Preface

Capital is considered as the life blood of business. The employment of capital in the production, its generation into cost and its subsequent recovery through recovery of cost involve a delay and there is a time lag in the process. The owner of capital is paid a price known as cost of capital as compensation of such deprivation of fund for the said period of time. Hence, from the corporate perspective, funds should be procured from the source that minimizes cost of capital. Investment climate in the capital market in India is also showing adequate supply of fund to meet the requirement of capital. In this context, while finding out cost of capital with the help of existing and conventional models we find certain drawbacks and loopholes in those models.

In this backdrop, the general objective of our thesis, 'Evaluation of Capital Structure of Selected Indian Companies Applying Effective Outflow Rate (EOR) Method', is to evaluate the capital structure of some selected listed non-banking and non-finance companies in the Indian private sector by determining the cost of capital by means of a new model developed on the basis of outflow of funds for maintaining capital. This study is a pointer to the need of taking a fresh look on the part of the companies for determining the favourable source from which the required capital should be procured.

At this stage, I want to record my sincere gratitude to my teacher, Dr. Swagata Sen, Professor of Commerce, University of Calcutta, for
meticulously helping me at every step of my work and kindling in me the fire of optimism when I became depressed and crestfallen. Without his helpful guidance this thesis would have remained incomplete.

Unlimited is my gratitude to the authors of various research publications whose works have been consulted by me in course of my work. I am grateful to my teachers for their valuable advice and sincere help. I acknowledge my gratitude to my friend Mr. Sanjay Dam for supplying me some important information and data in time.

I am also grateful to Mrs. Tapati Sen, wife of Prof. Swagata Sen for her constant encouragement and help.

I would also like to record my deep sense of gratitude to my parents, my father, Sri Gouri Sankar Mookherjee and my mother, Srimati Tultul Mukherjee and my Grandma Srimati Amita Banerjee, who were my constant source of inspiration for my higher education. I shall fail in my duties if I do not admit of the support provided to me by my family to create a congenial atmosphere at home so that my concentration does not get disrupted even for a moment. My loving sons, Kapardee and Boitan not only sacrificed with a smiling face their precious hours of association with me, but also done their best to keep my smile on my face when I sometimes felt out of sorts. Last but not least, I gratefully acknowledge the help and inspiration received from my wife Srimati Chandrani Mukherjee at every step of my journey towards Ph.D.

Kolkata
Abhik Mukhopadhyay