation project.

2.1 Economics and importance of small scale enterprise

Ali (1987) found that the village and small industries constitute an important segment of the economy. It provides maximum employment to the agricultural sector and accounts for more than one third of the total exports of the country.

Azad *et al.* (1987) reported that the setting up of a mushroom processing unit on a cottage scale will not be a very difficult preposition as it can avoid gluts of fresh mushrooms in the market. He further revealed that the unit can generate employment for six persons per day to process, 20,000 kg fresh mushroom and can earn about 32 to 34 per cent more profit per annum.

Christie and Shah (1987) designed khoa making machine of stainless steel with power derive designed and its performance was evaluated by a

committee of experts at Gujrat Agricultural University. Keeping in veiw of the good result obtained on the prototype as well as commercial model, the machine could well be used for other dairy products specially with high viscosity.

Arora and Gupta (1988) stated that the soybean processing industry has developed in the country during the last two decades with marked governmental support. It has, however failed to achieve its basis objective of making available soya products for human consumption at cheaper rates. It is believed that unless the cost of production of soya products or the cost of processing of the soybean industry is reduced, the soya products are not likely to be accepted for mass consumption.

Tewari and Kapoor (1988) revealed that the mushrooms are highly perishable. Therefore, glut in the market is suicidal to the growers some of the mushroom growers are adopting processing of mushroom in the form of pickles to escape much unwarranted situations. Out of the 24 sampled growers, 5 were processing mushrooms in the form of pickles.

Agarwal (1989) concluded that the level of profit margin result in yielding good returns to the owners of processing units on per annum bases and agro-processing of oil seeds and pulse grains is a remunerative business entity for the entrepreneurs. All the processing units operate at a level higher than their break even quantity.

Azad *et al.* (1989) pointed that the comparative cost and return analysis of sugarcane products; gur, khandsari, sugar in Meerut district of Uttar Pradesh showed the net returns per quintal to be significantly higher in crystal

sugar as compared to khandsari, sugar and gur. The percentage return to total cost of production was found to be highest, being 12 per cent for gur followed by cristal sugar being 11.6 per cent and minimum being 6 per cent in the case of khandsari sugar.

Bawa and Kainth (1989) analysed that the profits in rice milling industry as a per cent of own capital declined with an increase in the installed capacity. Higher profitability on smaller units is responsible for mushroom growth of smaller units.

Because of high cost of plants, machinery, buildings, depreciation turns out to be abnormally high for more than three ton-units. It is debited for the whole year, though the industry is a seasonal one. Recovery percentage, has a positive correlation with the unit size.

Nagaraj *et al.* (1989) found that the economics of processing of fruits revealed that the overhead costs accounted only 12.25 per cent of the total costs. Among recurring expenses the cost of fresh fruits accounted for 48.05 per cent of the total cost followed by other material cost 12.5 per cent, labour 7 per cent, advertisement 6 per cent and taxes 5 per cent. The estimation of break even volume indicated that the firm at present is operating at around 40 per cent of its installed capacity, indicating a high degree of under utilization. The Karnataka Agro fruits firm is running into profit.

Pandey and Singh (1989) observed that the units processing Lac were affected by the level of demand for Lac in the market. The price of processed products like seedlac and shellac per unit increased two fold to three fold respectively over those paid to lac growers due to recovery of about 55 per

cent seedlac and 80 per cent shellac after processing from an unit (quantity) of sticklac and seedlac, respectively.

Rai and Singh (1989) reported that the capacity utilized to total installed capacity was 99, 88 and 85 per cent for the small, medium and large sized mills. The total cost of processing amounts to Rs. 7.16 and the net return was found to be Rs. 6.84 from hulling per quintal of paddy.

Singh *et al.* (1989) stated that there are only two guava processing units in Allahabad. The producers share in the consumere's rupee in procssed guava increases to 69 per cent against 55 per cent if sold unprocessed.

Sri Niwas *et al. (1989) revealed that the study of the economics of* three type of existing units i.e. oil mills, expellers and Kohlu in Hisar district revealed that the cost of processing per quintal of oilseeds amounted to Rs. 8.17, 9.24 and 11.22 for these three types of processing units respectively indicating that with the decrease on the plant size. The cost of processing per unit increased. The fixed cost per quintal of oilseed increased with the size of plant while the variable cost per quintal decreased with the increasee in the size of plant.

Azad *et al.* (1990) concluded that the variable cost per quintal of crystal sugar was observed to be significantly lower in the sugar factories of private sector in Meerut as compared to the respective figure in public and cooperative sectors. The higher variable cost per quintal of sugar in the sugar factories of public and cooperative sector was mainly due to poor and inefficient management, old plant, lesser efficiency in the maintenance of plants and equipments. Total fixed cost in sugar factories owned by private

management was observed to be higher per quintal as compared to government controlled factories due to comparatively higher plant value, higher strength of permanent labour and technical staff. Total processing cost and average cost of production per quintal of crystal sugar in private factories was lower.

The percentage net return to total cost of production and net returns per quintal was higher in private as compared to public and cooperative factories.

Dak (1990) pointed that alternative lies in the setting of millions of tiny, small, cottage industries in the rural areas adding value of the locally available raw material, fruitfully utilizing the vast untapped human energy and giving jobs, incomes, purchasing powers for better living to rural people.

Malik *et al.* (1990) found that the processing cost per unit decreased with the increase in the plant size of processing unit of wheat flour reflecting the economics of scale. The total fixed cost and variable costs increased with the increase in the plant size.

Purushotham (1990) reported that the growth performance of small rural poultry differed from region to region. In some regions small scale rural located units were found to be loosing ground to more large scale and intensive units. While the economics of scale were partly responsible for this, the small units did not get adequate extension services and institutional credit as compared to the large scale intensive units. Wherever close coordination between promotional agencies and farmers, organised marketing systems for poultry products and adequate credit was extended, the small units have successfully established and have co-existed with large scale

intensive units.

Shetty (1990) stated that the major objectives of the District Industries Centre programme are to generate larger employment opportunities in the rural and background areas by assisting small, cottage and village industries and dispersal of industries coupled with income distribution.

Singh and Vyasulu (1990) revealed that the small scale food processing industry in Punjab shows a low relative efficiency. The small scale sector was found to be more capital intensive, both in fixed capital/labour and fixed capital/output as compared to the factory and the sensus sectors of food processing.

The capital and labour productivities were low in small scale sector. The fixed investment per worker on the average was between Rs. 40,000 to 45,000 in the small scale sector, it was only Rs. 25,000 in the other two sectors. The output-fixed capital ratio was only 3.5 in the small scale sector as compared to more than 10 in the other two sectors. The output labour ratio in these was labout 1.5 to 2 times higher than that in the small scale sector.

Veerkar and Borude (1990) concluded that in the processing of mango into pulp the share of fixed capital was less than that of working capital in all categories i.e. small, cottage and large scale except in home scale factory in which share of both the capital was about 50 per cent each. At overall level, the total number of tins of processed mango i.e. pulp was 38,593. The cost of processing was Rs. 7,45,638.22 and the gross value obtained worked out to Rs. 10,08,983.53 giving a net profit of Rs. 2,63,345.31. The total

cost of processing for a single tin wasRs. 20.26 in home scale, Rs. 21.22 in cottage scale, Rs. 19.60 in small scale and Rs. 18.73 in large scale, with overall cost of Rs. 19.32. Out of the total cost, maximum share was of raw material, the other was interest on capital labour cost, depreciation and other charges. More working capital is required than the fixed capital.

Bano *et al.* (1992) pointed that the mushrooms in their fresh state have a very short life. Processing assumes greater importance in this context to extend their shelf life.

Chattergee (1992) confirmed that small scale industries provide more employment, ensure more equitable distribution of national income and facilitate resource and skill mobilisation.

Kaul (1992) observed that the Indian Food Industry promises a return on investment and with sincere efforts, it can never decline in its potential of growth.

Kumar and Kumar (1992) found that all the beneficiaries who were found to live below poverty line prior to implementation of DWCRA have now crossed the poverty line on an additional income of Rs. 200, 345 and 380 in tailoring, durri and mat making trades, respectively.

Nanavathy (1992) reported that there are many income generating techniques which can be started at household level like mat making, chalk making, stitching, basket making, match making etc. Prospects for small and cottage industry in India are bright. These industries can generate employment, contribute to the national income and have excellent export potential, such techniques improve the living standard of their families by

additional income.

Singh and Gupta (1981), Waseem (1990), Chelladurai (1991) and Snonymous (1992) reported that there is a promising prospect for small and cottage industries in India. These industries can generate employment, contribute to the national income and excellent export performance.

Subramanyam and Sudha (1992) concluded that it is economically feasible to run a small scale tomato processing plant in rural areas as the area required for supply of minimum quantity of raw material of 130 tonnes for running a small scale processing unit is hardly 3.0 to 6.5 hectares depending upon theyield (variety cultivated). The cultivators of tomato will be highly benefitted by processing and selling the processed product as it will give nearly three times more net additional returns as compared selling as fresh vegetable in the market. The capital requirement for starting the small scale unit is around Rs. 10 lakhs.

It is feasible to start the processing plant as a cooperative venture in rural area as the number of cultivators required for supplying the raw material for successful running of the plant is hardly 7 to 14 depending upon the variety cultivated.

Reddy and Prasad (1993) stated that in processing of silk the total cost incurred to produce one kg of raw silk was Rs. 403.69. Out of this, 99.34 per cent was variable cost for items like value of cocoons, labour, water, fuel, marketing charges and only 0.66 per cent was fixed cost. The lower fixed cost reflected low investment requirement in silk yarn production. The net return per kg of silk yarn was Rs. 28.84, which was highly rumenarative.

Each charkha unit with two basins produced 1.30 kg per day silk yarn, the net profit per day at the rate of Rs. 28.84 per kg was Rs. 37.50.

Subrahmanyam and Sudha (1993) reported that ketchup/sauce is the most important processed product for small /medium scale unit. The cost of processing one tonne of finished product was found around Rs. 11185 and expected return Rs. 13603. The raw material and packcing cost account for 71 per cent of the processing cost. The input-output ratio of 2.22, showed that the processing is highly profitable.

For establishing a small scale cooperative processing unit of 150 tonnes crushing capacity, the capital investment required was around Rs. 10 lakhs which include land /building and machinery -besides working capital of around Rs. one lakhs towards payment of salaries, raw material cost and other contingencies. The unit should produce atleast 32-42 tonnes of finished product per annum if the unit has to run under no profit no loss level. From each tonne of tomato processed and sold results in an additional return which is nearly three times more than the net returns realised from sales in fresh form.

Anonyonous (1994) analysed that once an industry or activity is identified as having a good scope and potential in terms of employment as well as productivity it is most appropriate to give it an all out support from all angles.

Anonymous (1994) observed that small scale industry has sizeable weight in India's Index of production, employment generation and foreign exchange earning.

Anonymous (1994) found that small industries have made increasing large contribution to exports and account for 50 per cent of total industrial production in terms of gross value of output and 80 per cent of the industrial employment of this sector.

Economic Times (1994) quoted that one of the time -tested methods of procurement of fruits and vegetables is contact farming . Processor enters into contract with farmers for purchase of their produce at specified prices and arranges for supply of inputs like high quality seeds, fertilizer plant protection chemicals etc. This help the farmers to get the benefit of technical knowledge for improvement of their produce and helped to assure supply of raw material at predetermined prices. Growing of specific varieties and supervision over the production process would ensure uniform, high quality output.

Maurya *et al.* (1994) reported that all Chiraigoan aonla processing centres three products from kutcha aonla viz. Murabba, pickles and cutney are produced. The per quintal processing cost of muraba, pickle and chutney came to Rs. 2198.80, 1750.40 and Rs. 3233.80, respectively. The highest processing cost came for aonla chutney and lowest for aonla pickle. The highest percentage of consumer's price was found to be the processing cost followed by the cost of kutcha aonla, retailer's margin, manufacturer's margin and charges paid by retailer.

Sethi (1994) stated that the main reason for participation in income generating activities is need to supplement the income of the family.

Kataria (1995) studied that nearly fifty per cent of respondents had no

involvement of other family members in their income generating activity. Rest of the respondents (52%) took the help of their family members for effective labour management.

Kataria (1995) conclude that majority of respondents (84%) worked at their own paise for production of the product only 16 per cent respondents used rented houses for working.

Khanna (1995) presents his personal views on the basic elements that must be addressed in any policy on dairy development in India, namely the roles of milk producer and producer's cooperatives, the international industrial environment and research and development. A need is identified for co-operatives to help them develop function as autonomous commercial enterprises. It is concluded that challenges of meeting the demands of the farmer and the competition presented by liberalization of the Indian economy can be met only through unified and concerted efforts made by the policy makers, researchers and managers.

Kumar *et al.* (1995) revealed that the major constituent to cost of production of *Khoya* was cow's milk. The fixed cost in the production of *Khoya* was nominal and accounted for about one per cent of the total cost of production. Net cost of production of *Khoya* to the producers was estimated at Rs. 33.66 on an average in whole year. Market margin for producer in all the seasons were found to be highest among all market channels. Marketing cost of *Khoya* amounted to more than Rs. 2.00 per kg and formed almost six per cent of the net cost of the producer during the whole year.

Maurya *et al.* (1995) observed that in per quintal guava marketing,

marketing cost came to Rs. 124.50. Transportation cost accounted for the highest of the total marketing cost being 32.13 per cent. The per quintal processing cost in making guava jelly was worked out to Rs. 2755.25, sugar accounted for the highest processing cost being 36.29 per cent followed by packing, labour, raw material and overhead costs.

Singh *et al.* (1995) found that in a study conducted ona sample of 15 units comprising of small, medium and large units in Ludhiana revealed that the fixed cost per kg of output as per cent of total cost has increased over the years.

The per unit cost of permanent labour was found to be the lowest in small units and highest in medium. Most of the small units were run by the family labour showing higher efficiency. The variable cost has shown decline over the years except in large units. The cost of raw material i.e. fruits and vegetables, sugar and packing as per cent to total cost declined overtime due to minimising of wastage and upto date technology. The percentage share of costs incurred upon additives, fuel, electricity, transport, selling cost and casual hired labour showed a rising trend over all the categories of processing units overtime. The overall total cost per kg of output worked out to be Rs. 21.49, 18.52 and 15.07 on small, medium and large units, respectively. The percentage of profit to total cost and percentage margin has increased overtime. The increase was more visible in medium and large scale units.

Tripathi (1995) reported that the cost benefit analysis of preserved mushroom products showed that growers can earn Rs. 15,352.85 from mushroom chutney and Rs. 9,901.72 from mushroom pickle as net returns

per month. Their net returns per kilogram for mushroom chutney and pickle came out to be Rs. 43.87 and Rs. 33, respectively, which was found to be 5 to 6 times greater than raw mushrooms.

Dwivedi (1996) stated that the processing segment of the co-operative sector is successful mainly because of value addition creatd by porcessing, which enable more income and better economic returns to the members. Cooperative processing promotes rural industrialization, creates additional employment opportunities and generates additional income.

Rani (1996) indicated in her study that large quantity producing units were better managed. The income generation capacity per rupee of investment of large units was found to be more than low and medium quantity producing units.

Rani (1996) revealed in her study that average cost of production per income generation unit came out to be Rs. 33,252.10. Gross return was Rs. 403,80.00. The net return per product were found to be Rs. 6.29.

Rani (1996) concluded that net returns per kg of soap and papad-wadi were found to be Rs. 0.84 and 6.29, respectively. The income generation capacity per rupee of investment of large units was found to be more than low and medium quantity producing units. Margin of safety is higher in papad-wadi making units than that of soap units.

Sharma (1996) pointed in her study that the average cost of production for craft embroidery, jutti and boutique unit came out to be Rs. 14,472.60, 1,17,346.66 and 1,34,477.50, respectively. Gross return per piece of embroidery, jutti and boutique found to be Rs. 1,680.40, 1,086.67 and

15,037.50, respectively

Sharma (1996) in case analysis observed that almost in all units of boutique and jutti enterpreneurs were using old and manually operated units.

Sharma (1997) analysed that a special emphasis should be given to increase the volume of production so that per unit fixed cost can be minimized and net profit can be increased for making the entrepreneur unit more viable.

Sharma (1997) confirmed that special efforts by entrepreneur be made to keep sufficient raw material available for good labour efficiency so that per unit expenses on various items incurred can be minimized and net profit per product can be increased making the enterprise more viable.

Mittal (1998) found that the average cost of production of paneer at small, medium and large scale was Rs. 34,362.00, 81,520.00, 1,57,380.00, respectively. Raw material cost was the major cost at all levels. Gross return was 42,900, 1,07,250 and 2,14,500, respectively having percentage profit of 24.48, 31.56, 36.29, respectively.

Varma (1998) concluded that average cost of production of an income generating project came out to be Rs. 14,469.67. Cost of raw material came out to be major cost i.e. 35.88 per cent to the total cost in an income generation project. Average production was 142 soft toys of different sizes in a month and gross from an income generation project was come out to be Rs. 24,388. Benefit - cost ratio and Break - even analysis of an income generating project, manufacturing different size of soft toys came to be significant.

2.2. Acceptability of small enterprised by youth for economic empowerment

Ramchandran (1982) stated that the canned food products are a boon to the busy housewife. They make cooking a much simpler and quicker job, they are prepared under strict hygienic conditions which make possibilities of adulteration much less. They are useful in an emergency when the housewife is suddenly faced by an unexpected influex of guests or due to strikes or other urban unrest fresh food is not easily accessible. The processed vegetables of winter in summer becomes a gift for the housewife when she gets them at resonable price.

Vaidehi *et al.* (1985) found that out of one hundred rural housewives who were served ten soy incorporated beverages and snaks for their evaluation, 80 per cent were unaware of this bean and its uses. Majority of the consumers liked flavoured milk and milk products, but not plain soy milk or curd milk and cereal based products and tofee burfi, curries were very much acceptable.

Harris (1986) and Kashyap (1988) reported that soap making, manufacturing of garments and household articles, beads work, dye work and baking were the accepted areas of women for income generation in TRYSEM.

Rana *et al.* (1986) revealed that in the results obtained from the consumer's preference, out of 200 consumers 93 (46.5%) preferred apple cider (low-alcoholic nutritious beverage prepared by fermentation of apple juice) over apple juice, bear and cola.

Puri and Sanghera (1987) concluded that the consumption of mixed

fruit jam, orange squash and pineapple juice showed a linear increase with higher education of women. Jain was found to be a concentrated source of energy and was popular in all households irrespective of income, though there was a linear increase with education of women and total family income. Orange squash consumption was maximum in high middle income families. Pineapple juice showed an increase in consumption with a rise in the income of the family.

Dogra (1988) pointed that 21 per cent followed by 6 per cent and 4 per cent of respondents from TRYSEM had accepted weaving, tailoring and knitting as profession after getting the training in the same field.

Ghosh (1989) analysed that women who got training through TRYSEM failed to establish their self employment projects. Outof 8092 women who had received the training in different trades, only 2352 ventured for setting their own projects i.e. only 33 per cent actually utilized the training. If number of women set up self-employment and enterprises be added up with women who had taken up wage employment, it was found that 60 per cent adopted some form of engagement for earning.

Rajagopal (1989) confirmed that among the paddy milling industries in terms of ranking modern rice mills stands first while hand pounding units stand last on the basis of individual assessment of twelve indicators selected for the study namely, paddy producers share in the final product, preference of farmers for the type of milling unit, employment, net income, out turn, demand for by-products, losses due to equipment, losses in threshing and transportation, cost of milling, middle main's margin, capacity utilization of

plant in peak and lean season.

Rao (1989) observed that there are distinct processed foods like branded biscuit, bread, cooking oil which have a high acceptability response in the range of 61 to 100 per cent. Soft drinks concentrate, vanaspati, packaged sweets, loose tea, milk beverages fall in the medium penetration level group of 21 to 30 per cent. Readymade squashes, branded cheese, instant coffee, packaged cheese, packaged tea, canned fruits, baby food, tomato sauce, instand noodles, milk powder are grouped under low penetration level varying from 0 to 20 per cent.

