3.1 OBJECTIVES OF THE RESEARCH

Research is an art of scientific investigation. The Advanced Learner’s Dictionary of Current English lays down the meaning of research as “a careful investigation or inquiry specially through search for new facts in any branch of knowledge.” Redman and Mory define research as a “systematized effort to gain new knowledge.” Some people consider research as a movement, a movement from the known to the unknown. It is actually a voyage of discovery.

According to Clifford Woody research comprises defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organizing and evaluating data; making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulated hypothesis.

The purpose of research is to discover answers to questions through the application of scientific procedures. The main aim of research is to find out the truth which is hidden and which has not been discovered as yet. Following are the objectives of my present research.

➢ To check whether the income tax rebate is the main reason for purchasing insurance policies.
➢ To study whether there is a correlation between income and number of policies purchased.

➢ To analyze the functioning of LIC of India with special reference to C.G.

➢ To gain vital information regarding the Plans & Schemes marketed by LIC.

➢ To analyze the utility of various Plans & Schemes marketed by LIC.

➢ To analyze the financial position & business performance of LIC in C.G.

➢ To know the investment pattern of Life Insurance Corporation of India.

➢ To study about the various legislations in Insurance in India.

➢ To understand the emerging trends in Insurance sector in India.

➢ To study & observe the impact of insurance sector reforms on LIC.

➢ To gain information regarding the private players of the Indian life insurance market.

➢ To collect information whether the LIC can maintain its leadership position in the coming years.
To suggest suitable methods to make LIC more effective in the insurance sector.

3.2 RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research methods/techniques but also the methodology. Researchers not only need to know how to develop certain indices or tests, how to calculate the mean, the mode, the median or the standard deviation or chi-square, how to apply particular research techniques, but they also need to know which of these methods or techniques are relevant and which are not, and what would they mean and indicate and why.

Researches also need to understand the assumptions underlying various techniques and they need to know the criteria by which they can decide that certain techniques and procedures will be applicable to certain problems and others will not. All this means that it is necessary for the researcher to design his methodology for his problem as the same may differ from problem to problem. For example, an architect, who designs a building, has to consciously evaluate the basis of his decisions, i.e., he has to evaluate why and on what basis he selects particular size, number and location of doors, windows and ventilators, uses particular materials and not others and the like. Similarly, in research the scientist has to expose the research decisions to evaluation before they are implemented.
For doing the analysis, existing product profile and players was studied through secondary sources, and for determining the current scenario and locating problem and shortcomings, primary data was collected with the help of a questionnaire having maximum number of closed-ended questions and also interacting with the respondents to get the actual feel of the pulse. Survey was conducted in Raipur, Bhilai, Durg, Dhamtari, Danpara, Rajnandgaon & adjoining areas. The total Sample size was 250. Out of 250 samples size, 50 were for pilot study. The sample size was doubled for the purpose of interpretation and conclusion.

3.3 COLLECTION OF DATA

The task of data collection begins after a research problem has been defined and research design chalked out. There are two types of data used for research viz., primary data & secondary data.

3.3.1 Primary data

Primary data are those statistical data, which are collected for the first time and are original in nature. The authorities that are required to collect them collect primary data originally. The source from which primary data are collected is called Primary source. The method of collection of primary data is also known as the Primary Method of collection of data. Primary data are collected for the first time by the authorities that require the data for their own use and treatment. Data collected by field-workers, investigators and enumerators are primary data. The Census of India published by the Government, the Reserve Bank of India Bulletin published by the Reserve Bank of India, the Indian Textile Bulletin published by the Textile Commissioner of India etc. are the sources of primary data.
Methods of collecting Primary Data

The various methods for primary collection of data are:

a) Direct personal investigation.
b) Indirect oral investigations
c) Information from local agents and correspondents.
d) Mailed questionnaires and schedules.
e) Schedules (questionnaires) to be filled by enumerators.

3.3.2 Secondary data

Secondary data are those statistical data, which are collected and published by one organization and subsequently treated and utilized by other organizations. Secondary data are originally collected and published by the organizations other than the authorities that require them subsequently for their use and treatment. So secondary data of one organization become the primary data of other organizations who first collect and publish them. The source from which secondary data are collected is called secondary source. The method of collection of secondary data is known as the secondary Method of collection of data. The Statistical Abstract of India and the Monthly Abstract of Statistics, both published by the Central Statistical Organization, other publications of Government, publications of different Trade Associations and Chambers of commerce, etc. are the sources of the secondary data.

Sources of secondary data:

The various sources of secondary data may be divided into two broad categories.
(A) Published Statistics
- Official publications of Central / State Government.
- Publications of semi-government organizations.
- Publications of Research Institutions.
- Publications of Business and financial Institutions.
- Newspapers and periodicals
- Reports of various committees and commissions appointed by the government.
- Publications of International bodies.

(B) Unpublished Statistics.
- Documents prepared for purposes of registration, application for permits etc.
- Records relating to internal activities of institutions

Difference between Primary and Secondary Data

The difference between the primary and the secondary data is only one of degree of detachment with the original source. The data, which is primary in the hands of one, may become secondary in the hands of others. For example, if it were desired to conduct an investigation into the working conditions of workers of a big textile mill, the facts collected by the investigators directly from the workers themselves would be termed as the primary data. But if the information is obtained from a report prepared by its union for its own purpose, will be called secondary data. Similarly, the national income statistics published by the appropriate bureau would constitute primary data by the same data if adjusted for purposes of comparison, analyzed and published by the United Nations in Statistical Abstract of the UN, it becomes secondary data. Further, the census data
contained in various census reports published by the Director General of Census Operations is primary data. There cannot be any other source close of the subject matter. But the same data, when given by the National Council of Applied Economic Research, becomes secondary data.

