

Study of Industry's Perception towards Commerce Education in India

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Abstract- Under WTO regime Commerce Education has been immensely influencing. Commercial education is a type of training which, while playing its part in the achievement of the general aims of education of any given level, has for its primary objective the preparation of people to enter upon a business career, or having entered upon such a career, to render more efficient service therein and to advance from their present levels of employment to higher levels. The objectives of commerce Education can be achieved only through qualitative change in the system. The output of Commerce Education should be multidimensional and with full global competitiveness. But we have to realize that the Commerce graduate have lack of practical Knowledge. The practical oriented Commerce Education is a need of the age. Paper analyzes examines the industry perception towards commerce education in India.

Keywords: Commerce Education, , Small scale industries, Economic activities

I. INTRODUCTION

Commerce Education in India was started in 1886, over a hundred and twenty years ago. As early as 1886, the first commercial school was setup in Chennai by the Trustees of Pachiappa's Charities (Mehrotra, 1987). The British government started a school of commerce in Calicut (Kerela) in 1895. After that in 1903, commerce classes were started in the Presidency College, Kolkata (Mehrotra, 1987). Since then, it has experienced tremendous growth. Commerce faculties are established in many Universities. There are the increasing numbers of commerce students since 1950-51. The increase in enrolment is significant from 0.36 lakh in 1950-51 to 14.10 lakhs and in 2010-11 to 29 lakhs now which is 17.2 percent of total enrollment in higher education. The enrolment in M.Com and B.Com courses in India has increased from previous 15 years.

Through Commerce education, a student is exposed to the environment of the business world. It is helpful for preparing them for self-employment and developing in them, the entrepreneurial abilities. It also inculcates practice orientation among the students. It makes them know about the importance of applying economic principles while making business decisions. It makes them aware of social, economic and political problems relating to business concerns. It teaches them to face the market situation, to adapt themselves to the present circumstances. Moreover, it helps them to meet the global competition. Profit earning with consumer satisfaction are the true goals of business today. "As the economy becomes more industrialized and society becomes more complex, the knowledge and skills required to deal with the situations also change. Hence, for

enabling students to acquire the desired capabilities, contents of courses and their combinations need to be revised, diversified and made more flexible”.

Realms of Commerce Education

Accounts	Finance	Management	Entrepreneurship	Marketing	Business environment
Basic accounting knowledge - Disclosure and Reporting - Environmental Accounting - Forensic Accounting -Taxation system	-Financial Literacy - Microfinance And Micro Credit -Management Of Finance (Small and Large) - Venture Capital Engel Investors - Concept Of Working Capital (Short term Asset Management) - Concept Of Working Capital (Short term Asset Management) - Asset Building -Insurance - Banking	-Collaboration/ Team Dynamics -Negotiation -Co-operation - Forms of Business Organization - Culture and Law - Cluster Building	-Creativity -Incubation -Innovation	- Strategies to sustain global competition -Branding -Packaging - Value Addition -Warehousing -Transportation -Cool chain -Collaboration -	-IPR & Indigenous Products -WTO Challenges -Trade possibilities -Geographical Imbalance

II. OBJECTIVES OF PAPER

The objectives of the study are:

- To study the role of commerce education in industry sector;
- To examine the industry perception towards commerce education in India.

III. RESEARCH METHODOLOGY

The study is based on mainly primary data about 150 respondents consisting of 120 commerce post graduate students, 20 businessmen, and 10 consultants. On the basis of convenient sampling, 40 commerce postgraduate students were selected from Govt. P.G. College Jind, 40 commerce postgraduate students from S. D. college Panipat and 40 commerce postgraduate were selected from Arya college Panipat in Haryana. Convenient sampling technique and direct interview method has been used to know the response regarding role of commerce education in the inclusive and sustainability in India. The percentile method, ranking method and rating method have been used.