The 79 per cent surveyed hosuewives, used to cook food to please their family, 30 per cent used to buy readymade masalas to save the effort of grinding and 58 per cent used to serve a wide variety of food to visitors even if it means a drain on their budget.

Tiwari (1991) developed the techniques for paneer/channa spread, to improve their acceptability for enterpreneureal purposes paneer/channa spread was prepared from cow and buffalo milks standardized to 4.5 and 4.9 per cent fat respectively so that each had fat SNF ratio 1:2 the spread made from cow milk received higher scores for flavour, body/texture and spreadibility than did that made from buffalo milk. Lowering the coagulation temperature from 70 to 65 and 60° progressively increased moisture content, which remained higher in spread from cow than buffalo milk and improved body/ texture and spreadibility changing the fat/SNF ratio is 1:2:5 or 1:3 did not affect sensory scores but a ratio of 1:3:5 resulted in lower scores. A spread of acceptable quality with a shelf life of 7-10 days at 8°C when packaged in

polystyrene cups could be manufactured from cow or buffalo milk with fat.

Kumar and Kumar (1992) stated that majority of beneficiaries (50%) of DWCRA have high acceptability followed by medium (46%) and less towards income raising activites.

Sharma (1993) studied women acceptance for self employment activities fer durri making, tailoring and hand knitting is quite logical as these activities do not require heavy machines.

Kapoor (1994) reported that the underutilization of capacity is adversely affecting the fruit and vegetable processing industry, which is able to utilize only about 35 per cent of its rated capacity due to raw material unavailability and low demand for the domestic market.

Shaw *et al.*(1993) found that in a survey conducted to study consumer's attitudes and perceptions towards processed foods revealed that among all the processed food items, maximum consumption is for carbonated soft drinks. The consumption of processed foods increases with the educational status and consumers income. Children are the most frequent consumers.

The reasons for the consumption are its easy availability, time saving and quality of processed food if both the spouses are working. With increase in the educational status of the respondents, there is increased belief that these products are nutritious, tastier and easy to store.

A high level of tariffs on packaging material and high cost of raw material are the major impediments blocking the growth of the industry.

Pimpalaskar and Nisal (1994) revealed that with the increasing production of mushroom by the rural people at the various extension centres,

the felt need is consider ways and means of mushroom consumption and preservation of product for longer shelf. life. Attempts should be made to utilize fresh and dried product through recipes commonly acceptable in daily diets of rural and urban population. Preparations such as candy, pickle and dry *chutney* should be standardised.

Kataria, (1995) concluded in her study that two third of the respondents (66%) were engaged in their respective income generating activities for the last 6-12 months. Only 17 per cent respondents were involved for more than one year in their income generating activities.

Arora and Bhogal (1996) found that the products by DVSS (Gargol Budh Utpadak Sahakari Sangh Ltd.)like parag butter, parag ghee etc. have earned wide consumer acceptance. However there are still treated second to Amul products.

Bhagnia (1996) studied that most of the beneficiaries had adopted the economic activities for household purposes whereas 67.5 per cent had adopted for commercial purpose. Pattern of adopters revealed that 36.6 per cent adopted durri making , tailoring and hand knitting as self employment.

Bhagnia (1996) observed that 28.5 per cent women had adopted the durri making galicha making and tailoring as self employment.

Sharma (1997) concluded in her study that maximum respondents (93.33%) considered employment unit as highly acceptable 6.6 per cent of respondents considered it as acceptable.

Mittal (1998) found that majority of the rural women perceived Panner. Chhana and Khoa most feasible perceiving panner must feasible, than chhana

and lastly khoa. Overall acceptability perceived for paneer was high i.e. by 90 per cent, Chhana (90%) and khoa (54%) also concluded that acceptability was higher among rural respondents as compared to urban respondents.

Verma (1998) stated that majority of rural women show medium acceptability for soft toys followed by high acceptability. Acceptability was high in urban area where majority of women had high acceptability followed by medium acceptability.

2.3 Constraints in starting small scale entrepise

Aggarwal, V.K. (1987) stated that about 52 per cent of the reported units had failed sick because of deficiencies of the management, 23 per cent units faced sickness because of market recession and environmental factors, technical factors and faulty initial planning claimed, 14 per cent share infrastructure factors such as abrubt power cuts and power failure, non-availability of necessary timely inputs etc. caused sickness in about 9 per cent units and labour trouble rendered sickness in about 20 per cent units. Thus inefficient, management alone caused sickness in more than half of the units reviewed.

Dr. Umamohan and Rao, Hari Narayan (1987) analysed that the main reasons expressed by the loanees for non-utilization of bank facilities are : (i) The unawareness; (ii) Inadequate credit; (iii) High rate of interest; (iv) lack of technical guidance. On the other hand, the unawareness, complicated loan sanctioning procedure were the main reasons for non-utilization of bank facilities by non-loanees.

Krishnaswamy (1987) highlights the practical problems faced by

organizations engaged in Small Scale Industries, there appears to be a shortage of technical personal especially at lower level to operate modern processing machinery since adequate training facilities are not available.

Kumar and Kumar (1987) found that the weaker sections especially women workers lack technical guidance and inputs As a result, they foil improve the quality of produce, under such circumstances, sufficient credit is required. Another major problem was related to marketing of produce.

Naidu, L.K. and Padmavathi, A. (1987) reported that the main causes for sickness of industries in his study are lack of finance, raw materials, marketing skilled labour and mis management.

Singh, Anil pratap (1987) revealed that both internal and external factors responsible for the sickness of units are (i) production factor; (ii) lack of orders; (iii) lack of raw material; (iv) Financial factors; (v) Increased Cost of Production; (vi) Increased cost on account of raw material.

External factors : (i) Govt. policies regarding prices and distribution; (ii) Shortage of inputs like raw materials, power and transport; (iii) Non-availability of skilled manpower; (iv) Lack of availability of credit at an appropriate time; (v) Unrealistic price control and (vi) Lack of public sector investment.

Sood (1987) concluded that the main reason for industrial sickness, now - a-days is low labour productivity.

Singhaoy and, Aggarwal (1989) confirmed that in Khanpur village of Dinojpur district of West Bengal, Jute mats have higher demand in urban areas but eventhen, the rural women are not able to generate income through

this, project as they were not given proper training for quality improvement and for marketing facilities they have to depend on middlemen.

Vidyulata (1989) observed that main problems faced by women were low sale of products, inadequate skill, non-remunerative job, tiring job, inadequate finance and non-availability of raw materials.

Devdas and Surjit (1990) stated that the functional approach without proper linkages sometimes retard the enthusiasm of weak participants to approach various agencies for technical and financial services.

Ray (1990) found that because of so many hands involved in the development process, a policy may lose its identity by the time it reaches to the final stage.

Varadarajan (1990) points out that lack of adequate market outlets dampens the enthusiasm of artisans who need help in terms of product design consumer preference latest product styles and designs.

Kurian (1991) reported that with the growth of population which is quite considerable the making of several milk products at home will decline. This further revealed that in village cottage industry problem of marketing still exist and poor transportation was major constraint for village industries in accordance with the perishability ofthe milk products.

Mahendra, K. Pandey (1991) revealed that major causes of Industrial Sickness are external and internal causes. These are (i) faulty planning; (ii) poor project implementation and management; (iii) poor production management; (iv) poor marketing management; (v) poor financial management;(vi) poor labour management and (vii) poor administrative

management.

External causes : (i) Infrastructural problems; (ii) Financial problems and (iii) Market constraints etc.

Parathasarthy (1991) realised that for equipment and know how, effective technology will have to be identified, developed and adopted. At the same point import of equipment, machinery and know-how is nesessary. In such cases incentives may be considered to make the technologies cost effective with appropriate steps to indigenise them. There is strong need to promote modernisation of manufacture, packaging and marketing of the indigenous milk products with efficient production - distribution system serving both producer of milk and consumers. The changes will be necessary to meet the needs of the emerging scenario for the supply and demand of milk and milk products.

Waseen (1990), Rao (1991) and Sahoo (1991) observed that small and industries owned by women face problems due to lack of adequate finance, lower technological base of outdated technology, weaker management, lack of marketing finished produce, storage facilities, inadequacy linkages between large scale, small scale and cottage industries.

Vyas and Patel (1991) concluded one of the main constraints in the development of industry is irregular supply of raw material.

Kamalun Nabi and Kumar (1992) and Nikhade *et al.* (1992) pointed that slow growth of women entrepreneur was due to lack of infrastructural facilities, non-availability of raw material, transport and communication facilities and lack of market.

Singh and Sharma (1992) noted that serious economic problems encountered by educated unemployed youth were lack of finance for generating self employment, difficulty in getting loan from banks and other concerned agencies, other problems faced were lack of guidance for vocational training centre at village level, lack of initiative from family members and poors in opting for self employment.

Bandarla and Jayachandra (1993) found that 64 per cent of the respondents have failed in marketing their products. About 52.31 per cent have faced problems in the area of finance, raw materiel power, labour, government polices, technological and economic factors.

Pandey (1993) noted that the major problems faced by unemployed youth were lack of vocational training lack of finance and lack of initative from family members.

Patel (1993) identified that milk production which stood at 51.4 million tonnes in 1989-90 should increase to 85.8 million tonnes by 2000 AD, whereas the actual requirement for milk and milk products would increase from 75.5million tonnes in 1990-91 to 89.1 million tonnes in 2000 A.D. obviously the requisite demand cannot be met with the existing growth rates unless the production level is garalavized. It is absolutely imperative to improve the production of milk when the milk when the milk production cannot met the existing demand, how can one get raw material i.e. milk for setting cottage industry.

Bhanja (1994) argues that because there is no organised marketing system for livestock products in India, both producer and consumer are

exploited by middlemen and therefore, it is essential livestock product marketing is properly planned. It examines several areas that make the marketing of livestock products like milk and egg etc. unique. These include the nature of the product i.e. short shelf life, food value which is in demand in modern affulent areas, its high demand, elasticity, restricted consumption (confined to urban areas) scattered small production units, seasonality in supply and demand and requirements for special packaging and transport.

Siwach and Kairon (1994) revealed that financial institutions are serving as a major source of finance for weaker sections. Proper utilization of credit can enable these sections of beneficiaries to earn more than three fold as compared to the amount of instalment. But for ensuring better utilization of credit and viable functioning of financial institutions. The problems of overdues should be tackled without any political consideration.

Yadav (1994) observed that weak financial status high cost of maintenance and management difficulties were the main constraints in not maintaining the good health of animals. The problem of getting high labourers and high wage rate were expressed by 58.33 and 51.39 per cent farmer respectively. The feeding constraints was followed by majority of farmers but inadequately and of low quality owing to cost factors.

Barnala and Jaychandra (1994) stated that 64 per cent of the respondents have failed in marking their product. About 53 per cent faced problem in the area of finance, raw martial power, labour technological and economic factors.

Kanawjia (1995) confirmed that production of cheese in India has

increased from 800 in 1977 to 10,000 tonnes (estimation). He discussed the potential for development of cheese market in India and strongly quoted that stretagies for overcoming the problems of poor milk quality for developing starter and rennet production and for mechanizing, cheese making are required. Perishability of product due to untimely marketing and inadequate marketing was biggest constraint.

Kataria (1995) concluded in her study that constraints that emerged as most severe were economic in nature followed by organisational constraints. On the other hand, educational and communicational constraints were found to be least severe in nature.

Sundaram and Singh (1995) revealed that the beneficiaries of DWACRA programme faced financial problems due to delay in payments for the goods they produce and therefore, can not bear the travel expenses and rent of the centres. Other constraints were lack of cooperation among the group members, non-availability of adequate amount of raw material, high cost of raw material. It was also revealed that the marketing of products was major problem due to poor quality of packing material used and little publicity for the products.

Bhagnia (1996) concluded in her study that majority of beneficiaries reported improper distribution of loan and lack of initial cpital money as the major economic barrier in adoption of economic project. Seventy five per cent of beneficiaries felt lack of guidance for availing credit facilities and complicated procurement procedure as major input barrier. Some beneficiaries reported parents and family objection to work in group project and interaction with male person as the socio-cultural barrier. Most of women

observed no provision of remunerative price in local market and difficulty in marketing the produce outside the villages as major marketing barrier.

Sharma (1997) observed that majority of respondents perceived lack of proper linkage (43.33%) followed by lack of space (26.66%). The other constraints perceived were marketing problem 23.22 per cent and non-availability of raw material 13.33 per cent.

Mittal (1998) stated that major constraints felt by rural women was lack of knowledge for storage of milk, products followed by marketing constraints and lack of credit facility and urban respondents also perceived socio-cultural constraint. Sixty per cent of urban respondents perceived that family do not allow to do a woman such work, 50 per cent of them also perceived that in will negatively effect their status in local community.

Verma (1998) points out that the major constraints perceived by rural women was non-availability of raw material in the local conditions followed by marketing constraints and lack of credit facility and major constraints perceived by urban women was inadequate marketing facility followed by inadequte transport facility and lack of credit facility.

The above studies divulzed that the major constraints faced by the entrepreneurs are input constraints like non-availability of credit, raw material etc. educational and communicational constraints like lack of knowledge for availing inputs, credits and lack of vital information. The other constraints faced by female entrepreneurs are technological constraints and marketing constraints.

METHODOLOGY

This chapter deals with the methodological steps required for present study. The research procedure adopted has been described under the following sub-heads:

3.1 Locale of the study

The study has been conducted in Haryana state.

3.2 Research design

Exploratory research design was used to conduct the present study.

3.3 Sampling procedure

The study required the selection of two different types of samples :

Sampling of Small Scale Bakery Units for assessing the performance and economic feasibility and sampling for selection of respondents for assessing the acceptability of Small Scale Bakery Unit. The sampling procedure for each has been explained hereafter.

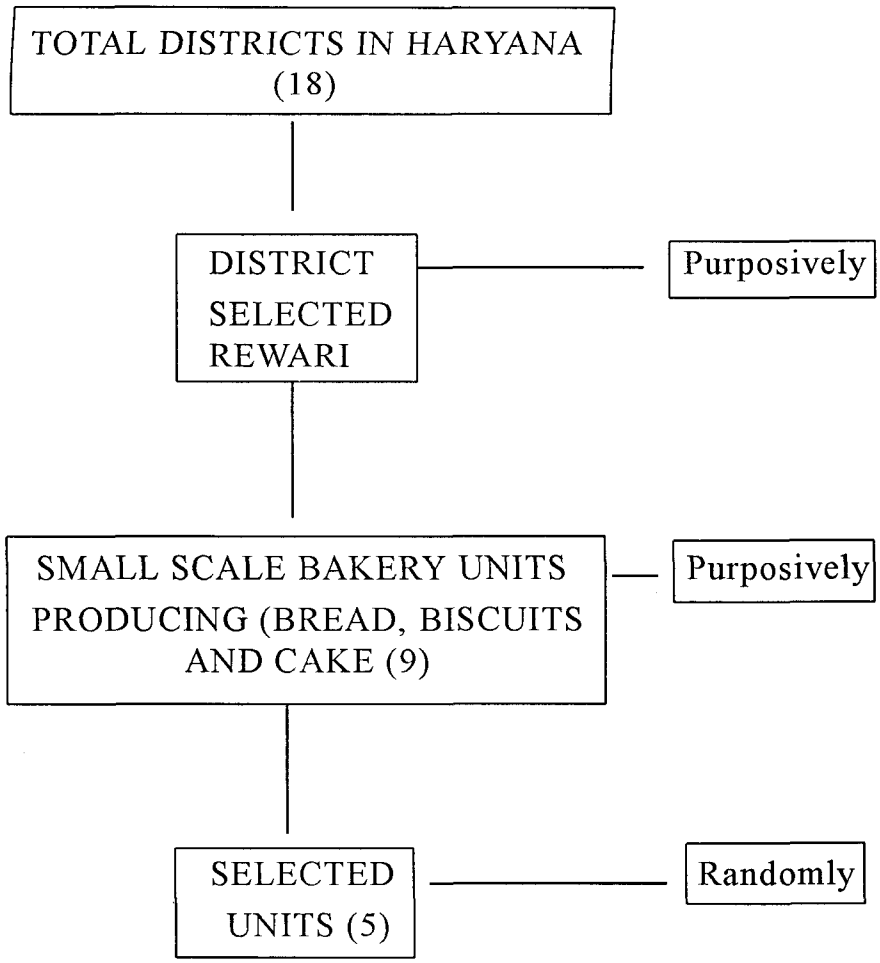


FIG.1 SAMPLING PROCEDURE FOR SELECTION OF SMALL SCALE BAKERY UNITS FOR ASSESSING THE PERFORMANCE AND ECONOMIC FEASIBILITY OF UNITS

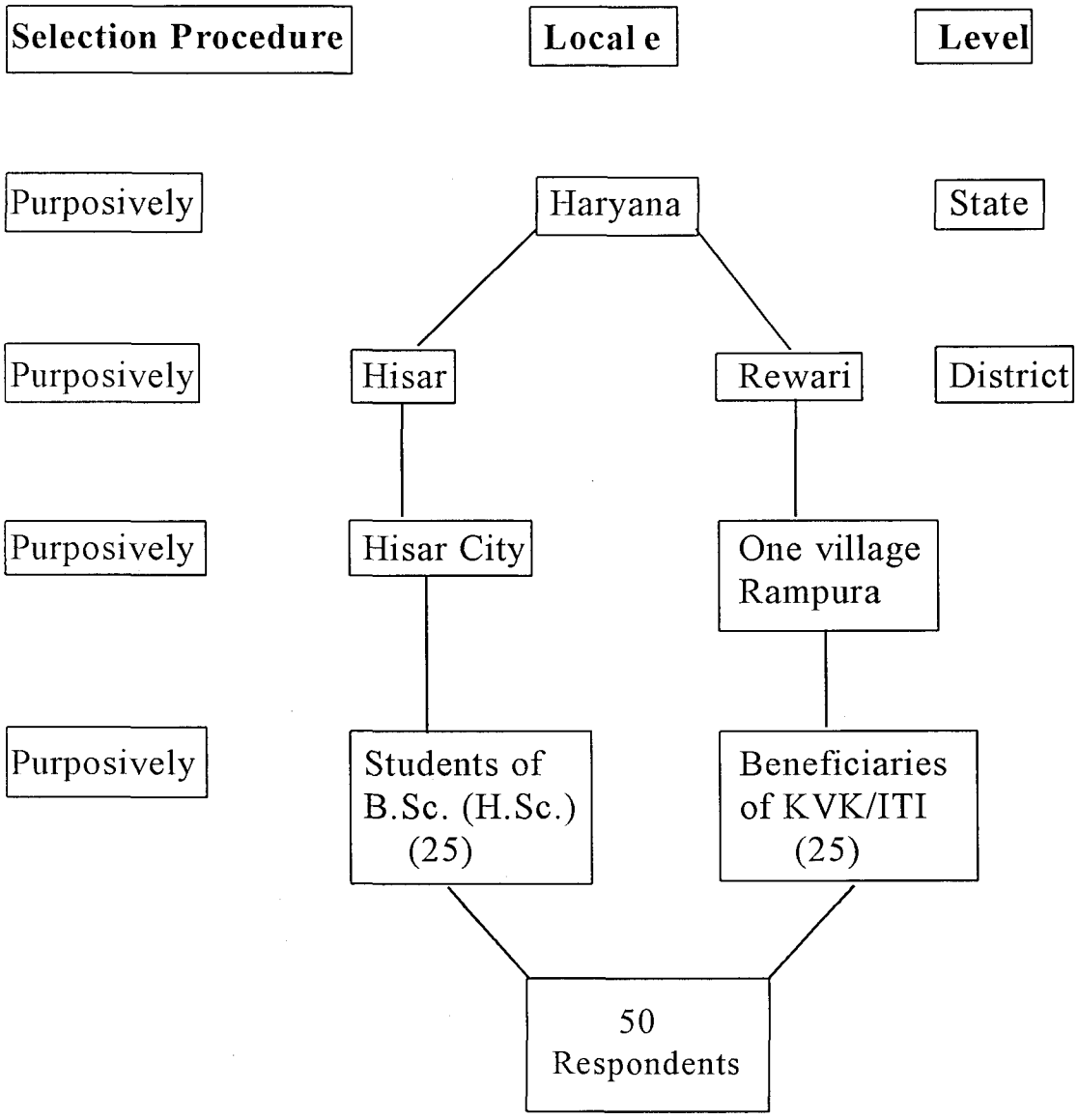


FIG. 2 SAMPLING PROCEDURE FOR SELECTION OF RESPONDENTS FOR ASSESSING THE ACCEPTABILITY OF SMALL SCALE BAKERY UNIT FOR INCOME GENERATION.