3.4 PRIMARY DATA THROUGH QUESTIONNAIRE

A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms. This method of data collection is quite popular, particularly in case of big enquiries. It is being adopted by private individuals, research workers, private and public organizations and even by governments. In this method, questionnaire is sent (usually by post) to the persons concerned with a request to answer the questions and return the questionnaire. The questionnaire is mailed to respondents who are expected to read and understand the questions and write down the reply in the space meant for the purpose in the questionnaire itself. The respondents have to answer the questions on their own.

The method of collecting data by mailing the questionnaires to respondents is most extensively employed in various economic and business surveys. The merits claimed on behalf of this method are as follows:

1. There is low cost even when the universe is large and is widely spread geographically.

2. It is free from the bias of the interviewer; answers are in respondents' own words.
3. Respondents have adequate time to give well thought out answers.

4. Respondents, who are not easily approachable, can also be reached conveniently.

5. Large samples can be made use of and thus the results can be made more dependable and reliable.

The main demerits of this system can also be listed here:

1. Low rate of return of the duly filled in questionnaires; bias due to no-response is often indeterminate.

2. It can be used only when respondents are educated and cooperating.

3. The control over questionnaire may be lost once it is sent.

4. There is inbuilt inflexibility because of the difficulty of amending the approach once questionnaires have been dispatched.

5. There is also the possibility of ambiguous replies or omission of replies altogether to certain questions: interpretation of omissions is difficult.

6. It is difficult to know whether willing respondents are truly representative.

7. This method is likely to be the slowest of all.
Before using this method, it is always advisable to conduct 'pilot study' (Pilot Survey) for testing the questionnaires. In a big enquiry the significance of pilot survey is felt very much. Pilot survey is in fact the replica and rehearsal of the main survey. Such a survey, being conducted by experts, brings to the light the weaknesses (if any) of the questionnaires and also of the survey techniques. From the experience gained in this way, improvement can be effected.

Qualities of a good questionnaire

An accurate drafting of a questionnaire is necessary for obtaining the appropriate results from an investigation. While framing a questionnaire, following factors should be taken into account:

- **The questionnaire should be brief.** A questionnaire should be a brief one. All the irrelevant questions should be eliminated. All efforts should be made to reduce the number of questions to a minimum.

- **Simple, clear and unambiguous questions.** Questions should be clear, unambiguous and precise. They should be capable of being answered in only a limited number of ways. The language should be very simple so that the informant can understand it easily.

- **Nature of questions.** There are four types of questions viz:
  
  *(i)* **Simple alternative questions.** These questions can be answered in yes or no, right or wrong. The questions, which can be answered in, yes or no, are the best one.
(ii) **Multiple-choice questions.** Such questions can be answered in a number of ways. The answers should be printed in the questionnaire itself and the informant should be requested to mark against any one of them.

(iii) **Specific questions.** Such questions solicit specific information as to what is your age? When you graduated? How many children you have?

(iv) **Questions with open answers.** Open question is one, which leaves door open to any answer. Such questions are to be answered by the informants in their own words. Questions should be such that they do not require long answers.

4. **Use of proper words in question.** Questions should be framed with right words. The right word in the right place will ensure the validity of answers. Meaning of the words should be clear to all informants.

5. **Questions according to the knowledge of the informants.** The general body of informants should be in a position to answer questions. Questions, which rely on memory, should not be asked for as memory fades away soon.

6. **Questions capable of objective answers.** Questions should be capable of objective answers. Avoid questions of opinion. For example instead of asking a person whether he is contented with the present job or not, it would be better to ask, if he desires to change the job, so to what sort of job. It will help in tabulation of data.
7. **Questions should not affect pride or sentiment.** Questions affecting the pride or sentiments of the people should not be asked at all. Questions about one's private affairs, inquisitive or offending questions should be avoided at every cost.

8. **Debatable questions should be avoided.** Debatable questions should always be avoided. In such questions correct answers can never be known.

9. **Logical sequence of questions.** Questions should be arranged in a logical manner. One should start with the simplest questions first. Order of the questions should be such as to facilitate the answering of each question in turn.

10. **Necessary instructions.** Precise and definite instructions of filling in the questionnaire should be given. Instructions should not be too lengthy. If the questionnaire is mailed, to avoid resentment of the informants, postal stamps or stamped labels should be sent along with it.

11. **Impressive questionnaire.** Questionnaire should be made to take as attractive as possible. Plenty of space should be given for answers. It should be so as to impress the recipient so that he must answer it and as such the rate of response will increase.

12. **To test the accuracy.** Questions should be formulated in such a way that answers to them must corroborate each other. Different question can be formed to which answers may be same. It will act as a check on false or inaccurate answers.
3.5 LIMITATIONS

(1) People are not willing to disclose full details regarding their insurance policies.

(2) Awareness about the details of different policies is less among the people.

(3) Numbers of questionnaires filled are less compared to the population.

(4) Questionnaires are generally filled in hurry without going to the minute details.

(5) Audiences included under study are not much different on the basis of income, age, employment etc.

(6) It is difficult to know whether willing respondents are truly representative.