IV. REVIEW OF LITERATURE

The University Education Commission (1949) has included commerce education in the list of professional education such as medicine, engineering, technology, law, education, etc. Further, the Commission defined professional education as “the process by which men and women prepare for exacting responsible service with professional spirit. The terms may be restricted to preparation for fields requiring well-informed and disciplined insights and skills of high order”.

Rust and Oliver (1984) in their study provided three dimensions of model for measurement of service quality universally across the service which is widely known as expectation model.

Desai Armaity (1993): "Relevance in education does not come by sitting in our libraries and classrooms alone. It comes through live interaction in the field face to face with our social realities confronted by the challenges they uphold to test the parameters of academic knowledge".

The Karnataka Universities Review Commission (1993): "The University can no longer remain passive of the happenings taking place around it. An active participation of available experts at the university level in solving the problems of industrial development is, urgently needed".

Eresi, K. (1994): "Every institution imparting business education should have a sort of MOU with industry/business houses to undertake development of various skills in handling real business situation".

Swaminathan D.(1995): "Interaction and interdependence are the well-recognized concepts in the present day global situation. Universities are no exceptions to this. They should come out from their ivory tower concepts and interact with the outside world".

Dev (1996) studied that it should be clear that the management education and Commerce Education are nothing but the two branches of business education."

Parida and Parida (1996) observed that the approach of commerce education and business education is different from each other. They have clearly stated as "the priority, for the Indian economy is to totote Excellence in business education. We have IIMs and private management institutes for imparting same.

The High Powered Committee on Restructuring of Commerce and Management Courses in Karnataka (1999): "The basic problem with commerce education as perceived by the employers, relates to the wide hiatus that exists between the principles learnt in the class rooms, and what is practiced in business establishments".

Mahajan and Shah (2000) concluded that over the last more than a decade or so, global competition and proliferation of business educational institutions across the world possess stiff challenges to the business schools in India to produce quality products that could cater to the needs of corporate world and withstand upon the expectation of different stakeholders of business education.

Khairiowala et. al. (2002) felt it imperative on the part of business educationists to clear to the need of the market by imparting business education in realistic manner with a practical touch through better linkage between Universities and Industries. They also stated that the required existence of commerce education in the next millennium will depend upon the changes that are made today, taking a broader view of near future.

Gupta et. al (2003) observed that the Indian business schools have sought to replicate the US-based organizational, pedagogical, curricula, industry-interface, and academic research models, but are struggling to introduce several adaptations because of the differences in the work culture system. Therefore, it would be fruitful to investigate the challenges for enhancing the quality of business education in India.

Ahmad (2004) emphasized for bringing about changes in the system and the teaching process. In addition to imparting academic knowledge, the student community must be prepared to meet the challenge confronted in real life and equipped to solve the problems confronting the business world from day to day. This would call for the restructuring of commerce syllabi at regular intervals. He also felt that in the age of specialization commerce education should not continue as a sort of general education making students jacks of all trades and master of none.

Sangmi (2005) felt that commerce education came into existence with the complexities of business, this field of study has been undergoing through turbulent times through out its evolution. The millennium challenge of globalization, liberalization, privatization and information technology have put added pressure on commerce educational institutions to innovate and change as per changing dynamics of the business environment.

Mishra (2005) focused on post-world war period commerce education and emphasized e-learning, virtual class room and on line education. He also observed that we are not responding in responsible way while implementing curriculum of business education. He also emphasized on the need of changing mind set of the teaching community.

Das (2006) mentioned that the term 'Commerce and 'business 'education is used synonymously in many countries and often they are used interchangeably.

Nath Chimun K. (2006) has rightly said as "the contemporary business education scenario in the advanced economies has a clear bias towards a close linkage between industry and business education. Such a linkage would enable in identifying skill and manpower requirement. The content and delivery system must be tailored to meet the specific needs of the target groups, for whom the course is designed As a matter of fact, today the industry sector is also looking forward keenly to the business education to provide pragmatic solution to their problems both long term and short term in the form of well trained and adequately skilled human resources. However the commerce education has failed to offer relevant courses to meet the requirement of the industry and make the product saleable."