3.3 Sampling of Small Scale Bakery Units for assessing the performance and Economy Feasibility

3.3.1 Selection of District

Out of 18 districts in Haryana, Rewari was selected purposively.

3.3.2 Selection of small scale bakery units

A pre-survey have been done. A list of small scale bakery units functioning in the Rewari district was obtained from District Industries Centre. Out of total 9 exhaustive list of small scale makery units producing bread, biscuits and cakes, a random sample of 5 units of small scale bakery was selected.

4.2 Sampling procedure for selection of respondents for assessing the acceptability of small scale bakery units for income generation

Selection of rural beneficiaries

A list of functional KVK/ITI groups in villages was obtained from the Assistant Project Officer, Rewari. Then from the list of functional KVK/ITI group, one village Rampura was selected randomly. Twenty five rural youth beneficiaries of KVK/ITI were selected from village.

Selection of urban respondents

A list of students obtained vocational training in bakery and confectionary under Department of Foods and Nutrition from the year 1996-1999 was prepared and from the list twenty five students were taken randomly.

3.4 Variables and their measurements

Under this selection of instruments/techniques to measure the antecedent variables and dependent variables have been incorporated both for assessing the economic feasibility of small scale bakery unit for income

generation and to find acceptability of small scale bakery unit for income generation by youth.

	Variables	Instrument used
3.4.1	**Dependent variables**	
1)	Economic potentiality of small scale units	Cost-benefit analysis Break - even paints
2)	Performance of small scale bakery units	Economic viability
3	Acceptability of bakery units in rural and urban areas	Tripathi (1995)
3.4.2	**Independent variables**	
1)	Socio-personal and economic	
	Age	Chronological
	Caste	SES scale at Kulshrestha (1980)
	Type of family	-do-
	Size of family	-do-
	Family educational status	Scale of Narwal (1982)
	Occupation	SES scale of Kulsherstha (1980)
	Marital Status	Varma (1987)
	Average monthly income	Tripathi (1995)
2)	Psychological	
	Enterpreneurial motivation	Singh (1991)
	Risk preference	Risk preference Scale of Supe (1969)

3.4.1 Dependent variables

3.4.1.1 Economic viability (potentiality)

Economic viability refers to the financial desirability of the project for the smooth flow of the unit/project. To analyse the economic viability of the units/projects, it is essential to study the cost of production working cost, net profit/loss, Benefit -cost ratio and Break-even analysis.

Cost of production

This is simply the sum of all costs of production i.e. total administrative expenses, total sales expenses. Cost of production consists of two parts.

I. Establishment cost/fixed cost

II. Recurring cost/variable cost

I. Establishment cost/fixed cost

Almost every business incurrs certain costs which are fixed in nature. These costs remain constant irrespective of the changes in the volume of output. They may represent cost of land/rent of land and building of the unit, cost of the plant and machinery, depreciation and interest on fixed capital. Fixed capital was calculated for one year.

a) Cost of land

Cost of land refers to the cost of a specific price of land where the project would be set up.

b) Cost of machinery and equipments

It refers to the machine and equipments required for the production. Number and size of the machines and equipments depends on the production technology and plant capacity.

c) Depreciation

Depreciation has been worked out using straight line method. Among the fixed cost of production, life of building and machinery will found to be 10 years. For estimating total cost, the depreciation in respect of building and machinery used for business is a tax deductable expenses i.e. 10 per cent per annum of the investment of building and machinery.

d) Interest

Interest on term loan/fixed variables is based on the present rate of interest charged by the term landing financial institutions and commercial banks, i.e., 15 per cent per annum.

II. Variable cost

All costs which vary directly with output are referred to as variable costs. Variable costs include cost of raw material, cost of labour, packing, transport, water, fuel and electricity changes, advertisement, marketing charges and also miscellaneous expenses.

a) Cost of raw material

Raw material is the most important single element of the variable cost and the cost of raw material is the price paid to the supplier of raw material.

b) Labour cost

Labour cost includes cost of salaries of all manpower employed in the factory

c) Utilities costs

This consists of cost of power, water and fuel. Power cost may be estimated on the basis of power tariff structure of the concerned electricity board and charges payable to some other firm with arrangements for water

requirement and the cost of fuel, i.e., the price paid to the suppliers of fuel.

Packing expense referred to the price paid for purchase of these items.

Economic viability

For calculating benefits, it is important to find out total production, gross return, total cost, cost per kilogram, net returns, net return per kilogram. Following calculations have been adopted for estimating all values mentioned above.

Production

a)	Total production (kg)	=	Total production of units in kg/year was calculated
b)	Gross return (Rs.)	=	Quantity of prepared produce or total production of units x price of production per kilogram
c)	Total cost (Rs.)	=	Total fixed cost + interest on fixed cost + total variable cost + interest on variable cost
d)	Cost per kilogram (Rs.)	=	Total cost/total production
e)	Net returns (Rs.)	=	Gross return - total cost
f)	Net return/kg (Rs.)	=	Net returns/total production per year or quantity of prepared products.

Enocomic viability

To examine the economic feasibility of the units, two major indicators were used viz. Cost-benefit ratio and Break-even points. The methods used to find out these are given below :

Benefit -cost ratio

To examine the economic feasibility, major indicator benefit - cost is used. Benefit-cost is the ratio between sum of the benefits of returns (R) and sum of the costs (C) i.e. B = R/C. If the ratio is greater than 1, then the investment in the unit is considered to be economically viable.

Break -even analysis

Break even analysis is the another tool to examine the feasibility of the unit. This is a tool for studying the relationship between volume, costs, revenues and profit. It is helpful in profit planning.

Break - even points

(a) Margin of safety

The total margin of safety reflects the difference between the actual volume of sales and the break even volume of sales. Margin of safety for smooth flow of unit is given by

$$\frac{\text{Actual volume of sales - Break even volume of sales}}{\text{Actual volume of sales}} \times 100$$

b) Break even quantity

The break even quantity is the value of quantity (Q) for which the profit (p) is zero (0) and this is the minimum quantity of the product that the owner of the unit should produce for running the unit. Break even quantity of smooth - flow of unit was given by

$$Q = \frac{F}{P-V}$$

where,

Q is quantity

F is the fixed cost

P is the unit selling price, and

V is the unit variable cost

c) Profit for a given quantity

The profit for the smooth flow of the unit was calculated with the help of given equation, i.e.,

Profit (P) = Q x P - Q x (V + F)

Profit = Gross return - total cost

d) Quantity for a given profit (Q)

The quantity (Q) was calculated to attain certain target profit (p) per year, formula used was :

$$Q = \frac{pT + F}{P - V}$$

where

Q = quantity produced,

P-V = difference between the unit sales price and the unit variable cost

e) Break even sales (Rs.)

Break even sales mean the minimum sales of the unit for the smooth flow of the unit. For calculating Break - even sales the equation used was:

$$\frac{F}{1 - V/P}$$

where

F = fixed cost,

V = unit variable cost and

P = unit sale price

Percentage

This was used for making simple comparison. The percentage was calculated by dividing the frequency of a particular cell by the total number of respondents in that particular category and multiplying by 100.

Performance

Rizvi (1967) defined job performance as the manner and extent to which different jobs are performed in practical situation.

For the present study, performance was conceptualized as their profitability.

Performance means functioning of small scale industries since the time of inception. Data was collected through case study method. It was assumed for profitability and suitability.

Categories	Range in thousands (Rs.)	Scores
Low	<5000	1
Medium	5000-10000	2
High	>10000	3

3.4.1.3 Acceptability of bakery unit

Acceptability was operationalized as mental readiness of the individual for the acceptance of bakery unit after having gone through the stages of adoption, but yet to put the idea into action in future. It was

operationalized as the symbolic adoption and willingness of rural and urban youth to adopt bakery unit for income generation. It was measured and qualified by summing the individual score of each component/symbolic adoption and willingness of rural women to adopt bakery unit for income generation/index was developed for the assessment of acceptability. Total acceptability scores were divided into four categories.

S.No.	Categories	Scores
1	High	11 - 13
2	Moderately high	08 - 10
3	Moderately low	04 - 07
4	Very low	01 - 03

3.4.2 Independent variables

1) Socio-personal and economic

Age

Age was operationalized as number of full years completed by the respondents at the time of interview. For this purpose, chronological age was taken with the following categories :

S.No.	Categories	Scores
1	Blow 25 yearse	1
2	25 to 50 years	2
3	Above 50 years	3

Caste

Castes are closed social classes whose membership is determined by birth and one endogenous and between which there is no vertical social mobility. This was measured by SES scale of Kulshrestha (1980). Scores

assigned to different caste groups were as follows:

S.No.		Categories	Scores
1	Low	Chamar, Bhangi, Dom Jhimer, Khale, Dhobi, Bodi	1
2.	Medium	Lohar, Kumhar, Darji, Nai Baniya, Sonar, Ahir, Jullaha, Punjabi	2
3	High	Brahmin, Jat, Rajput, Bishnoi	3

Family type

This variable was operationally measured by SES scale of Kulshrestha (1980). Family type means whether it is nuclear or joint family. Nuclear family is composed of parents and children only. Joint family refers to one which is constituted of two or more married brother's families. Scores assigned were as follows:

S.No.	Categories	Scores
1	Nuclear	1
2	Joint	2

Size of family

Size of family refers to the total number of members in that family, SES scale of Kulsherestha (1980) was used to quantity family size. The scores assigned were as follows:

S.No.	Categories	Scores
1	Upto 3 members	1

2	3 to 5 members	2
3	Above 5 members	3

Family education status

Evaluation was operationalized as number of years of formal education by the family members (above 6 years of age). Family education status was quantified by dividing the total number of years of formal education attended by the family members. The relevant information was obtained under following categories and scored as under :

S.No.	Categories	Scores
1	Illiterate	0
2	Can read only	1
3	Can read and write	2
4	Primary	3
5	Middle	4
6	High school	5
7	Graduate	6
8	Post-graduate	7
9	Technical/vocational education	8

$$\text{FES} = \frac{\text{Total education score of the family}}{\text{Total number of eligible members of family}}$$

FES = Family education status

On the basis of procedure mentioned above finally educational status was computed and presented as under

S.No.	Categories	Scores
1	Low	0.0 - 2.0
2	Medium	2.0 - 4.0
3	High	4.0 - 6.0

Occupation of the respondent

It refers to the respondent's means of livelihood. For the measurement of occupation of the respondent modified SES scale of Kulshreshta (1980) was used. The following scoring pattern was used.

S.No.	Categories	Scores
1	No work	0
2	Agricultural labourers	1
3	Caste occupation	2
4	Small scale industry	3
5	Independent profession	4
6	Construction work	5
7	Business	6
8	Service	7
9	Any other work	8
10	Farming	9

Marital status

The respondents were categories as married, unmarried and widow, scores were given as :

S.No.	Categories	Scores
1	Married	2

2	Unmarried	1
3	Widow	0

Average monthly income

It refers to the total income of the household per month in money terms as noted from the income source of respondents like agriculture, animal husbandry and other sources. Average monthly income was quantified by inventory developed by Tripathi (1995). The following scoring pattern was used:

S.No.	Categories	Scores
1	Less than Rs. 1000	1
2	Rs. 1000 to 2000	2
3	Rs. 2000 to 3000	3
4	Rs. 3000 to 4000	4
5	Rs. 4000 to 5000	5
6	Morte than 5000	6

2. Psychological variables

Risk preference

It refers to respondent's risk taking capacity and courage to face various types of problems encountered. This was measured by using risk preference scale developed by Supe (1969). The scale consisted of six statements. The responses were obtained under five point rating scale as strongly agree, agree, undecided, disagree, and strongly disagree with scores of 5, 4, 3, 2 and 1, respectively.

The obtained scores were then categorised and scored as under

S.No.	Categories	Range	Scores
1	High	25-35	3
2	Medium	15-25	2
3	Low	6-15	1

Entrepreneurial motivation

In order to understand main motivating forces affecting entrepreneurial performance, it is essential to understand different motives. The proper understanding of such motives would be possible, only if there has been some empirical measures for their quantification. Keeping this in view, the scale developed by Supe (1991) each for measuring economic motivation and achievement motivation was used. The basis of aggregate score the motivation level of each respondent was categorised and scored as under :

S.No.	Categories	Range	Scores
1	Low	12-28	1
2	Medium	28-44	2
3	High	44-60	3

3.5 Data collection

For the selection of small scale bakery units list of small scale bakery units have been obtained from District Industries centre, Rewari. FA comprehensive schedule was used to assess the performance and economic feasibility of small scale bakery units. For assessing the acceptability of small scale bakery units, a well strutured interview schedule was prepared in accordance with methodological procedures and objectives of the study. Some

modifications were incorporated to make instrument functional for economics, information from published literature and personal interview of the enterpreneurs. Anand Biscuit Bakery, Nai, Besti, Rewari,Faizi Bakery, Sona Road Dahrurahera, Sona Bakery, Rajika, Tej Bakery, Model Town, Ganesh Bakery, Munkiwela, Rewari and Manager of DIC (District Industrial Centre, DRDA) was obtained.

3.6 Data analysis

The qualitative data was qualified according to the standards laid down and tabulated to draw inferences. Statistical tools which were applied are as follows:

a) Tabular analysis was done to calculate the net returns and viability of the units. Average cost and average returns were calculated for the small scale bakery units making bread, biscuits and cake.

To analyse the economics of production, it was essential to study the cost of production which consits of two parts viz. establishment cost, i.e., firxed cost and recurring costs i.e. variable costs.

The former consists of cost of land/rent of land or building of units cost of plant and machinery. Recurring and maintenance costs include depreciation on fixed investment and interest on fixed and working capital.

b) Depreciation and interest

For estimating annual costs, the depreciation has been worked out i.e. 10 per cent of the fixed investments, further interest has been taken 15 per cent per annum on operational cost.

Case study

For indepth exploration, the data were collected through case studies on well structured interview schedule and personal observations.

Statistical test used

Test used		Purpose
Percentage was used	—	To assess the profile of respondents
	—	Existing status of small scale bakery units.
	—	Acceptability of small scale bakery units
Indices were used	—	To assess the economic feasibility of the small scale bakery unit.

RESULTS AND DISCUSSION

The results of the present research, derived through the use of prescribed methodology and standard tools mentioned earlier, have been presented in this chapter. These are in accordance with the said objectives and are described and discussed under the following heads :

1. Assessing the performance and economic feasibility of selected Small Scale Bakery Units
2. Finding the acceptability of baking technologies for income generation by unemployed youth.

Selection of Small Scale Bakery Units

A pre-survey has been done on a list of small scale bakery units functioning in Rewari district. The list of bakery units was obtained from District Industries Centre, Rewari. Out of exhaustive list of small scale bakery units producing bread, biscuit and cake, a random sample of 5 small scale bakery units was selected.

I. Performance and Economic feasibility of selected small scale bakery units

Economic feasibility/viability refers to the financial desirability of the

project for the smooth flow of the unit/project.

This section contained the economic viability of the units under which the following aspects which are essential for analysis the economic viability.

1. Cost of production
2. Working cost
3. Net profit/loss
4. Benefit-cost ratio
5. Break-even analysis

Cost components of Bakery unit (Bread, Biscuits and Cake) at small scale in urban area

Cost of production is of paramount importance to determine the net income of the industry. The analysis of cost of production enables the entrepreneur to decide the size of the plant and the volume of business on a continuous basis.

4.1.1 Fixed cost

Table 4.1 shows the fixed and variable costs of different items incurred in the production of 1560 kg (bread, biscuit and cake) in a month. The fixed cost contributed 4.4 per cent to the total cost per month i.e. 2.90, 0.38 and 1.12 per cent under rent of hired building, depreciation on equipment and machine and interest on fixed capital, respectively.

4.1.2 Variable cost

Table 4.1 shows that the variable cost was 95.61 per cent of the total cost where raw material was the major contributor to cost i.e. 73.97 per cent of the total cost while 14.50, 2.41, 1.08 and 3.62 per cent under labour,

Table 4.1 Cost of production of bakery unit (Bread, Biscuit and Cake) at small scale in urban area

Total production = 1560 kg per month
@ 52 kg daily

S.No.	Particulars	Amount (Rs.) per month	Percentage to total cost	Remarks
I.	**Fixed cost**			
	a) Rent of hired building	1200.00	2.90	50 sq. mt. covered area
	b) Depreciation on equipments and machines	154.00	0.38	Depreciation was calculated individually for all with different life terms
	1 Iron Bhatti 20%			@ Rs. 20.000 only one
	2 Bread cutting machine @ 20%			@ Rs. 2800 (one only)
	3 Biscuit cutter @ 20%			@ Rs. 2000 (one only)
	4 Beater @ 20%			Rs. 2500 (only one)
	5 Iron tray @ 20%			@ Rs. 20 each (150 in no)
	6 Karaha @ 20%			@ Rs. 3500 (one in no)
	7 Miscellaneous costing @ 20%			@Rs. 3000.
	c) Interest on fixed capital @ 15% per annum	460.00	1.12	
	Total fixed cost	1814	4.4	

S.No.	Particulars	Amount (Rs.) per month	Percentage to total cost	Remarks
II.	**Variable cost**			
a)	Cost of raw material	30,600	73.97	
	Maida	10,600	25.62	@ Rs. 14/kg
	Sugar	4500	10.87	@ Rs. 16/kg
	Ghee	4500	10.87	@ Rs. 50/kg
	Milk	3500	8.46	@ Rs. 14.00/kg
	Yeast	1500	3.62	-
	Fuel	6000	14.50	-
	Total	30,600		
b)	Manpower expenses	6,000	14.50	Three skilled labour @ of Rs. 2,000 per month each
c)	Water and electricity charges	1000	2.41	-
d)	Paking charges	450	1.08	-
e)	Transport and other expenses	15oo	3.62	For marketing
	Total variable cost	39550	95.61	-
	Total cost	41364	100.00	

water and electricity charges, packing charges, and transportation, respectively.

Total fixed cost was Rs. 1814.00 and variable cost was Rs. 39,550.00. Thus, the total cost of production of 1560 kg (Bread, Biscuit and Cake) in a month was Rs. 71,364.00.

4.1.3 Costs and returns from Bakery Unit (Bread, Biscuit and Cake) Unit at Small Scale in Urban area

Table 4.1.1 reveals that the average production of bread, biscuit and cake was 1560 kg per month and the respective average sale prices were. Rs. 17, Rs. 20 and Rs. 80 per kg. Thus, the average gross return per month was Rs. 51,450.00, the cost of production of 1,560 kg (bread, biscuit and cake) was Rs. 41,364.00 at the rate of Rs. 26.52 per kg. Thus, the total net returns were Rs. 10,086.00 and net return or profit per kg was Rs. 6.47, when the units output-input coefficient was calculated. It was found that the production of bread, biscuit and cake at Small Scale in urban area was a profitable enterprise giving 19.60 per cent profit from the production of 1,560 kg (bread, biscuit and cake).

Thus, it is concluded that a special emphasis should be given to increase the volume of production so that per unit fixed and variable cost can be minimized and net profit per kg can be increased for making the enterprise more viable.

Table 4.1.1 Average cost and returns from small scale (Bread, Biscuit and Cake) bakery unit in a month

S.No.	Particular			Average prices	Production
1.	**Production**				
	Bread	=	450 kg per month	Rs. 17 per kg	1560 kg/month
	Biscuit	=	750 kg per month	Rs. 20 per kg	
	Cake	=	460 kg per month	Rs. 80 per kg	
2.	Gross return			Rs	51450
3.	Total cost			Rs	41364
4.	Net return/month			Rs	10086
5.	Net return/day			Rs	3062
6.	Cost of production/kg			Rs	26.52
7.	Net return/kg			Rs	6.47
8.	Fixed cost			Rs	1814
9.	Total variable cost			Rs	39550
10.	Per cent profit			Rs	19.60

2. Cost components of bakery (Bread, Biscuit and Cake) unit at Small Scale in Rural Area

4.2.1 Fixed cost

Table 4.2 shows the fixed cost of the different items incurred in the production of bread, biscuit and cake in a month. The fixed cost contributed 4.12 per cent of the total cost per month out of which 2.36, 0.77 and 0.98 per cent were contributed by rent of hired building, depreciation on machines and equipments and interest on fixed capital, respectively.

4.2.2 Variable cost

Table 4.2 shows that the variable costs contributed 95.87 per cent of which the cost of raw material was 76.74 per cent of the total cost while the percentage contribution of manpower expenses, water and electricity expenses, packing charges, and transport and other miscellaneous expenses was 14.16, 2.36, 0.94 and 1.65 per cent to the total cost. Total fixed cost was Rs. 1746 and the total value of producation of bread, biscuit and cake production in a month was Rs. 42,346.

4.2.3 Costs and returns from Bakery production (Breads, Biscuits and Cake) unit at Small Scale in rural area

Table 4.2.1 reveals that the average production of the unit was 1590 kg per month and the average sale price was Rs. 17, Rs. 20 and Rs. 80 per kg. Thus, the average gross return per month was Rs. 53,400.00, the cost of production of 1590 kg bread, biscuit and cake was Rs. 42,346 at the rate of Rs. 26.63 per kg. Thus, the total net returns were Rs. 11,054 and the net

Table 4.2 Cost of prodcution of bakery unit (Bread, Biscuit and Cake) at small scale in rural area

Total production = 1590 kg/month
@ 63 kg daily

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
I.	**Fixed cost**			
a)	Rent of hired building	1000.00	(2.36)	50 sq. mt. covered area
b)	Depreciation on equipments and machines	330.00	(0.77)	Depreciation was calculated individually for all with different life terms
1	Cement Bhatti @ 10%			@ Rs. 10,000 (only one)
2	Flow kneading machine @ 20%			@ Rs. 8.000 (one only)
3	Beater			@ Rs. 2800 (one only
4	Bread cutter @ 20%			@ Rs. 2500 (one only)
5	Iron tray @ 20%			@ Rs. 20 each (200 in no)
6	Karaha @ 20%			@ Rs. 3000 (one in no.)
7	Miscellaneous costing @ 20%			@ Rs. 3000.
c)	Interest on fixed capital @ 15% per annum	416.00	(0.98)	per month
	Total fixed cost	1746	(4.12)	

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
II.	**Variable cost**			
a)	Cost of raw material	32500	(76.74)	
	Maida	12000	(28.33)	@ Rs. 14 /kg
	Sugar	5000	(11.80)	@ Rs. 16/kg
	Ghee	5000	(11.80)	@ Rs 50/kg
	Milk	4000	(9.440	@ Rs. 14/kg
	Yeast	1500	(3.54)	-
	Fuel	5000	(11.80)	-
b)	Manpower epenses	6000	(14.16)	Four labour Two skilled labour @ Rs. 2000 per month each
c)	Water and electricity charges	1000	(2.36)	—
d)	Packing charges	400	(0.94)	—
e)	Transport and other expenses	700	(1.65)	For marketing
	Total variable cost	40600	(95.87)	—
	Total cost	**42346**	**(100.00)**	

Table 4.2.1 Average cost and returns from Bakery unit (Bread, Biscuit and Cake) at small scale in a month

Sr.No.	Particular	Avergae price	Prouction
1.	Production (kg)	kg	
	Breads = 600 kg per month	Rs. 17/kg	1590 kg/month
	Biscuits = 600 kg per month	Rs. 20/kg	
	Cake = 390 kg per month	Rs. 80/kg	
2.	Total gross return	Rs.	53400
3.	Total cost	Rs.	42346
4.	Net return per month	Rs.	11054
5.	Net return per day	Rs.	368.47
6.	Cost of production/kg	Rs.	26.63
7.	Net return/kg	Rs.	6.95
8.	Fixed cost	Rs.	1746
9.	Total variable cost	Rs.	40600
10.	Per cent profit	Rs.	20.70

return or profit per kg was Rs. 6.95 when the unit's input-output coefficient was calculated. It was found that this is a viable enterprise giving 20.70 per cent profit from the production of 1590 kg of bread, biscuit and cake at small scale in rural area.

Thus, may be concluded that special devices should be established to minimize the per unit fixed cost as well as variable cost,and to maximize the net profit per kg and thus encouraging the entrepreneurs to set up units which would be more viable.

4.3 Cost components of Biscuits at Small Scale in urban area

4.3.1 Fixed cost

Table 4.3 shows that the fixed cost and variable cost of the different items required in the production of Biscuits in a month. The fixed cost contributed 3.44 per cent to the total cost per month with a percentage share of 2.42, 0.32 and 0.68 per cent under rent of hired building, depreciation on equipments and machinery, and interest on fixed capital, respectively.

4.3.2 Variable cost

Table 4.3 shows that the variable costs contributed 96.57 per cent of the total cost out of which cost of raw-material was 79.14 per cent, manpower expenses was 13.31 per cent, water and electricity charges were 2.42 per cent, packing charges were 1.48 per cent and transport and other expenses were 0.24 per cent of the total cost. Total fixed cost was Rs. 1418.00 whereas variable cost was Rs. 39,900.00 and the total cost of biscuits production in a month was Rs. 41,318.00.

Table 4.3 Cost of prodcution of biscuits bakery at small scale in urban area

Total production = 1950 kg/month
@ 65 kg daily

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
I.	**Fixed cost**			
a)	Rent of hired building	1000.00	(2.42)	50 sq. mt. covered area
b)	Depreciation on equipments and machines	135.00	(0.32)	Depreciation was calculated individually for all with different life terms
1	Cement Bhatti @ 10%			@ Rs. 10,000 (one in no. respectively)
2	Iron utensils @ 20%			@ Rs. 3000 each (two in no.)
3	Tray @ 20%			@ Rs 20 each (230 in no)
4	Biscuit cutter @ 20%			@ Rs. 2000 (one in no)
	Miscellaneous costing @ 20%			@ Rs. 3000.
c)	Interest on fixed capital @ 15% per annum	282.00	(0.68)	per month
	Fixed cost	1418	(3.44)	
II.	**Variable cost**			
a)	Cost of raw material	32700	(79.14)	
	Maida	12000	(29.04)	@ Rs. 14/kg
	Sugar	5000	(12.10)	@ Rs. 16/kg
	Ghee	5000	(12.10)	@ Rs 50/kg
	Milk	4000	(9.68)	@ Rs. 14/kg
	Ajwain	700	-	-
	Fuel	5000	-	-

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
b)	Manpower epenses	5500	(13.31)	Four labour Three skilled labour @ Rs. 1500 per month each
c)	Water and electricity charges	1000	(2.42)	-
d)	Packing charges	600	(1.45)	-
e)	Transport and other expenses	1000	(0.24)	For marketing
	Total variable cost	39900	(96.57)	-
	Total cost	**41318**	**(100.00)**	-

4.3.3 Cost and Return from Small Scale Biscuits Bakery Unit in a month

Table 4.3.1 reveals that average production of the unit was 1950 kg per month and the average sale price was Rs. 25.00. Thus, the average gross return per month was Rs. 48,750.00. The production cost of 1950 kg of Biscuits was Rs. 41,318.00 at the rate of Rs. 21.19 per kg. Thus, the total net returns were 7432.00 and net profit per kg was Rs. 3.82 when the units input output coefficient was calculated. It was found that the unit producing 1950 kg of biscuit gave a profit of 15.25 per cent.

It is concluded that special efforts by entrepreneur should be made to keep sufficient raw material available for good labour efficiency so that the per unit expenses on the various items incurred can be minimized and net profit per kg can be increased making the enterprise more viable.

4.4 Cost components of Bakery unit producing (Bread, Biscuit) at Small Scale in rural area

4.4.1 Fixed cost

Table 4.4 shows the fixed and variable costs of the different items incurred in the production of bread and biscuit in a month. The fixed costs contributed 80.71 per cent of the total cost per month, i.e. 3.12, 0.42 and 0.89 per cent under rent of hired building, depreciation of machines and equipments and interest on fixed capital, respectively.

4.4.2 Variable costs

Table 4.4 shows that the variable costs contributed 95.59 per cent out of which the cost of raw material was 80.71 per cent of the total cost, followed by the cost of labourers, 10.41%, water and electricity charges, 2.60%. The

Table 4.3.1 Average cost and return from small scale biscuit bakery unit in a month

Sr.No.	Particular	Avergae price	Prouction
1.	Production (kg) Biscuits = 1950 kg per month	kg Rs. 25/kg	1950 kg
2.	Total gross return	Rs.	48750
3.	Total cost	Rs.	41318
4.	Net return	Rs.	7432
5.	Net return per day	Rs.	247.74
6.	Cost of production/kg	Rs.	21.19
7.	Net return/kg	Rs.	3.82
8.	Fixed cost	Rs.	1418
9.	Total variable cost	Rs.	39900
10.	Per cent profit	Rs.	15.25

Table 4.4 Cost of prodcution of bakery unit (Bread, Biscuit)at small scale in rural areas

Total production = 2100 kg/month
@ 70 kg daily

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
I.	**Fixed cost**			
a)	Rent of hired building	1200.00	(3.12)	50 sq. mt. covered area
b)	Depreciation on equipments and machines	164.00	(0.77)	Depreciation was calculated individually for all with different life terms
1	Cement Bhatti @ 10%			@ Rs. 12,000 (only one)
2	Bread cutting machines			@ Rs. 2500 (one in no)
3	Biscuit cutter @ 20% @ 20%			@ Rs. 2000 (one in no)
4	Iron khodai @ 20%			@ Rs. 3000 (one in no)
5	Iron tray @ 20%			@ 20 each (250 in no.)
6	Miscellaneous costing@ 20%			@ Rs. 3000.
c)	Interest on fixed capital @ 15% per annum	343.00	(0.87)	
	Total fixed cost	1708	(4.45)	
II.	**Variable cost**			
a)	Cost of raw material	31000	(80.71)	
	Maida	12000	(31.2)	@ Rs. 14/kg
	Sugar	5000	(13.01)	@ Rs. 16/kg
	Ghee	4000	(10.41)	@ Rs. 50/kg
	Milk	4000	(10.41)	@ Rs. 14/kg

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
	Salt	1000	-	-
	Yeast	1000	-	-
	Fuel	4000	-	-
	Total	31000		
b)	Manpower expenses	4000	(10.41)	Three labour. Two skilled labour @ Rs. 1500 per month each
c)	Water and electricity charges	1000	(2.60)	
d)	Packing charges	600	(1.56)	-
e)	Transport and other expenses	1000	(0.26)	For marketing
	Total variable cost	36700	(95.56)	
	Total cost	**38408**	**(100.00)**	

expenses on packaging was 1.56 per cent and on transport and other miscellaneous expenses were 0.26 per cent of the total cost. Total fixed cost was Rs. 1708.00 whereas variable cost was Rs.36,700 and the total value of bread, biscuits production in a month was Rs. 38,408.00.

4.4.3 Costs and returns from small scale Bakery unit (Bread, Biscuits) in month

Table 4.4.1 reveals that the average production of the unit was 2400 kg per month and average sale price was Rs. 17 and Rs. 25 per kg. Thus, the average gross return per month was Rs. 45,300.00 and the cost of production of 2100 kg bread and biscuits was Rs. 38,408 at the rate of Rs. 18.29 per kg. Thus, the total net returns were Rs. 6892 and the net return or profit per kg was Rs. 3.29 when the unit's input-output coefficient was calculated. It was found that this is a viable enterprise giving 15.22 per cent profit from the production of 2100 kg of bread and biscuits.

Thus, it is concluded that special devices should be established so that the per unit fixed cost as well as variable cost can be minimized and net profit per kg increased and thus encouraging the entrepreneurs to set up units which would be more vialbe.

4.5 Cost components of Bakery unit (Bread, Biscuit) at Small Scale in Urban Area

4.5.1 Fixed cost

Table 4.5 shows the fixed cost and variable cost of the different items required in the production of bread and biscuits in a month. The fixed cost contributed 5.34 per cent to the total cost per month with a percentage share of 4.10, 0.39and 0.83 per cent under rent of hired building, depreciation on

Table 4.4.1 Average cost and return from small scale (Bread, Biscuit) bakery unit in a month

Sr.No.	Particular	Avergae price	Prouction
1.	Production (kg) Breads = 900 kg per month Biscuits = 1200 kg per month	Rs. 17/kg Rs. 25/kg	2100 kg/month
2.	Total gross return	Rs.	45300
3.	Total cost	Rs.	38408
4.	Net return per month	Rs.	6892
5.	Net return per day	Rs.	229.73
6.	Cost of production/kg	Rs.	18.29
7.	Net return/kg	Rs.	3.29
8.	Fixed cost	Rs.	1708
9.	Total variable cost	Rs.	36700
10.	Per cent profit	Rs.	15.22

Table 4.5 Cost of prodcution of bakery unit (Bread, Biscuit) bakery at small scale in rural area

Total production = 1800 kg/month
@ 60 kg daily

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
I.	**Fixed cost**			
a)	Rent of hired building	1500.00	(4.10)	50 sq. mt. covered area
b)	Depreciation on equipments	143.75	(0.39)	Depreciation was calculated individually for all with different life terms
1	Cement Bhatti @ 10%			@ Rs. 10,000 (only one)
2	Cutting machine @ 20%			@ Rs. 2500 (only one)
3	Biscuit cutter @ 20%			@ Rs.2,000 (only one)
4	Iron tray @ 20%			@ Rs. 20 each (200 in no)
5	Iron Karaha @ 20%			@ Rs. 3000 (one in no.)
6	Miscellaneous costing @ 20%			@ Rs. 3000.
c)	Interest on fixed capital @ 15% per annum	306.00	(0.83)	
	Total fixed cost	1950	(5.34)	
II.	**Variable cost**			
a)	Cost of raw material	28000	(76.60)	
	Maida	8000	(21.82)	@ Rs. 14/kg
	Sugar	4000	(10.91)	@ Rs. 16/kg
	Ghee	4000	(10.91)	@ Rs. 50/kg

S.No.	Particular	Amount (Rs.)	Percent to total cost	Remarks
	Milk	4000	(10.91)	@ Rs. 16/kg
	Yeast	1000	(2.72)	-
	Salt	1000	(2.72)	-
	Fuel	6000	(16.37)	-
b)	Manpower epenses	4000	(10.94)	Three labour
c)	Water and electricity charges	1200	(3.28)	-
d)	Packing charges	400	(1.09)	-
e)	Transport and other expenses	1000	(2.73)	For marketing
	Total variable cost	34600	(94.67)	-
	Total cost	**36650**	**(100.00)**	-

machinery and equipment and interest on fixed cost, respectively.

4.5.2 Variable cost

Table 4.5 shows that the variable costs contributed 94.67 per cent of the total cost out of which cost of raw material was 76.60 per cent of the total cost while the percentage contribution of manpower expenses, water and electricity charges, packing charges and the transport and other miscellaneous expenses was 10.94, 3.28, 1.09 and 2.73 per cent to the total cost. Total fixed cost was Rs. 1950.00 and the total value of bread and biscuits production in a month was Rs. 36,550.00.

4.5.3 Costs and returns from Small Scale Bakery unit (Bread, Biscuits) in a month

Table 4.5.1 reveals that the average production of the unit was 1800 kg per month and the average sale price was Rs. 17 and Rs. 25. Thus, the average gross return per month was Rs. 40,200.00 and the cost of production of 1800 kg of Bread and Biscuit was Rs. 36,550 at the rate of Rs. 20.31 per kg. Thus, total net returns were Rs. 3650 and the net return or profit per kg was Rs. 2.03 when the unit's input-output coefficient ws calculated. It was found that this is a viable enterprise giving 9.08 per cent profit from the production of 1800 kg of bread and biscuits.

Thus, it is concluded that special devices should be established so that the per unit fixed cost as well as variable cost can be minimized and net profit per kg increased and thus encouraging the entrepreneurs to set up units which would be more viable.

It is concluded that all these food processing units are viable giving

profit to the entrepreneur. However, the higher cost of raw material indicated that continous efforts should be made both by the government and the entrepreneur so that the unit can become more viable and income generating.

4.6 Evaluation of capital/project investment

A project can be either accepted or rejected once project costs and benefits are identified, priced and valued. Moreover, the realistic estimation of costs and benefits is a pre-requisite for successful evaluation of project investment. Most of the projects suffer from incomplete identification usually resulting into over estimation of benefits and under estimation of costs. In practice, the units may have large life with varying size of future cost and benefit streams. To examine the profitability of each project Benefit-Cost Ratio and Break-Even Points are applied to evaluate the project.

4.7 Benefit - Cost Ratio : The benefit-cost ratio is the ratio between the sum of the benefits of returns (R) and the sum of cost (C) i.e. B : C = R/C, if this ratio comes out to be greater than one, the investment in the unit is considered to be economically viable. Table 4.6 shows that all the units are economically viable, i.e. the benefit-cost ratio for all the units is greater than one. The benefit-cost ratio for bread , biscuits and cake at small scale unit was calculated between the sum of benefits (R) which was Rs. 51,450 and the sum of cost (C) Rs. 41,364 from (Table 4.6), i.e. B : C = R/C

$$B : C = \frac{51450}{41364} = 1.24$$

The benefit-cost ratio obtained was greater than one, it shows that the investment in Bread, Biscuit and Cake producing unit in urban area is

Table 4.5.1 Average cost and return from small scale (Bread, Biscuit) bakery unit in a month

Sr.No.	Particular	Avergae price	Prouction
1.	Production (kg) Breads = 600 kg per month Biscuits = 1200 kg per month	Rs. 17/kg Rs. 25/kg	1800 kg/month
2.	Total gross return	Rs.	40200
3.	Total cost	Rs.	36550
4.	Net return	Rs.	3650
5.	Net return per day	Rs.	121.67
6.	Cost of production/kg	Rs.	20.31
7.	Net return/kg	Rs.	2.027
8.	Fixed cost	Rs.	1950
9.	Variable cost	Rs.	34600
10.	Per cent profit	Rs.	9.08

economically viable.

Benefit-cost ratio for Bread, Biscuit and Cake making units in rural area was the ratio between the sum of benefits of returns (R) which was Rs. 53,400.00 and the sum of cost (C), Rs. 42,346. The obtained benefit-cost ratio was equal to 1.26 since this ratio is greater than one, it shows that the investment in Bread, Biscuit and Cake producing unit in rural area was also economically viable.

While for Biscuit making unit, the benefit-cost ratio was the ratio between the sum of benefits of return (R) which was Rs. 48,750.00 and the sum of cost (C), Rs. 41,318.00. The calculated value of benefit-cost ratio was equal to 1.18 since this ratio is grater than one, it shows that the investment in Biscuit producing unit is economically viable.

For Bread, Biscuit producing Bakery Unit in rural area, the benefit-cost ratio was the ratio between the sum of benefit of returns (R) which was Rs. 45,300.00 and the sum of cost (C), Rs. 38,408.00. The obtained benefit-cost ratio was equal to 1.18 since this ratio is greater than one, it shows that the investment in Bread, Biscuit making unit in rural area was economically viable.

Benefit - cost ratio for bread and biscuits producing Bakery Unit in urban area was the ratio between the sum of benefit of returns (R) which was Rs. 40,200.00 and the sum of cost (C), Rs. 36,550. The obtained benefit-cost ratio was equal to 1.09 since this ratio is greater than one, it shows that the investment in bread and biscuits producing Bakery unit in urban area is economically viable.