V. RESULTS & DISCUSSIONS

A. Role of commerce education in economic activities (Profession, Business, employment generation and entrepreneurship)

Table 1 reveals that around 90% of the respondents feel that the commerce education would create positive attitude among youth of our country towards economic activities and they think about their contribution in these activities. Further, 96 % of respondent accept that commerce education create confidence and knowledge and 10 % think to start their own business. Due to study of commerce 25 % respondents out of 120 agree that they believe in self employment as they know the various forms of business like sole trade, partnership, and company and process to start these. About 80 % of respondents accept that commerce education helps in the commencement, development & success of SMEs by marketing skills, financial skills, human resources skills etc.

Table1. Role of Commerce Education in Employment generation, entrepreneurship development & Poverty alleviation

S.No.	Parameters	Impact of commerce education			
		Yes	No	No Response	Total
1	Change in attitude of youth towards economic activities	108(90%)	12(10%)	-	120 (100%)
2	Confidence & Knowledge among youth towards economic activities	115(96%)	5(4%)	-	120 (100%)
3	Courage & motivation to commence own business due to commerce education	10(8%)	48(40%)	62(52%)	120 (100%)
4	Believe in self-employed due to commerce education	30(25%)	60(50%)	30(25%)	120 (100%)
5	Development of Small & medium enterprises (SMEs)	80(67%)	28(23%)	12(10%)	120(100%)

Source: Field survey

Table 2 reveals that around 98 % of respondents that a commerce graduate/postgraduate can ensure better management of its resources like financial resources, human resources etc. 88% of respondents feel that commerce education make enables

people to manage factor of production like land, labor, capital, and entrepreneur. 89% of respondents agree that entrepreneurs & management believe in wealth maximization rather than profit maximization that lead to corporate social responsibility. 30% of respondents assume that it would reduce regional imbalance as it helps in the process of industrialization throughout the country due to availability of skilled human resources by ensuring optimum utilization of limited resources. Further, 70% of respondents believe that commerce graduate understand the concept of time value of money that leads to them for savings, investment and capital formation in the country. 60% of respondent that a commerce graduate can get job easily in banking sector, share market, insurance and job of account and & marketing in each field. The rural youth would invest in share market which will create funds for industries. It is in initial stage in India.

Table 2. Role of Commerce Education in Employment generation, entrepreneurship development& Poverty alleviation

S. No.	Particulars	Impact of commerce education			
		Yes	No	No Response	Total
6	Optimum utilization of resources	118(98%)	-	2(2%)	120(100%)
7	Management of Factors of production	106(88%)	8(7%)	6(5%)	120(100%)
8	Wealth maximization rather than Profit maximization	107(89%)	6(5%)	7(6%)	120(100%)
9	Regional Imbalance	40(30%)	30(25%)	50(45%)	120(100%)
10	Time value of money, Savings & Investment, Capital formation	84(70%)	30(25%)	6(5%)	120(100%)
11	Job opportunities	72(60%)	22(18%)	26(22%)	120(100%)

Source: Field survey

Table 3 reveals that around 90% of respondents assume that commerce graduate believe in consumer satisfaction and the concept, “consumer is the king of the market”; therefore, they always tries to produce good quality product at lower prices while that act as entrepreneurs, product manager, market managers, employees and management. 70 % of respondent think that good quality products and services which are produced at lower cost can easily compete in international market. Thus, it will encourage export and keep international trade in right directions. Further, commerce graduates from different fields can act as exporters which would strengthen our manufacturing sector.