Table 4.6 Benefit cost ratio for all bakery units (Bread, Biscuit and Cake) at small scale in urban and rural area

S. No.	Unit	Returns (Rs.)	Cost (Rs.)	B:C = R/C
1.	Benefit cost Ratio of bread, biscuit and cake at small scale in urban area	52450	41364	1.24
2.	Benefit cost ratio of bread, biscuit and cake at small scale in rural area	53400	42346	1.26
3.	Benefit cost ratio of biscuit at small scale in urban area	48750	41318	1.18
4.	Benefit cost ratio of bread, biscuit at small scale in rural area	45300	38408	1.18
5.	Benefit cost ratio of bread, biscuit at small scale in urban area	40200	36550	1.09

* Benefit cost ratio of all units is greater than one, shows that all are economically viable.

To conclude it may be stated that the obtained benefit-cost ratio in all the five cases is greater than one, hence it shows that the investment in the selected units is considered to be economically viable/justified. Benefit-cost ratio was highest in bread , biscuitsand cake producing bakey unit in rural area, followed by bread, biscuit and cake producing bakery unit in urban area , biscuit producing bakery unit, bread and biscuit producing bakery unit in rural area and lowest for bread and biscuit producing bakery unit in urban area so, profit was more in rural area as compared to urban area.

4.8 Break - Even Point

Break-even point i.e. price and production which covers the total cost and should cover the cost of production atleast with zero profit is known as "Break-even point". For all these units Break-even point was calculated and values are given in Table 4.7.

Figures given in Table 4.7 shows that the total cost of production for small scale bakery units producing Bread, Biscuit and Cake in urban and rural area was Rs. 41,364 and Rs. 42,346, respectively with the production of 1560 kg and 1590 kg of Bread, Biscuit and Cake, respectively. Break even points i.e. price and production which covers the total cost and minimum sale that may meet the cost of production (zero profit) of these units was worked out to be Rs. 26.52 and Rs. 26.64, respectively, the break even sale of production was worked out to be 1560 kg, and 1590 kg. Hence, for the viability of these units, the owner must fix the minimum price for their production i.e. Rs. 26.52 and Rs. 26.64, respectively per kg (Small scale Bakery units producing Bread, Biscuit and Cake in rural and urban area)

Table 4.7 Break even points for all bakery units (Bread, Biscuit and Cake) at small scale unit in rural and urban area

Sr.No.	Particular	Cost of production (Rs.)	Total prodcution (kg)	Break even sale (Rs.)
1.	Cost of production of bread, biscuit and cake at small scale in urban area	41364	1560	26.52
2.	Cost of production of bread, biscuit and cake at small scale in rural area	42346	1590	26.64
3.	Cost of production of biscuit at small scale in urban area	41318	1950	21.19
4.	Cost of production of bread, biscuit at small scale in urban area	36550	1800	20.31
5.	Cost of production of bread, biscuit at small scale in rural area	38408	2100	18.29

with total production not less than 1560 kg and 1590 kg, respectively per month.

Similarly, the total cost of production was Rs. 41,318, Rs. 36,550 and Rs. 38,408 for Biscuit Bakery, Bread and Biscuit Bakery in rural area and Bread and Biscuit Bakery unit in urban area, respectively and the total production of these units per month was 1950 kg, 1800 kg and 2100 kg, respectively. Break even points of these units was calculated Rs. 21.19, 20.31 and 18.29, respectively which is the minimum price the owner must fix for the smooth running of the unit

4.9 Break-Even Analysis

Table 4.8 shows margin of safety for small scale Bakery unit producing Bread, Biscuit and Cake which is calculated by the formula explained in the methodology. Break even quantity is also shown in graphs (Fig. 3 and 7) which is Break-even point for quantity. Similarly quantity for a given profit, profit for a given quantity and break even sales is calculated by different formulas explained in Methodology.

Bakery Unit At Small Scale level in urban and rural areas

Case-I

Locale of the Industry

This industry was started in February 1993. It was located in Nai Basti, Rewari. It was started as small scale unit and presently has the same status. Production of Bread, Biscuits and Cake was major activity of this unit.

Table 4.8 Break even analysis of all bakery units (Bread, Biscuit and Cake) at small scale on total costs for a month in rural and urban area

Sr. No.	Unit (particular)	Margin of safety	Break even quantity (kg)	Profit for a given quantity (kg)	Quantity a given profit (kg)	Break on sales (Rs.)
1.	Bakery unit (bread, biscuit and cake) at small scale in urban area	84.77	237.74	10086	1560	7558.34
2.	Baking unit (bread, biscuit and cake) at small scale in rural area	86.36	216.89	11054	1590	7275.00
3.	Bakery unit (biscuit) at small scale in urban area	83.98	312.34	7432	1950	7877.78
4.	Bakery unit (bread, biscuit) at small scale in urban area	65.17	627.01	3650	1800	13928.57
5.	Bakery unit (bread, biscuit) at small scale in rural area	80.22	415.58	6892	2100	8540.00

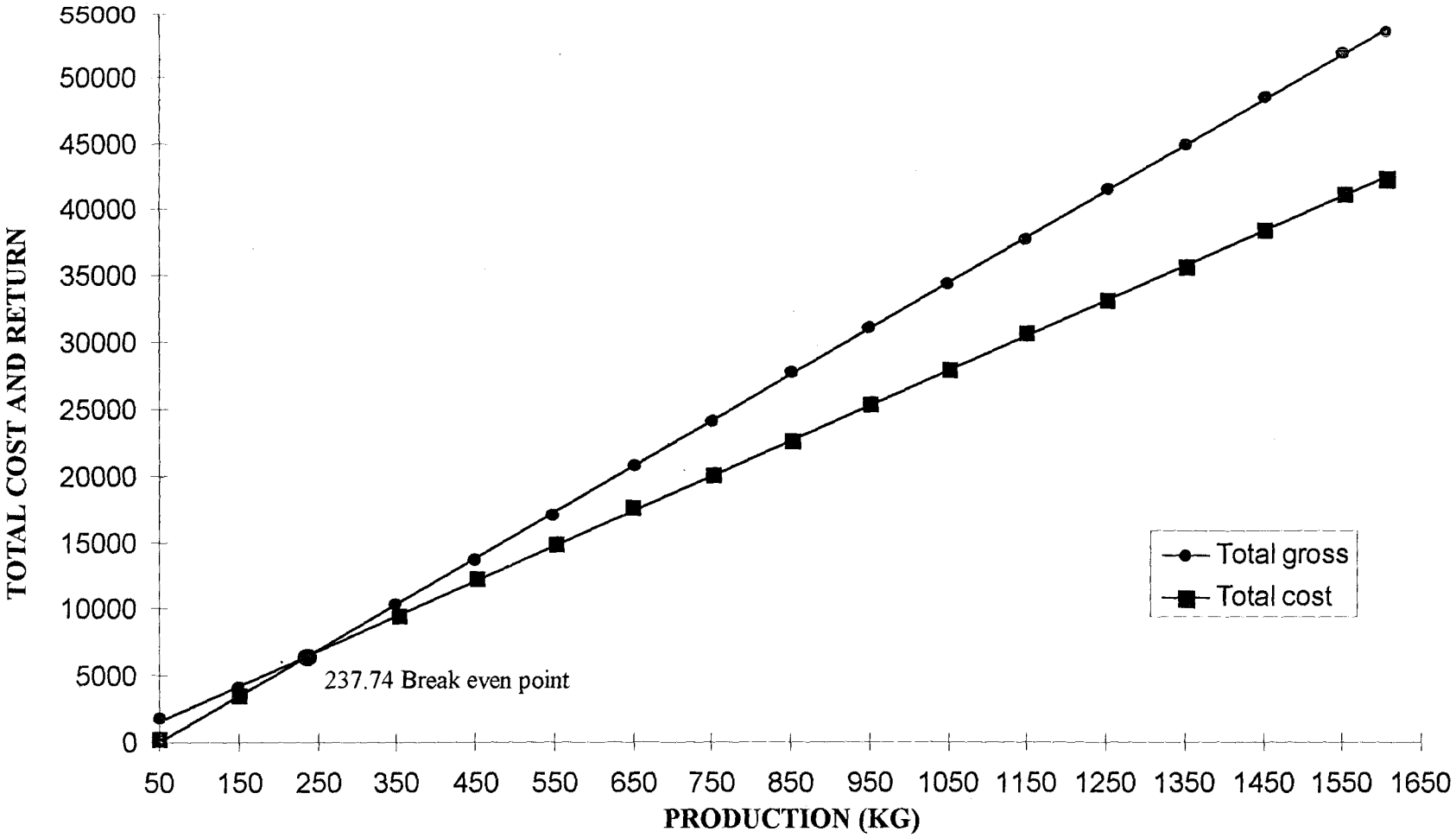


FIG. 3: (A) BREAK EVEN POINT FOR SMALL SCALE (BREAD, BISCUIT AND CAKE) BAKERY UNIT IN URBAN AREA

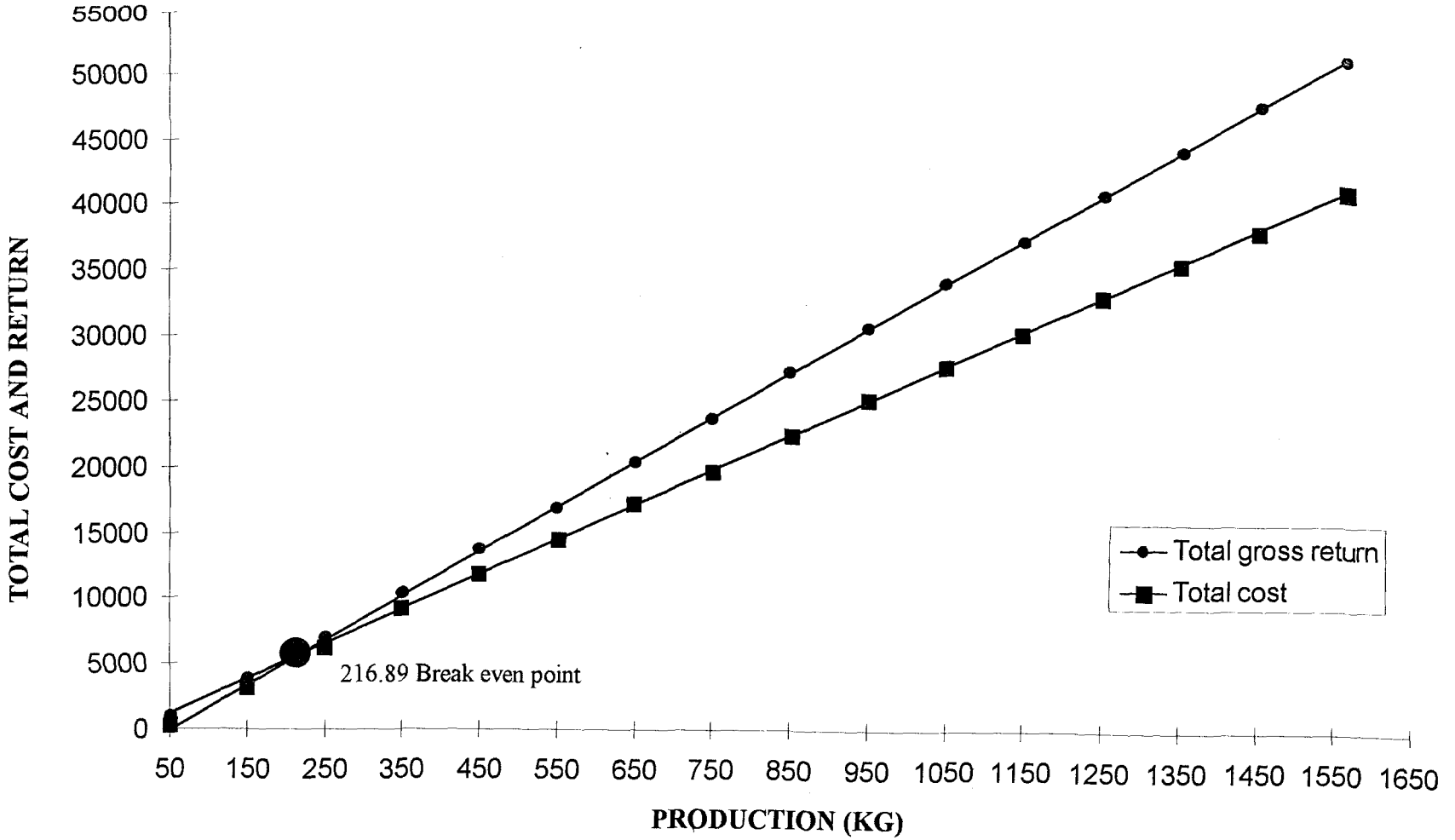


FIG. 4 : BREAK EVEN POINT FOR SMALL SCALE (BREAD, BISCUIT AND CAKE) BAKERY UNIT IN RURAL AREA

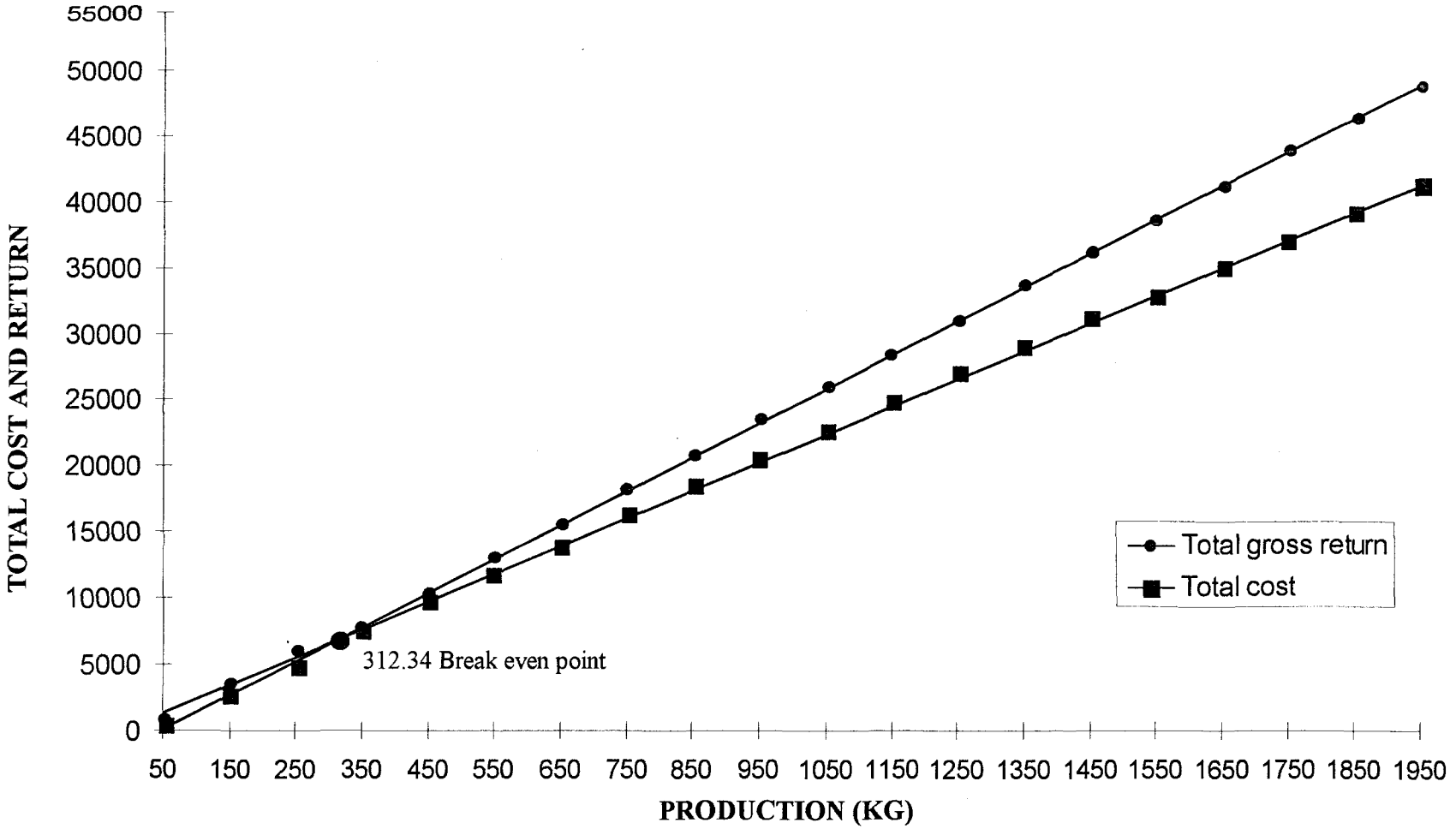


FIG. 5 : BREAK EVEN POINT FOR SMALL SCALE (BISCUIT) BAKERY UNIT IN URBAN AREA

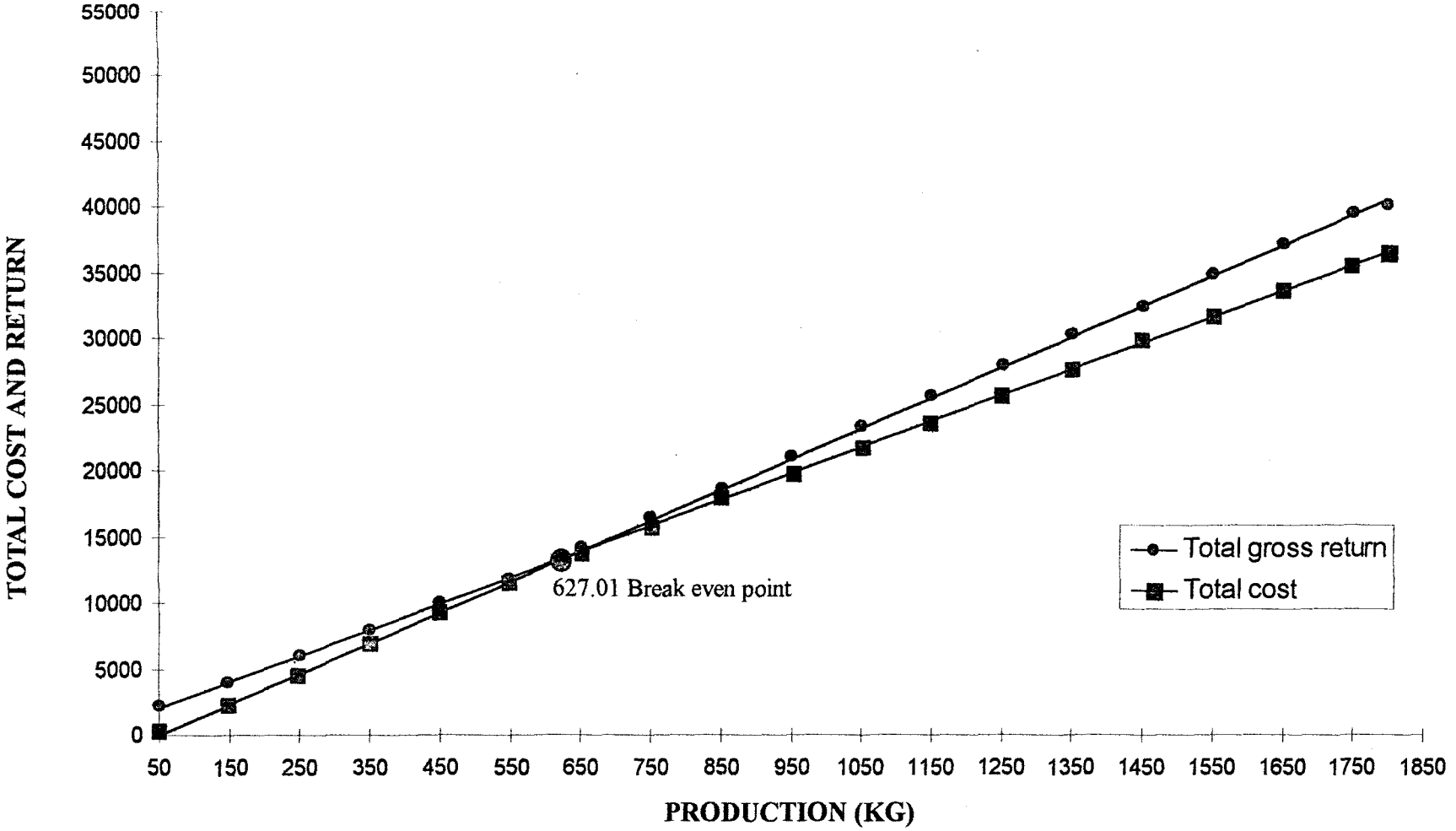


FIG. 6 : BREAK EVEN POINT FOR SMALL SCALE (BREAD AND BISCUIT) BAKERY UNIT IN URBAN AREA

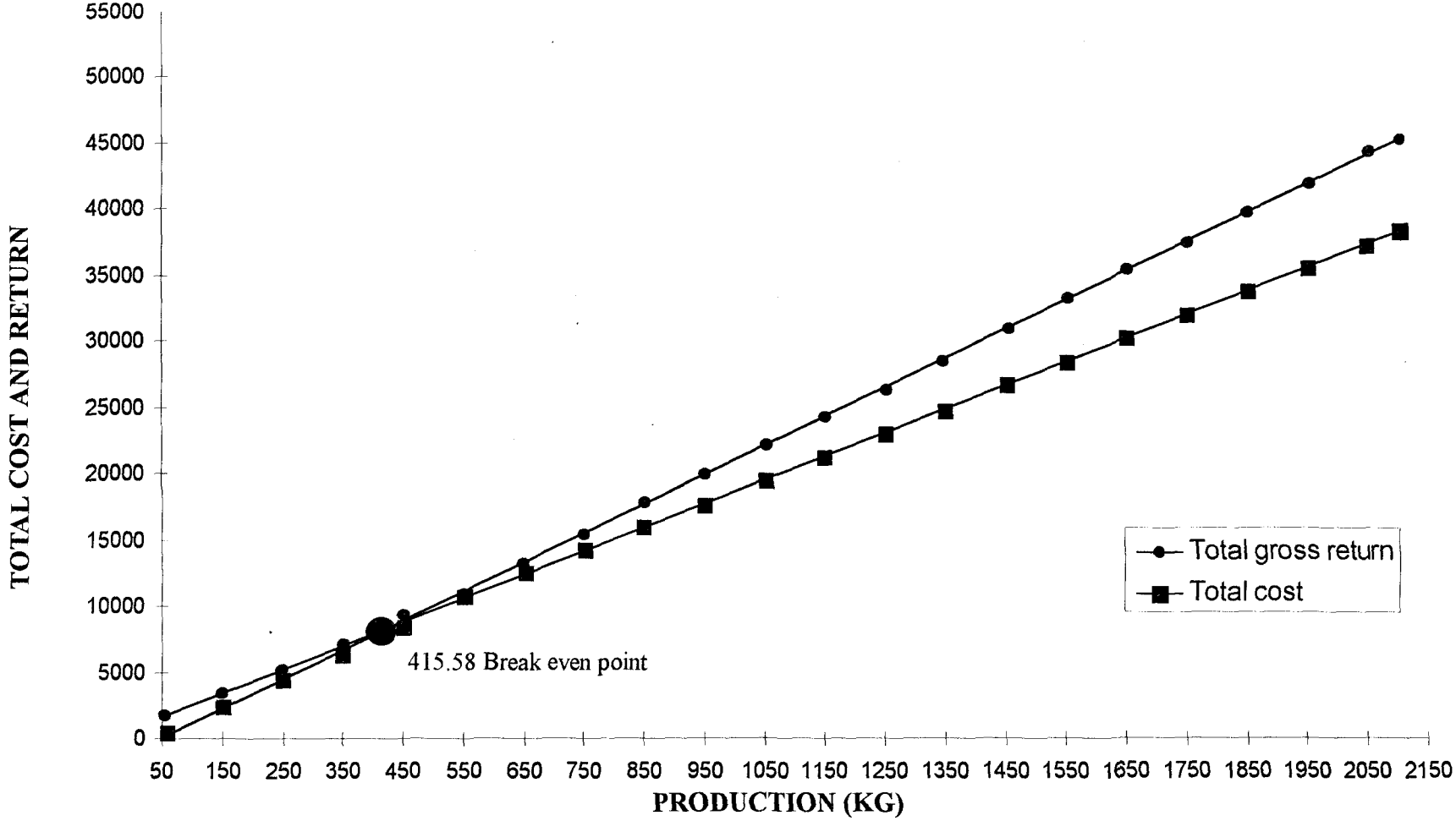


FIG. 7 : BREAK EVEN POINT FOR SMALL SCALE (BREAD AND BISCUIT) BAKERY UNIT IN RURAL AREA

Organizational Resources

1) Capital Investment : The unit was started with initial investment Rs. 50,000/- which was in fixed and variable cost.

Sr.No.	Physical resources	Total area	Cost (Rs.)
1.	Plinth area	50 sq. mt.	
	Working place	covered area	1200/-
	Storage		per month
	Open Area		on rent
2.	Machines and Equipment	7 Nos.	36,800.00
3.	Manpower	3 Nos.	6,000.00
4.	Raw Material	1560 kg	30,600.00
5.	Water and Electricity charges	—	1,000.00
6.	Packing, transport and Misc. expenses	—	1,950.00

Machines and Equipments

Machines and equipments were purchased from local market, Rewari.

Manpower : When the unit was started, three workers were employed. Details are given as under :

Sr.No.	Status	No.	Wages (Rs.)	Roles performed
1.	Manager	1	—	Arrangement of raw material and maintain the record of the unit.

2.	Salesman	1	1500.00	Brings orders
3.	Labourers for Bread, Buscuits and Cake	2	4500.00	

Manager : Male entrepreneur has taken the responsibility of marketing and arrangement of finance and raw material.

Age	:	38 years
Education	:	10+2
Working period	:	08 AM to 05 PM
Wages	:	Profit from the unit

Salesman : X was working as salesman in the unit.

Age	:	22 years
Education	:	8th
Working experience	:	Have no experience before joining the unit.

Labourers :

1. Labourers A and B were working in the unit from inception of the unit.

Age	:	30 and 28 years old
Education	:	Both were 8th pass

Jobs of workers were not permanent.

Input supply

All the ingredients used in Bread, Biscuit and Cake making were purchased from local market.

Output

Total production	:	1560 kg/month
Cost of production:		41364
Sale Price	:	51450
Net profit	:	10086

Marketing : Marketing of almost all the products was done within the district through retailers and whole-sellers. It can be safely stated that the production was more in this unit and its products were quite popular.

Packing	Packed in 1 kg, 700 gms, and 400 g packet
Linkage	Unit has no linkage except for sale purposes with retailers.
Research organization	No linkage
Funding agency	No linkage with funding agency
Training Institution	No linkage with training institutions.

Constraints : The labour was the major problem because the skilled labour leave the unit after learning the skill for better avenues. Old and manually operated machines were used in this unit.

Case-II

Locale of the Industry

This unit was started in the year 1996. It was located in Rajrika village, Rewari. Bread, Biscuit and Cake production was the major activity in this unit.

Organizational Resources

The unit was started with initial investment Rs. 70,000/-. Total area

of the building was 50 sq. mt.

Sr.No.	Physical Resources	Total Area	Cost (Rs.)
1.	Plinth area	50 sq. mt.	1000.00 per month on rent.
2.	Machines and Equipment	7 Nos.	33,300.00
3.	Manpower	4 nos.	6,000.00
4.	Raw material	1590 kg	32,500.00
5.	Water and Electricity charges	—	1,000.00
6.	Packing, Transport and Misc. Expenses	—	1,100.00

a) **Physical Resources**

Plinth Area : Total area of building = 50 sq. mt.

b) **Approximate cost of Machines and Equipments**

Sr.No.	Item	No.	Cost (Rs.)
1.	Cement Bhatti	1	10,000.00
2.	Flour kneeding machine	1	8,000.00
3.	Beater	1	2,800.00
4.	Bread cutter	1	2,500.00
5.	Iron Tray	200 (Rs. 20 each)	4,000.00
6.	Karah	1	3,000.00
7.	Miscellaneous	-	3,000.00

c) **Manpower**

At the time of research, total manpower employed in the unit wasfour in number and detail were as :

Sr.No.	Status	No.	Wages (Rs./month)
1.	Manager	1	—
2.	Salesman	1	1,500
3.	Labour	3	4,500

Manager : Male entrepreneur has taken the responsibility of marketing and arrangement of finance and raw material.

1.	Age	:	40 years
2.	Education	:	B.A.
3.	Working period	:	09 AM - 06 PM
4.	Wages	:	Profit from the unit

Salesman : X was working as salesman in the unit

1.	Age	:	20 years
2.	Education	:	5th pass
3.	Working Experience	:	Two years in another bakery unit before joining the unit.
4.	Working period	:	09 AM - 06 PM
5.	Wages	:	Rs. 1500/- per month

Labourers : Labour A, B and C were working in the unit as helper and packing and machineman.

Workng experience : All these have no experience.

Age A was 26 years old

B was 21 years old

C was 18 years old

Education A was illiterate

B was middle

C was Middle

Working period : 09 AM - 06 PM

Wages : Rs. 1,500/- per month each

Entrepreneur of this unit was satisfied with her work.

Input supply

Raw material was purchased from local market in the city.

Output

Total production	:	1590 kg/month
Total sale price	:	53400
of the production		
Total cost of production	:	42346
Net Profit	:	11054

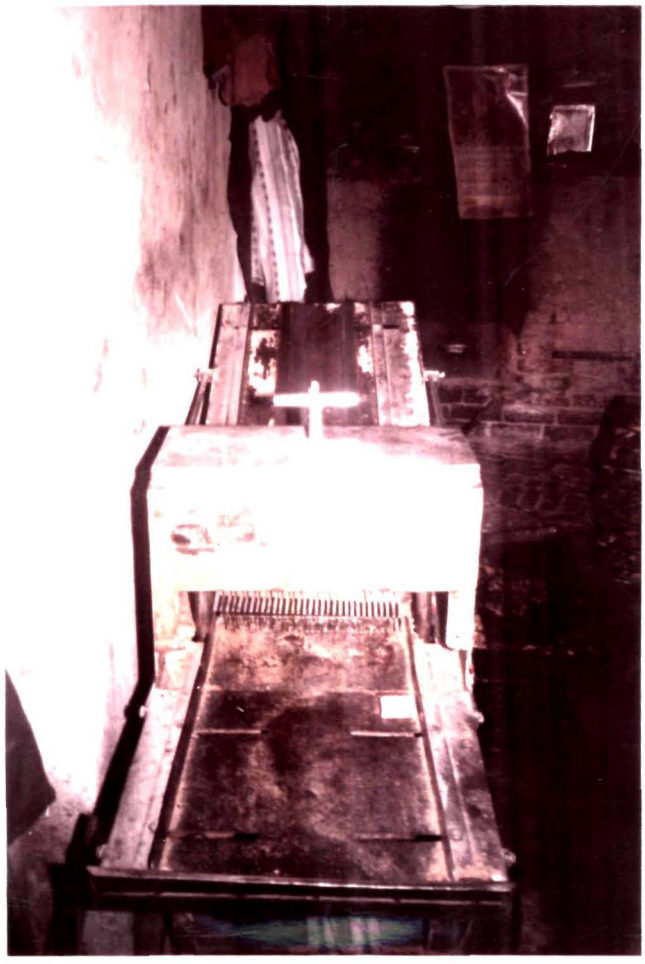
Marketing : Retailers were the main customer of the unit. The product was sold in local market and also prepared on order basis of houses nearby the factory.

Packing : 1 kg, 400 g and 700 g packet.

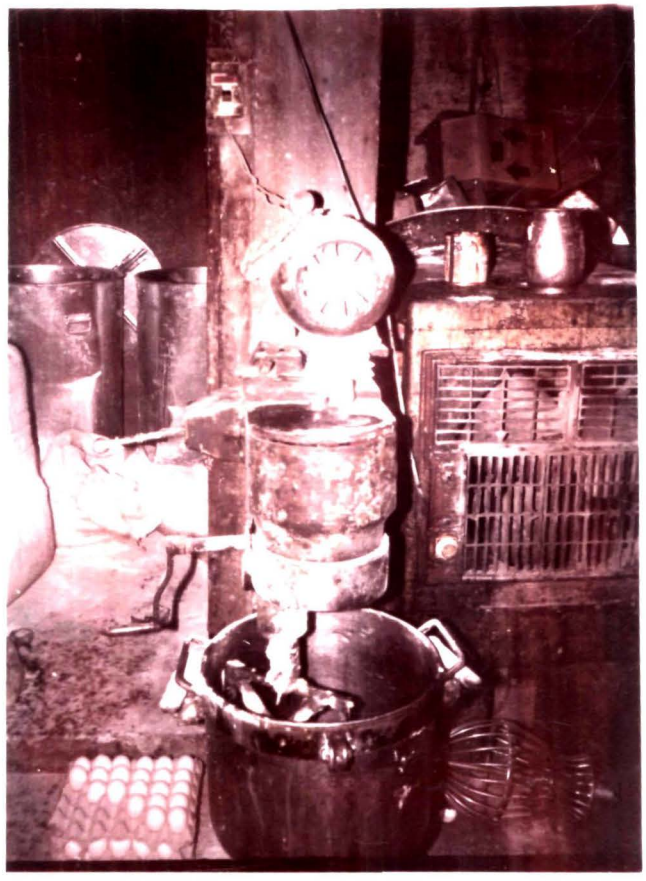
Linkage : Unit has no linkage except for sale purposes with retailers.

Research organization : No linkage.

Funding Agency : Linkage with Punjab National Bank.



Bread cutter



Beater

Training Institute : No linkage

Constraints : Finance was the main problem with entrepreneur.

Case-III

Locale of the Industry

This industry was started in 1990. It was located in Model Town, Rewari. It was started as small scale unit and presently has the same status. Production of Biscuits was major activety of this unit.

Organizational Resources

1) Capital Investment

The unit was started with initial investment of Rs. 50,000 which was in fixed and variable cost.

Sr.No.	Physical resources	Total area	Cost (Rs.)
1.	Plinth area	50 sq.mt. covered area	1,000.00 per month on rent
	Working place	—	
	Storage		
	Open Area		
2.	Machines and Equipment	5 Nos.	22,600.00
3.	Manpower	5 Nos.	5,500.00
4.	Raw Material	1950 kg	32,700.00
5.	Water and Electricity charges	—	1,000.00
6.	Packing, Transport and Misc. expenses	—	7,00.00

1. Machines and Equipment

Machines and equipment were purchased from local market, Rewari.

2. Manpower : When the unit was started, five workers were employed including owner itself. Details are given as under :

Sr.No.	Status	No.	Wages (Rs.)	Roles performed
1.	Manager	1	—	Arrangement of raw material and maintain the record of the unit.
2.	Salesman	1	—	Brings orders.
3.	Labourers	3	—	Help in baking and other work.

Manager : Male entrepreneur has taken the responsibility of marketing and arrangement of finance and raw materiaL.

Age	:	40 years
Education	:	B.Com.
Working period	:	09 AM to 06 PM
Wages	:	Profit from the unit

Salesman : X was working as Salesman in the unit from last five years.

Education	:	Matric pass
Age	:	23 years
Working experience:		Have no experience before joining the unit.

Labourers

1. Labourers A, B and C were working in the unit from inception of the unit.

Age	:	16, 21 and 33 years
Education	:	Somewhat literate and skilled

Input supply

All the ingredients used in Biscuit were purchased from local market.

Output

Total production	:	1950 kg/month
Cost of production	:	41318
Sale price	:	48750
Ner profit	:	7432

Marketing : Retailers were the main customer of the unit. The product was sold in local market.

Packing : 1 kg and ½ kg packet.

Linkage

Research organization	:	No linkage
Funding agency	:	No linkage
Training institute	:	No linkage

Problem faced by Entrepreneur :

Skilled labour, marketing and finance was major problem.

Case-IV

Locale of the industry :

This unit was started in the year 1988. It was located in Takri, Rewari. Production of Bread and Biscuits was the major activity of this unit.

Organizational Resources

a) Capital investment

The unit was started with initial investment of approximately Rs. 1,00,000/-. Half of which was personal and loan of 50,000/- was obtained from Punjab National Bank and was in fixed and variable costs. Details of Rs. 1,00,000/- are as follows :

b) Physical Resources

Sr.No.	Area	Total Area	Cost (Rs.)
1.	Plinth area workshop	50 sq. meter covered area	1200 per month on rent
2.	Machinery and Equipment	6 Nos.	28,500.00
3.	Manpower	4 Nos.	4,000.00
4.	Raw material	2100 kgs	31,000.00
5.	Water and Electricity charges	-	1,000.00
6.	Packing, transport and other expenses	-	700.00

a) Physical resources

Plenth area	:	Total area of building	= 50 sq. mt.
Workshop	:	50 sq.mt. covered area	= 1200 per month on rent

b) Manpower

When the unit was started, only two workers were employed.

Manpower : At the time of research total manpower employed in the unit

was 4 in number and details are as under :

Sr.No.	Status	No.	Wages (Rs. per month)
1.	Manager	1	-
2.	Labour	2	3,000.00
3.	Salesman	1	1,000.00
	Total	4	4,000.00

Manager : At the time of research, male entrepreneur has taken the responsibility of marketing and arrangement of finance and raw material.

Age : 40 years

Education : 10+2, vocational training in Bakery unit

Working period : 08 AM to 05 PM

Wages : Profit from the unit

Salesman : X was working as salesman in the unit from 4 years.

Age : 28 years

Education : Matric

Work experience : Two years in another bakery unit before joining the unit

Working period : 08 AM to 05 PM

Wages : Rs. 1000/- per month.

Labourers : Labour A and B were working in unit from 6 years for bread and biscuits making .

Age : 30 and 32 years old

Education : Both were middle pass and skilled in their work

Wages : Rs. 1500/- each

Input supply

All the ingredients used in bread and biscuits were purchased from the local market.

Raw material required for one month = 2100 kgs

Raw material required for one day

Bread = 30 kg/day

Bisucit = 40 kg/day

Output

Total production	:	2100 kgs/month
Total sale price of the production	:	45300
Total cost of production	:	38408
Net profit	:	6892

Marketing

Retailers were the main customer of the unit. The product was sold in local market and also prepared on order basis of houses nearby the unit. Rickshaw was used for supply of products to them.

Packing : Packed in 1 kg, 700 g, 400 g, 250 g. packets.

Linkage : No linkage except for sale purposes with retailers and whole-sellers.

a) **Research organization** : No linkage

b) **Funding agencies** : Good linkage with Punjab National Bank for Financial assistance.

c) **Training Institution** : No linkage

Constraints : Amongst various major constraints, entrepreneur encounter:

Problem related to skilled labour. No quality control of the product is also another major problem. Lack of finance is major problem at that time.

Major problems faced by the entrepreneurs was finance. He applied for loan and obtained financial help from Punjab National Bank. But long and complicated process of loan procurement and frequent visits to offices discouraged him.

Case-V

Locale of the Industry

This unit was started in June, 1993. It was located in Nai Basti, Rewari. It was started as small scale unit and presently has the same status. Production of bread, biscuit and cake were the major activity in the unit.

Organizational Resoruces

a) Capital investment

The unit was started with initial investment of Rs. 70,000/- which was in fixed and variable costs.

b) Physical Resources

Sr.No.	Area	Total Area	Cost (Rs.)
1.	Plinth area workshop	50 sq.meter covered area on rent	1500per month on rent
2.	Machinery and Equipment	6 Nos.	24,500.00
3.	Manpower	3 Nos.	4,000.00

4.	Raw material	1800 kgs	28,000.00
5.	Water and Electricity charges	-	12,000.00
6.	Packing, transport and Misc. expenses	-	1400.00

Machines and Equipments

Machines and equipments were purchased from local market, Rewari.

a) Manpower

When the unit was started, three workers were employed. Details are given as under :

Sr.No.	Status	No.	Wages (Rs.)	Roles performed
1.	Manager	1	-	Arrangement of raw material and maintain the record of the unit
2.	Salesman	1	1,000.00	Brings orders.
3.	Labourers for Bread, Biscuit and Cake	2	3,000.00	

Manager : Male entrepreneurs has taken the responsibility of marketing and arrangement of finance and raw material.