Table 3. Role of Commerce Education in Employment generation, entrepreneurship development& Poverty alleviation

S. No.	Parameters	Impact of commerce education			
		Yes	No	No Response	Total
12	Quality product at lower prices & consumer satisfaction	118(98%)	2(2%)	-	120(100%)
13	Skilled human resources	79(66%)	29(24%)	12(10%)	120(100%)
14	Management/support of existing business	40(30%)	50(45%)	30(25%)	120(100%)
15	Global challenges & global opportunities	54(45%)	12(10%)	54(45%)	120(100%)
16	Encourages International Trade & manufacturing sector	84(70%)	24(20%)	12(10%)	120(100%)

Source: Field survey

B. ROLE OF COMMERCE EDUCATION IN AGRICULTURE SECTOR

Table 4 exhibits that 93% respondents feel that commerce education would help in better planning and controlling of crops and factors of production. But, 5% respondents are not agreeing this and 2 % respondent did not give any response. About 80 % of respondents feel that farmers who get commerce education would apply basic accounting concept and would maintain farm accounts in agriculture activities. Around 80 % of respondents feel that farmers would follow the concept of branding,

packaging & value addition after getting commerce education. About 85 % of respondent assume that commerce education would create marketing skills among farmers; so, they would do buying & selling in a smart way. 70 % respondents accept that due to commerce education, farmers would take part in marketing of their agro- products; they would use warehousing and cool chain facility.

Table 4. Showing role of commerce education in agriculture sector

S. No.	Parameters	Impact of commerce education			
		Yes	No	No Response	Total
1	Planning & controlling of crop and factors of production	112(93%)	6(5%)	2(2%)	120(100%)
2	Basic accounting concept & Farm accounts	96(80%)	18(15%)	6(5%)	120(100%)
3	Branding, packaging & Value addition	96(80%)	12(10%)	12(10%)	120(100%)
4	Better marketing of agro-products	102(85%)	6(5%)	12(10%)	120(100%)
5	Warehousing& cool chain	84(70%)	24(20%)	12(10%)	120(100%)

Source: Field Survey

Table 5. Showing role of commerce education in agriculture sector

S. No.	Parameters	Impact of commerce education(Rating)			
		Good	No Impact	Average	Total
6	Management of production	113(94%)	6(5%)	1(1%)	120(100%)
7	Work measurement: time study & motion study	107(89%)	6(5%)	7(6%)	120(100%)
8	Crop diversification& Risk management	95(79%)	24(20%)	1(1%)	120(100%)
19	Financial planning, Cash budget & Money lenders	96(80%)	12(10%)	12(10%)	120(100%)
10	Better management of dairy business, Poultry, & Fisheries business	88(73%)	26(22%)	6(5%)	120(100%)
11	Decline in deficit in agriculture	68(57%)	30(25%)	22(18%)	120(100%)

Source: Field Survey

Table 5 reveals that 94 % respondents accepts that commerce education would make enables them to manage their production that they retain for domestic use and they sell in the market. It would lead to management or food grains retain by the farmers for domestic use. 89 % of residents assume that commerce education would create a thinking by which they can find the ways that reduce time, labor and costs to perform any agriculture activities. It would reduce the input costs of agriculture and would increase their crops income. About 79% respondents think that commerce education would make capable farmers to manage the risk of crop income by adopting crops diversification approach. Around 80% respondents assume that financial planning and cash budget would prevent farmers to spend in unproductive activities. It would maintain optimum cash that reduces dependence on moneylenders.

Around 73% respondents believe that commerce management leads to better management of dairy, poultry and fisheries business that would provide employment generation activities in rural areas. It has been seen that these business fails due to paucity of marketing, managerial skills, and financial skills. About 57% of respondents accept that commerce education would manage deficit in agriculture by financial, managerial, and marketing skills.

C. PLANNING AND CONTROLLING/BEST UTILIZATION OF THE FINANCIAL RESOURCES

Table 6 reveals that around 88 % respondents argue that concept of time value of money & cost of capital guides to make choice of best investment opportunities as commerce graduate understand the opportunities cost of his funds. 70% respondents assume that an individual, management or a businessman takes risk at that level which he can bear easily due to understanding of return trade-off and wealth maximization concept. It saves from greed of profit maximization, exploitation of customers and leads to corporate social responsibility.