Age	:	29 years
Education	:	B.Com.
Working period	:	08 AM to 07 PM
Wages	:	Profit from the unit

Salesman : X was working as salesman in the unit.

Age	:	21 years
Education	:	Illiterate
Working experience:		One year in another unit before joining the unit

Labourers : Labour A and B were working in unit from inception of the unit.

Age	:	35 and 28 years old
Education	:	Both were Middle pass

Jobs of workers were not permanent.

Input supply

All the ingredients used in bread, biscuit and cake making purhased from local market.

Output

Total production	:	2100 kgs/month
Cost of production	:	36550
Sale price	:	40200
Net profit	:	3650

Marketing

Whole-sellers were the main customers of the unit and the entrepreneurs were getting more profit from them as compared to the retailers.

Packing : 1 kg, 600 g, 700 g packet.

No silent period in soap making industries.

Linkage : Unit has no linkage except for sale purposes with retailers

Cement Bhatti

Bread Machine

and whole-sellers.

Research organization : No linkage with research organization.

b) **Funding agencies** : No linkage with funding agenices.

c) **Training Institution** : Linkage with training institutions.

Constraints : Amongst various major constraints, entrepreneur encounter:

Problem related to skilled labour. No quality control of the product is also another major problem. Entrereneur in this unit was used only stickers for popularizing the product.

Case analysis of small scale bakery units

(1) Almost all the unit have poor linkage with funding agencies except Punjab National Bank. The entrepreneurs were interested in getting loan from the funding agencies but due to frequent visits to the offices and long procedure of sanctioning the loan, most of them has dropped the idea.

2. Old and manually operated machines and equipments were being used in all the units.

3. In almost all the units labourers after learning skills left their jobs in search of better avenues or starting their own work. So, time is wasted every time in training new labourers..

4. Owner of all the units always depends on the agents or dealers of the raw material for purchasing raw material. Because the factory owner can not afford large cash amount for purchasing raw material direct from the manufacturing companies of raw material. So, entrepreneurs always depend on the dealer for raw material in open market.

5. No control over quality - quantity, packing and distribution in all the Bakery units.

6. Most of the units used stickers for popularizing their product. Some of them used newspaper and road-walls for advertisement of their products.

Existing status of small scale bakery units

Table 4.9 revealed that 60 per cent of small scale bakery units were located in the heart of the city, only 40 per cent were away from the city. All Bakery units were run by males.

Year of establishment in 40 per cent small scale Bakery units were less than 5 year and in 40 per cent units between 5-10 years and only 20 per cent units have established for more than 10 years. Performance of 40 per cent small scale bakery units was found to be medium level, 40 per cent units were high and 20 per cent were found to be low performance level.

Furthermore, the findings of the study revealed that all the bakery units were small scale i.e. having approximate production of 1590 and 1800 kg per month. Entrepreneurs have low level of awareness and knowledge. i.e. knowledge level regarding managerial activities includes raw material procurement, technology various schemes by Government.

At institutional level, linkages were negligible with financial and technological institutes, complicated procedure for procuring loan, inadequate and timely procurement of raw material were another complication faced by entrepreneurs and this affects the viability of small scale industries.

Profitability is an important determinant of viability. Although large

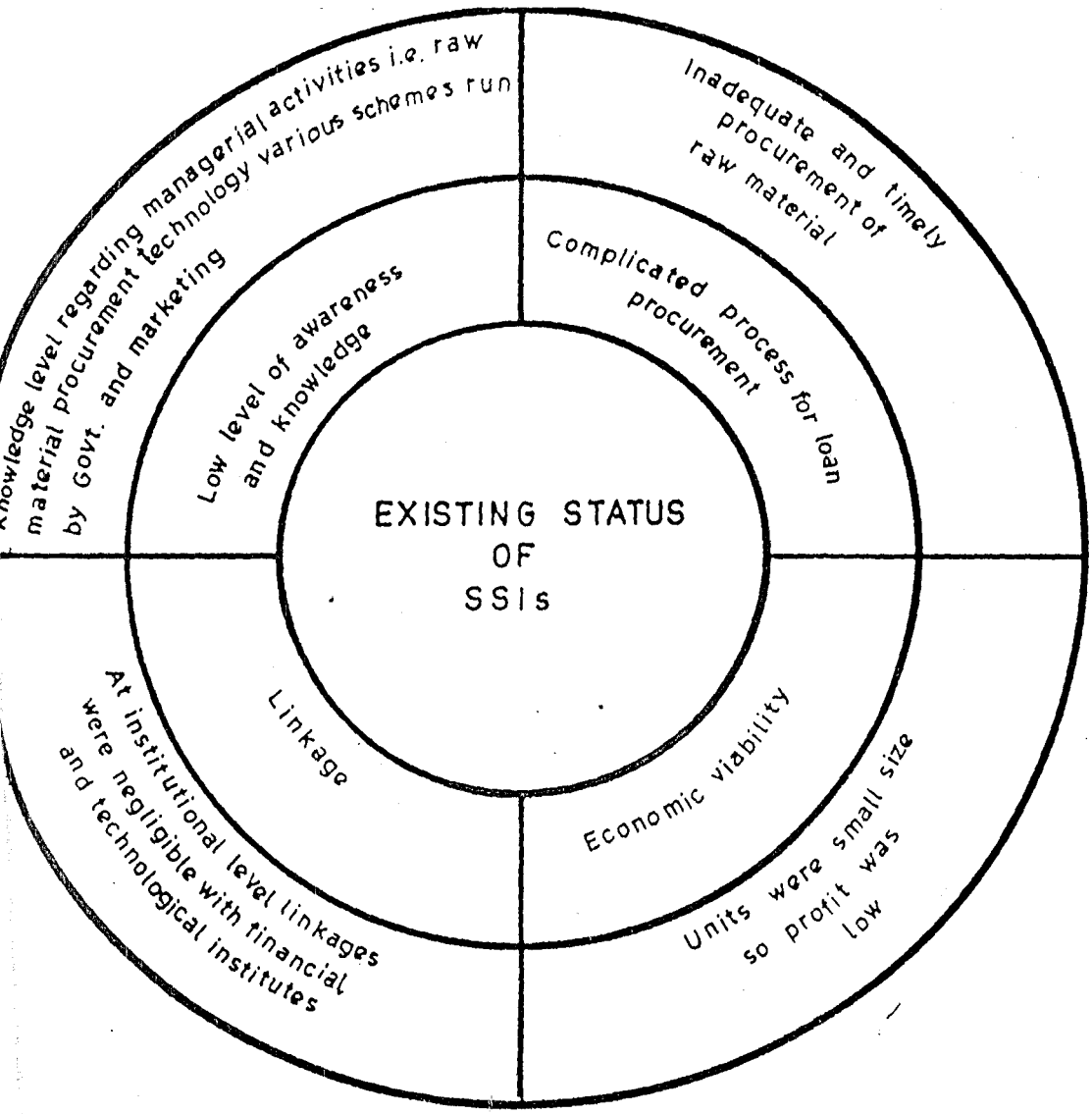


Fig. 8 EXISTING STATUS OF SMALL SCALE BAKERY UNITS

number of entrepreneurs were getting average profits but irrespective of size of bakery units, the extent of benefit was quite satisfactory for all the entrepreneurs of Bakery Units. In rural area, benefit was more as compared to urban area.

Further case analysis revealed that majority of the entrepreneurs were using old and manually operated machines for prodction process. Almost all cases showed that skilled workers leave their jobs for better avenues and render their owner helpless. Entreperneurs had lack of knowledge about various improved technologies and marketing experience and exercise burden of dual work i.e. domestic as well as entrepreneurial work . Other problems were competition with larger units, no control over quality quantity, packing, and distribution. Publicity of products was another most common problem at present for small scale industries.

Conclusively, difficulties like use of old machinery, no proper arrangement for raw material, complicated procedures to avail institutional help, lack of marketing experience in entepreneurs, no control ever quality quantity, packing and distribution were most serious constraints faced by baking units.

4.10 Strategy for promotion of viable small scale bakery units

Strategy is a systematic framework for action, a bule print and a plan for marshalling resources to accomplish a specific change in human behaviour and is effect oriented. It looks at what consequences are needed and then plans how to attain them. This section makes an attempt to evolve a strategic model for improvement of small scale bakery industries. The present study

Table 4.9 Existing status of small scale bakery units

Sr. No.	Attributes	Category	Small scale Bakery unit	
			F	%age
A)	Locale of the units	In the heart of the city	3	60.0
		Far away city	2	40.0
B)	Activity performed/ unit run by	a) SSI mainly run by males	5	100.0
		b) Only by females	-	
		c) Husband and wife both	-	
		d) Family members		
C)	Year of establishment	< 5 years	2	40.0
		5-10 years	2	40.0
		> 10 years	1	20.0
D)	Performance			
	Low	< 5	1	20.0
	Medium	5-10	2	40.0
	High	> 10	2	40.0
E.	General problems	a) Excessive burden of dual work and responsibility i.e. domestic and entrepreneurial	3	60.0
		b) Lack of confidence in handling technical, financial sale production and other managerial activities	2	40.0
F)	Machinery and equipments used	a) Old and manually operated machine and heavy equipments	5	100.0
		b) Modern and power operated machines	-	
G)	Raw material	a) Enterpreneurs always depend on middle man for raw material because large amount required for direct dealing with companies	5	100.0

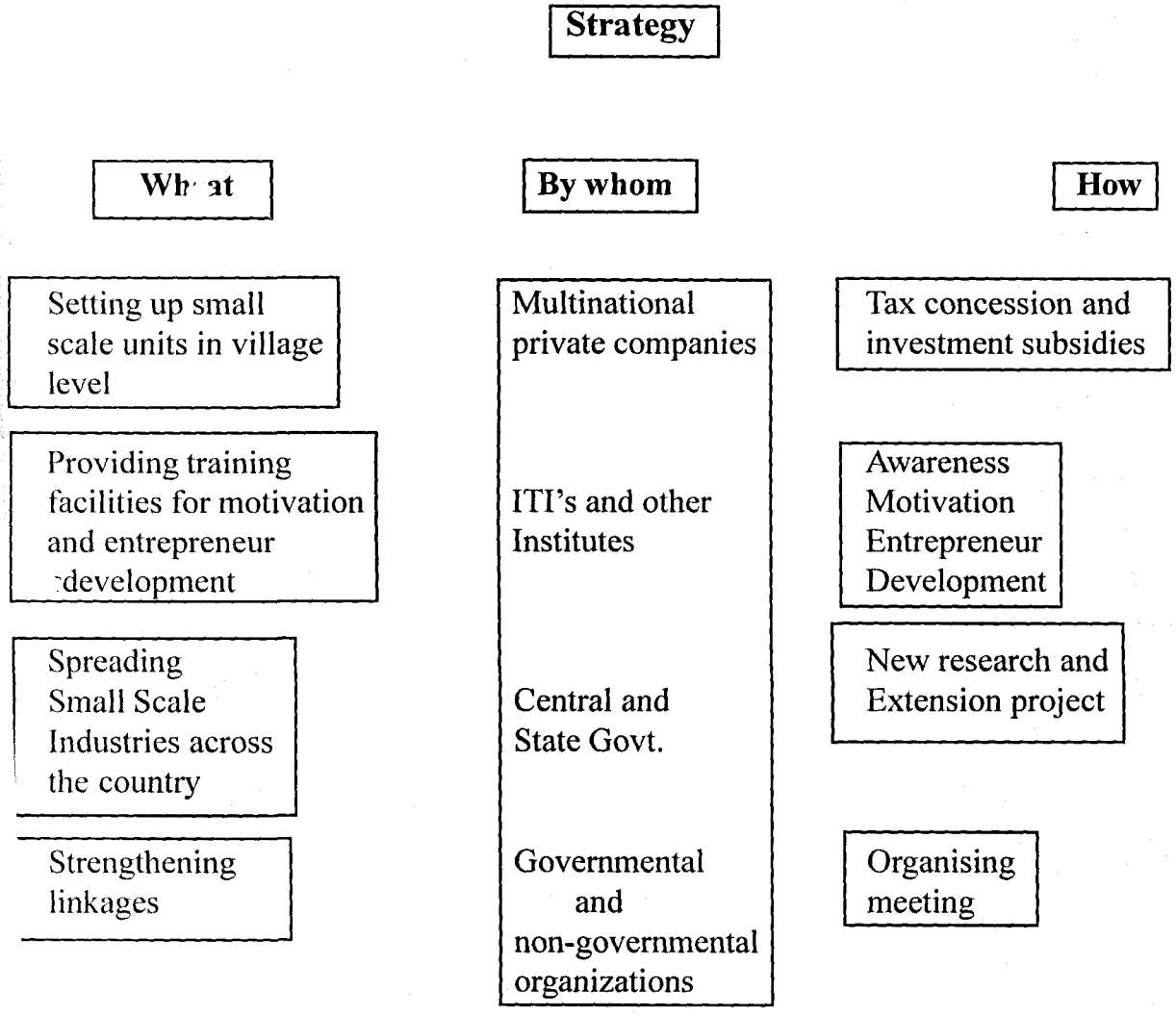
Sr. No.	Attributes	Category	Small scale Bakery unit	
			F	%age
		b) Purchase raw material from open market and variation in raw material prices at different places	5	100.0
H.	Manpower	Labourers after learning skills left the unit in search of better avenues	4	80.0
I.	Technological	a) Lack of technical knowledge about running the unit	-	
		b) Lack of various improved technologies	5	100.0
		c) Availability of technologies at distant places	-	
J)	Linkages	a) Poor linkages due to lack of knowledge about agencies and institutions working for entrepreneurs	3	60.0
		b) Various schemes run by government	-	
		c) Loaning schemes and procedures of financial institutions	4	60.0
		d) Frequent visits to the officers	-	
		e) Long and complicated process to avail institutional help	2	40.0
		f) Lots of formalities delays in getting loans	3	60.0

Sr. No.	Attributes	Category	Small scale Bakery unit F	%age
		g) Personal and political influences needed to avail institutional help	-	
K)	Resource system	a) Limited working capital and constant need of finance	3	60.0
		b) Inadequate and timely finance through financing agencies	2	40.0
L)	Marketing	a) Lack of marketing experience	2	40.0
		b) Competition from established and larger units in the same line	2	40.0
M)	Quality control	Control over quality, quantity, packing and distribution	1	20.0
N)	Publicity	a) Only used newspapers	-	
		b) Newspapers and walls	2	40.0
		c) Only stickers	3	60.0
O)	Profitability of the unit	a) Somewhat profitable	-	
		b) Average profitable	3	60.0
		c) Most profitable	2	40.0

Strategy

Wh at	By whom	How
Modification in Govt. policies	Government	Formulating new policies regarding finance and raw material - Marketing - Quality control
Create awarenesss regarding roles of Govt., non-Govt. organizations for promoting SSI	Home Science College of Agricutural Uniuversity	- Extension programme - Motivation, mass media products - Training
Finance, Subsidised Raw material, Marketing		
Promoting modern appropriate technology for SSI Establishment of big unit should be enhanced	ITI's Agricultural Universities, Govt. Training Centre and Home Science Colleges	- Research programme and conducting - Training and Education H.Sc. Colleges - People should be suggested to establish big units as establish big units as they are more viable.
Strengthening linkages	Government and Non-Govt. organisations for SSIs promotion	Extension Communications

Strategy for promoting viable income generating industries for women.



Strategy for promoting viable income generating industries for rural women.

was undertaken on small scale bakery industries mainly on two aspects i.e. economic potentiality and performance alongwith their isolated variables. On the basis of results obtained from analysis of case study, these have been put at appropriate places to arrive at meaningful understanding as to how the economic potentiality is affected by the actual performance of small scale bakery industries and future promotion of viable small scale industries for income generation.

The crucial factors as identified through this research for promotion of viable small scale bakery industries with suggestions for their improvement have depicted diagramatically in the Fig 5. For publicity of product, no other media was used, labourers after learning skills left their jobs in search of better avenues for starting their own unit.

4.10 Acceptability of selected technology for income generation by unemploymed youth background profiles of respondents

Background profile of rural respondents

Data presented in Table 4.10 indicates that 92. per cent of the respondents belonged to lower age group and 40 per cent belonged to upper and medium caste. Most of the families were joint (60%) with large family size i.e. 72 per cent. The family education status was medium i.e. 68 per cent, followed by high education status i.e. 20 per cent. They were agricultural labours (20%) followed by having no work (52%). Most of the respondents were unmarried i.e. 84 per cent. Monthly income ranged between Rs. 2000-3000 (48%) and Rs. 1000-2000 (36%).

Majority have high entrepreneural motivation (72%) and high risk

Table 4.10 Back ground profile of the rural respondents

N = 25

S.	Variables	Category	Frequency	Percentage
Socio-personal and economic				
1.	Age	Below 25 years	23	92
		26-50 years	2	8
		Above 50 years	-	-
2.	Caste	Low	5	20
		Medium	10	40
		High	10	40
3.	Type of family	Nuclear	10	40
		Joint	15	60
4.	Size of family	Upto 3 members	-	-
		3-5 members	7	28
		Above 5 members	18	72
5.	Family education status	Low (0-2)	3	12
		Medium (2-4)	17	68
		High (4-6)	5	20
6.	Respondents Occupation	Student (no work)	13	52
		Agriculture labour	5	20
		Independent profession	-	-
		Construction work	-	-
		Service	-	-
		Farming	7	28
7.	Marital status	Married	4	16
		Unmarried	21	84
8.	Average monthly income	Less than 1000	4	16
		1000 to 2000	9	36
		2000 to 3000	12	48

S.	Variables	Category	Frequency	Percentage
Psychological variables				
1.	Entrepreneurial motivation			
		Low (12-28)	4	16
		Medium (28-44)	3	12
		High (44-60)	18	72
2.	Risk orientation			
		Low (6-15)	3	12
		Medium (15-25)	7	28
		High 25-30)	15	60

orientation (60%). Thus, the background profile of rural respondents showed that majority of respondents belonged to lower age-group, upper and medium caste, joint families with large family size and medium family education status.

They have high motivation towards entrepreneur and risk orientation of most of them was also high. It implies that they had high and good entrepreneurial traits.

Background profile of urban respondents

Data presented in Table 4.11 show that all the respondents were below 25 years and majority were from upper caste i.e. 44 per cent, followed by medium caste (36%). Majority of respondents were from nuclear family (92%) and have medium family size (56%). Most of them have high family education status (84%) and all of them were unmarried. Most of them have high income, i.e., above Rs. 5000/- (84%).

They have high entrepreneurial motivation (84%) and high risk orientation (92%). Thus, the background of urban respondents showed that all the respondents were young and majority belonged to high caste, followed by medium caste, nuclear family with medium family size and high family education status. They have high entrepreneurial motivation and high risk orientation.

Acceptability of bakery units by rural and urban respondents

Acceptability was computed by summing up individual scores obtained by a respondent for symbolic adoption and their willingness for adopting the

Table 4.11 Back ground profile of the urban respondents

N = 25

S.	Variables	Category	Frequency	Percentage
Socio-personal and economic				
1.	Age	Below 25 years	25	100
		26-50 years	-	-
		Above 50 years	-	-
2.	Caste	Low	5	20
		Medium	9	36
		High	11	44
3.	Type of family	Nuclear	23	92
		Joint	2	8
4.	Size of family	Upto 3 members	6	34
		3-5 members	14	56
		Above 5 members	5	20
5.	Family education status	Low (0-2)	-	-
		Medium (2-4)	4	16
		High (4-6)	21	84
6.	Respondents Occupation	Student (no work)	25	100
		Agriculture labour	-	-
		Independent profession	-	-
		Construction work	-	-
		Service	-	-
		Farming	-	-
7.	Marital status	Married	-	-
		Unmarried	25	100
8.	Average monthly income	3000 to 4000	1	4
		4000 to 5000	3	12
		More than 5000	21	84

S.	Variables	Category	Frequency	Percentage
Psychological variables				
1.	Entrepreneurial motivation			
		Low (12-28)	-	-
		Medium (28-44)	4	16
		High (44-60)	21	84
2.	Risk orientation			
		Low (6-15)	-	-
		Medium (15-25)	2	8
		High 25-30)	23	92

technology for income generation.