90 % respondents argue that long term investment decisions increase national income & industrialization by selecting best investment proposal as these decisions involves huge & irreversible investment. Further, a commerce management can do better management of current assets and current liabilities. He can determine optimum level of cash, inventory and receivables. It reduces input costs and increase profitability.

50% respondent assume that a commerce graduate understand the dividend policy and does not sell his shares if company retains the profits in case of profitable investment opportunities which enables firms to raise finance from internal sources.

70 % respondents argue that an individual, firm, management, or businessmen can determine a mix or ratio in which they raise funds. They learn equity shares are better source of finance than debt & equity in case of introduction & decline stage of life cycle, depression, boom, through -cut competition and profit are falling. They will use long term securities in such proportion which minimize the cost of capital and maximize the value of firm. 98% respondents assume that commerce education create awareness about sources of finance and about some innovative sources like venture capital, bridge financing and lease financing that may solve the problem of finance. Thus, if a person has most profitable ideas, then, he can convert it into practical with the help of these sources.

Approximately 79% percent of respondent believe the commerce education would help to construct their portfolio and management and controlling of these portfolio.

Table 6. Showing Role of tool of financial management in best utilization of financial resources

S. No.	Tools of financial management	Best utilization of financial resources			
		Yes	No	No Response	Total
1	Time value of money & Cost of capital	106(88%)	12(10%)	2(2%)	120(100%)
2	Risk return trade-off & wealth maximization	84(70%)	24(20%)	12(10%)	120(100%)
3	Long-term investment & working capital management decisions	108(90%)	7(6%)	5(4%)	120(100%)
4	Retention & dividend decisions	60(50%)	36(30%)	24(20%)	120(100%)
5	Capital structure decision	84(70%)	24(20%)	12(10%)	120(100%)
6	Sources of finance & Venture capital, Lease financing & Bridge financing	118(98%)	2(2%)	-	120(100%)
7	Portfolio construction & management	91(79%)	17(14%)	12(10%)	120(100%)

Source: Field Survey

Section-iv: Industry's perception towards commerce education

VI. FINDINGS

- Commerce Education can play significant role in economic activities like employment generation, profession, entrepreneurship development & poverty alleviation to ensure inclusive growth and sustainability. The key parameters behind this are: optimum utilization of resource, better management of factor of production, regional imbalance, change in the attitude of youth towards economic activities, savings, investment and capital formation, courage & motivation to commence own business due to commerce education, quality product at lower prices & consumer satisfaction, Skilled human resources,

development of international trade & manufacturing sector, management of business environment, development of Small & medium enterprises (SMEs). These parameters are providing base of employment generation, industrialization, and entrepreneurship development to ensure inclusive growth and sustainability growth in county.

- Commerce education has significant role in agriculture sector by planning and controlling of their crops and factor of production, branding, packaging & value addition, better marketing of agro-products, warehousing & cool chain, management of production, Work measurement techniques, financing planning, cash budget and better crop diversification & risk management
- . Commerce education ensures better management of dairy business, poultry & fisheries business, and small scale industries which lead to reduction in the decline in deficit in agriculture.
- Commerce education provides awareness about the tools of financial management that ensure best utilization of financial resources of a firm, individual and a nation.

VII. CONCLUSIONS

Under WTO regime, the relevance of management education has become more imperative, this means a marked change in the way commerce and management education is perceived in India. Therefore, there is a need to make commerce graduation courses more meaningful and purposeful. Commerce Education is facing innumerable problems today. These problems have a direct bearing on the course objectives, course content and course conduct. These problems need serious attention and close scrutiny. It is high time for soul searching for an objective appraisal which will provide the basis for evolving a new strategy for giving a better deal to commerce education in the years to come. Therefore, there is a need for an all-out effort to re-orient and re-designing the commerce education in such a way that it will be relevant for today and tomorrow. By making relevant and practical oriented Commerce Education, it may be impacted global competitiveness to our students. As a part of the society the social awareness among Commerce students is the emerging need of present time

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