Symbolic adoption of bakery units for income generation

Index was developed for measurement of symbolic adoption of the bakery units for income generation. Data presented in Table 4.12 show that 80 per cent of rural women had high symbolic adoption score for bakery unit. Rest of rural respondents had moderately high symbolic adoption score.

Among urban respondents, 100 per cent of urban respondent had high symbolic adoption.

4.13 Willingness of respondents for adopting bakery unt for income generation

Willingness of respondents for adopting bakery units for income generation was measured through four continum scales. Data presented in Table 4.13 reveals that 28 per cent rural respondents feel that they can adopt bakery unit without difficulty while majority (72%) feel that they can adopt it with somewhat difficulty.

Among urban respondents, 92 per cent feel that they can adopt small scale bakery unit without difficulty while 8 per cent feel that they can adopt it with somewhat difficulty.

4.14 Overall acceptability of bakery units by respondents for income generation

The acceptability of bakery unit by respondents was measured and quantified by summing up individual scores of respondents symbolic adoption and their willingness to adopt it for income generation. The data presented in Table 4.14 show that 80 per cent rural respondents considered bakery unit

Table 4.12 Symbolic adoption of bakery unit for income generation by rural and urban respondents

(in percentage)

Categories	Rural	Urban
High	20 (80)	25 (100)
Moderately high (5-6)	5 (20)	-
Moderately low (3-4)	-	-
Very low (0-2)	-	-

Figures in parenthesis indicate percentages.

Table 4.13 Willingness for adoption of bakery units by rural and urban respondents

Categories	Rural	Urban
Can be adopted without difficulty (4)	5 (20)	23 (92)
Can be adopted with somewhat (3) difficulty	20 (80)	2 (8)
Can be adopted with great difficulty (2)	—	—
Can not be adopted (1)	—	—

highly acceptable and 20 per cent perceived it moderately acceptable.

Among urban respondents, 96 per cent have high acceptability for bakery units and four per cent perceived it moderately acceptable.

Constraints perceived by urban respondents regarding small scale bakery unit

Urban respondents were asked to point out the major constraints which they feel likely to hinder them in setting up their own units. Ranking of these constraints (Table 4.16) shows that major problem perceived by the urban respondents in setting up bakery unit were lack of space (48%) followed by non-availability of raw material (24%). Other constraints perceived by urban respondents were its Lack of proper linkage/credit availability (12%), marketing problem (8%) and family do not approve (4%).

Constraints perceived by rural respondents

Rural respondents were asked to point out the major constraints which they feel likely to hinder them in setting up their own units. Ranking of these constraints (Table 4.15) shows that major problems perceived by the rural women in setting up small scale bakery unit were lack of proper linkage credit availability (40%), marketing problem (24%), lack of family approveal (12%) and non-availability of raw material (8%).

Table 4.14 Overall acceptability of bakery unit by rural and urban respondents (in percentage)

Categories Acceptability score	Rural	Urban
High (11-13)	20 (80)	24 (96)
Moderately high (8-10))	5 (20)	1 (4)
Moderately low (4-7)	-	-
Very low (1-3)	-	-

Figures in parentheses indicate percentages.

Table 4.15 Constraints perceived by urban respondents in starting bakery unit

S.No.	Constraints	Frequency	Percent	Ranking
1.	Family do not approve	1	(4)	V
2.	Marketing problem	2	(8)	IV
3.	Lack of proper linkage/ credit availability	4	(16)	III
4.	Non-availability of raw material	6	(24)	II
5.	Space is not available	12	(48)	I
6.	Procedural problems	-	-	-
7.	Technical problems	-	-	-

Table 4.16 Constraints perceived by rural respondents in starting bakery unit

S.No.	Constraints	Frequency	Percent	Ranking
1.	Family do not approve	3	12	IV
2.	Marketing problem	6	24	II
3.	Lack of proper linkage/ credit availability	10	40	I
4.	Non-availability of raw material	2	8	V
5.	Space is not available	4	16	III
6.	Procedural problems	-	-	-
7.	Technical problems	-	-	-

Chapter - V

SUMMARY AND CONCLUSION

Small scale sector occupies a central place in Indian economy. Small scale industries have a vitalrole to play in the accumulation of human capital and its effective investment in economic growth and development. In the developing economy like India, the growth of agro-industries is important for several reasons. First, it helps in generating more employment opportunities for the rural people. The promotion of agro-industries will help in improving the income and thus purchasing capacity of youth. Under food processing industries, about 53 per cent of the processing units are small scale units processing less than 10 tonnes per year. Therefore, small scale bakery enterprise has a good futureand it will offer better prospects to develop human re sources especially in rural areas and poor sections of the society. Thus increasing income and employment opportunities for rural and urban youth through bakery is in confirmity with National Nutrition policy objectives. With these considerations, the present study was undertaken to assess the performance and economic feasibility of Small Scale Bakery Units for income generation to ascertain the acceptability of the technology by rural and urban youth.

The primary data on different aspects of small scale Bakery Industries were collected from the entrepreneurs of the units through a comprehensive schedule. For assessing the acceptability of bakery units by rural and urban respondents, a well-structured interview schedule was followed. The data were analysed through standard statistical techniques such as percentage and indices. To assess the performance and economic feasibility of the units two major indicator, i.e., Benefit -cost ratio and Break-even analysis were used. The important findings of the present investigation are briefly summarised as under :

Performance and Economic Feasibility of Small Scale Bakery Units

Five Small Scale Bakery Units (bread, biscuit and cake) were randomly selected in Rewari District . The study revealed that the average cost of production of Small Scale Bakery Unit (bread, biscuit and cake) in urban and rural area, Small Scale Bakery Unit in urban area, Small Scale Bakery Unit (bread, biscuit) in rural and urban area was Rs. 41,364.00, Rs. 42,346.00 Rs. 41,318.00, Rs. 38,408.00 and Rs. 36,550.00, respectively. The respective average production was 1560 kg, 1590 kg, 1950 kg, 2100 kg and 1800 kg and gross returns were Rs. 51,450.00, Rs. 53,400.00, Rs. 48750.00, Rs. 45,300.00 and Rs. 40,200.00, with profit of 19.60, 20.70, 15.25, 15.22 and 9.08, per cent.

The net returns per kilogram of Small Scale Bakery Unit (bread, biscuit and cake) in urban and rural area, Small Scale Biscuit Bakery Unit in urban area, Small Scale Bakery Unit (Bread, Biscuit) in rural and urban area were Rs. 6.47, 6.95, 3.82 and 2.027, respectively. Benefit-cost ratio and

Break -even analysis on total cost of all the units were found to be significant. Hence, the investment in the selected units was economically viable. But the margin of safety was higher in Small Scale Bakery Unit (bread, biscuit and cake) in rural as compared to urban area. So, the protection against risk of downside variation was higher and the profit was more in Small Scale Bakery Unit (bread, biscuit and cake) in rural area, therefore, making this unit more suitable for income generation.

Further the case analysis revealed that almost all the entrepreneurs were using old and manually operated machines, in most of the cases the skilled labourers leave the unit after sufficient exposure for better avenues and render the owner helpless some of the important problems were lack of arrangement of raw material, complicated procedure to avail institutional help, lack of knowledge about technology and marketing experience and excessive burden of dual work i.e. domestic as well as entrepreneurial work Competition from larger units, no control over quality-quantity, packing, distribution and lack of media facility for publicity of products were most common problems for Small Scale Bakery Units.

Acceptabiity of Small Scale Bakery Unit by urban and rural youth

The study revealed that majority of the respondents belonged to lower age group (92%), medium caste (40%), joint families (60%) with large family size (72%) and medium family education status (68%). They have high entrepreneurial motivation and high risk orientation. It was found that 80 per cent of rural respondent had high symbolic adoption for Small Scale Bakery Unit for income generation, and 100 per cent of the urban respondents

had high symbolic adoption for bakery unit. Overall acceptability of Small Scale Bakery Units by urban respondents was high (96%) as compared to rural respondents (80%).

Major constraints perceived by the rural and urban respondents in setting up Small Scale Bakery Unit were lack of proper linkage/ credit availability (40), marketing problem (24%), lack of space (48%) and non-availability of raw material (24%).

Conclusions

In nutshell, the study concluded that the Benefit - cost ratio, Break-even points and Break-even analysis of all bakery units were significant indicating that the investment in the selected units were economically profitable, thus making the project viable. The margin of safety was higher in bakery unit (bread, biscuit and cake) at small scale in rural than urban area. Further more, the case analysis revealed that all the entrepreneurs were using old and manually operated machines . In most of cases the the skilled labourers left the units for better avenues. The complicated procedure diseouraged the entrepreneurs to avail institutional help.

Overall acceptability was higher among urban as compared to rural respondents. The major constraints perceived by both urban and rural respondents for starting the unit were lack of space, non-availability of raw material, lack of proper linkage with financial institutions or credit availability and marketing facilities and experience.

Suggestions

(1) Entrepreneurs had lack of knowledge about improved technologies related to bakery units, so it is suggested that ITI's and Government Training Centres should provide training to entrepreneurs on improved technologies.

(2) Central and State Governments should give greater emphasis for spreading Small Scale Industries across the country by starting new research and extension projects so that these Industries should receive real filip.

(3) Special efforts needed to develop entrepreneurship among women because they can not reach various institutions for help due to various reasons.

(4) Government and non-governmental organisations for promotion of small scale industries should strengthen the linkage with entrepreneurs in terms of training, financial help, subsidy, marketing facilities etc. So that they were not forced to leave the market in tough competition.

(5) Efforts should be made to establish cooperative units for which free land/space may be provided by the government in rural areas.

(6) Perceived constraint by the villagers was to receive credit for small scale industry. So arrangements should be made by Home Science Institutions and Rural Development Agencies to bring financial institutions and potential entrepreneurs together for easy procurement of credit.

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ANNEXURE-I

Department of Extension education
College of Home Science
HAU., Hisar - 125 004

Dr. (Mrs.) S. Kanta Verma
Associate Professor - Cum- Major Advisor

D.O. No.
Dated :

Dear Sir,

Ms. Bindu Yadav M.Sc. Scholar in Home Science Extension Education Department is working on the research problem entitled "Potentiality of Small Scale Bakery Units for economic empowerment by unemployed youth" I understand your department has information in this regard, and could provide her expert guidance your cooperation will be of immense value for her research endeavour.. I assure you that information will be only used for research purpose. I request you to kindly spare some of your time from your busy schedule and help her.

With regards,

Yours sincerely

[S.K Verma]

ANNEXURE-II

Potential of income gener ation through Small Scale Bakery Industries

Sr. No. Date

City/Town/ Village

District

General Information

1. Name of the owner of the industry.

2. Age of the owner of the industry.

3. Education of the owner of the industry.

4. Name of the Industry

5. Type of the Industry

6. Total area.

   a) Building (in yards)
   b) Workshop (in yards)
   c) Storage (in yards)
   d) Open area (in yards)

7. Working hours (Timings)

8. Year of inception of the Institution.

9. How you adopt this profession.
   i) By family trade ii) After receiving training
   iii) Own interest iv) Economic need

10. What are the inputs in your Industry ?
    A) Fixed capital
       i) Value of land and Building
       ii) Machines and equipments

Working capital

i) Own

ii) Borrowed

B) Variable costs

i)

ii)

iii)

11. Do you know that credit facility is available for your Industry?
If yes

a) How much

b) Room where or which funding agency you procure the credit ?

i) Banks

ii) Cooperative Society

iii) Traders

iv) Money lenders

v) Personals

12. If you have received loan, then which type of security you have given?

13. Duration of repayments of loans

i) Anounts in instalments

ii) Rates of interest

14. Type of raw material used

i)

ii)

iii)

iv)

15. Profit or loss in the passt 5 years.

16. How can you increase the profit?

i) Through improved marketing .

ii) Through procuring raw material at subsidised rates.

iii) Through receiving training

17. Machinery and equipments
    i) Total no of machines and equipments
    ii) Name of machine or equipment.

18. What constraints do you face while purchasing machines and raw material?
    1
    2
    3

19. From where do you purchase machines and equipments?
    1. Local market
    2. Nearby City
    3. Far -off City
    4. Outside City
    5. Outside Distt.
    6. Outside State

20. How many labourers/workers are working in your Industry?

21. What are their various status in your Industry and their Wages ?

Status	No. of persone		Educational quatification		Wages	
	M.	F.	M.	F.	M.	F.
1.						
2.						
3.						
4.						

22. What are the outputs in your organization

Prepared products	Total production (Qty. Kg.)	Total cost

23. Marketing
    i) Whether done through agents or directly
    ii) Whether Govt. orders are executed
    iii) Whether sold outside the district.

24. Where do you sell your products ?

25. Do you face any marketing problem ?

Yes / No

26. How do you popularize your products ?
    1. Only used newspapers
    2. Newspapers and walls
    3. Only stickers.

27. How much satisfied are you with your Industry ?

    i) Very much
    ii) Much
    iii) So So
    iv) No.
    v) Not at all

28. What problems you face in running this unit ?

    a) Technological
    b) economical
    c) Marketing
    d) Linkages

ANNEXURE-II

INTERVIEW SCHEDULE

Sr. No.

Villege :
Code No. :

1. Name of respondent
2. Age of the respondent
   a) Below 25 years 1
   b) 25 to 50 years 2
   c0 Above 50 years 3

A. caste

i) Low : Chamar, Bhangi, Dom, Jhimar, Khati, Dhobi, Badi,
2. Medium: Lohar, Kumhar, Darji, Nai, Baniya, Sunar, Ahir, Jullaha
3. High : Brahmin, Jat, Rajput, Bishnoi.

B. Type of family
Nuclear : 1
Joint : 2

C. Size of family
i) Upto 3 members
ii) Upto 3-5 members
iii) Above 5 members

D. Family education status

Education level		Self	Husband	Wife	Children (CI	CII	CIII)
Illiterate	1						
Can read only	2						
Can read and write	3						
Primary	4						
Middle	5						
High School	6						
Graduate	7						
Post - graduate	8						
Technical/Vocational education	9						

Occupation

Occupation	Self	Husband	Wife	Children (CI CII CIII)
No work	0			
Agriculture labour	1			
Caste occuption	2			
Small scale industries	3			
Independent profession	4			
Construction work	5			
Business	6			
Service	7			
Any other	8			
farming	9			

F) Marital status

Married	1
Unmarried	2
Widow	3

Average monthly income

Less than Rs. 1000	1
Rs. 1000to 2000	2
Rs. 2000 to 3000	3
Rs 3000 to 4000	4
Rs. 4000 to 5000	5
More than Rs. 5000	6

Source of motivation

Sr. No.	Statement	SA (5)	A (4)	UD (3)	DA (2)	SDA (1)

Economic Motivation

1. Entrepreneur work towards economic profits
2. A most successful entrepreneur puts in constant efforts to make economic prospective.

3. An entrepreneur takes risk in trying innovations which fetch him more profit.

4. An entrepreneur expands his production unit to increase monetary profit.

5. Entrepreneurs are money minded and this approach affects the social values of the community.

6. Everything can not be evaluated in economic terms one shold bother more for social prestige

Achievement Motivation

1. Achieving long distant goal is usually the target of an entrepreneur.

2. Inspite of several failures an entrepreneur strives hard to reach excellence in his endeavour.

3. Entrepreneurs leave no stone unturned to fulfil strong urge to reach the heights in his profession.

4. One who sets forth self - imposed standards of excellence is psychologically changed to achieve success.

5. Entrepreneur is innovative in his production unit

6. Entrepreneur never focus problems in achieving difficult tasks but resolve it through rationality and expertiese.

Risk preference

1. A person should rather take more of a chance in making a big profit than to be content with a smaller but less risky profit.

2. Those women who are willing to take more risks in adopting new activities than the average women are always better of

3. It is good for women to take risk in adopting new venture when she knows that it will be for her benefit.

4. Trying an entirely new venture by women involves risks, but it is worth it.

5. One should not adopt new economic activities oneself unless other has adopted it.

6. Adopting new income generating activities involves risk but they are wort hit like economic.

Symbolic adoption

Sr. No.	Symbolic adoption	Yes (2)	No (1)
1.	Having received knowledge of income generating activity. I can adopt it without hesitation. a) Small Scale Bakery Unit (Break, Biscuit and Cake)		
2.	The activity even through is time consuming but even then it is easy to practice. a) Small Scale Bakery Unit (Break, Biscuit and Cake)		
3.	Income generating activity can be easily accepted by people. a) Small Scale Bakery Unit (Break, Biscuit and Cake)		
4.	If I start this activity, I am sure it will help in solving my financial problems a) Small Scale Bakery Unit (Break, Biscuit and Cake)		
5.	The activity is so easy that I can conveniently do it without any problem. a) Small Scale Bakery Unit (Break, Biscuit and Cake)		
6.	I feel more confident in accepting income generating activity due to know how received through literature and demonstration a) Small Scale Bakery Unit (Break, Biscuit and Cake)		

7. For improving the economic status of family, the income generating activity is a useful technology.

   a) Small Scale Bakery Unit
   (Break, Biscuit and Cake)

8. As I am fully convinced about the importance of income generating activity no one can stop me to adopt it.

   a) Small Scale Bakery Unit
   (Break, Biscuit and Cake)

Willingess for adoption

	Without difficulty (4)	Withsome what difficulty (3)	With great difficulty (2)	Can not be adopted

Having known about income generating activity, do you think it can be adopted by you ?

a) Small Scale Bakery Unit
(Break, Biscuit and Cake)
If not give the reasons (Perceptible)

a) Family do not approve

b) Marketing problem

c) Lack of proper linkage/credit availability

d) Non-availability of raw material

e) Space is not available

f) Procedural problems

g) Technical problems

Title of the Thesis	:	"Potentiality of small scale bakery unit for economic empowerment by unemployed youth."
Full Name of Degree holder	:	Ms. Bindu Yadav
Admission No.	:	97HS236M
Name and Address of Major Advisor	:	Dr.(Mrs.) S. K. Verma Associate Professor Department of Extension Education, I.C.College of Home Science CCS Haryana Agricultural University, Hisar
Degree awarding Universty/ Institute	:	CCS Haryana Agricultural University, Hisar-125004, India
Year of Award of Degree	:	1999
Major Subject	:	Home Science Extension Education,
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28/9/99

Major Advisor

Bindu

Signature of Degree Holder

Head of the Department

ABSTRACT

(An abstract of the thesis submitted in partial fulfilment of the requirements for the degree of M.Sc. in Subject of Home Science Extension Education of the CCS Haryana Agricultural University, Hisar)

The study was conducted in Hisar and Rewari districts in Haryana State. Out of exhaustive list of small scale bakery units (Bread, Biscuit and Cake), a random

sample of 5 units were selected in Rewari to study the performance and economic feasibility of small scale bakery units. For assessing the acceptability, beneficiaries of KVK/ITI from one village Rampura of Rewari district and students of B.Sc. (Home Sc.) from Hisar city were taken as respondents. Data was collected with the help of interview schedule. Economic viability, Cost - Benefit analysis and Break- even analysis show that all the small scale bakery unit in rural and urban area are economically viable since 'Benefit- Cost ratio, and Break -Even Analysis' was found to be significant. But the margin of safety was higher in small scale bakery unit in rural area as compared to urban area.

The crucial constraints faced by entrepreneurs were lack of knowledge about various improved technologies, delay in getting loans, tendency of experienced workers to leave the unit after sufficient exposure.

Overall acceptability of small scale bakery units by urban respondents was found to be higher as compared to rural.

The major constraints perceived by rural and urban respondents for starting their own small scale bakery units were lack of proper linkage with financial institution/credit availability followed by lack of space for starting their units marketing problem to sell the product in the market and non-availability of raw material .