CHAPTER VII
FINDINGS, SUGGESTIONS & CONCLUSIONS
## CHAPTER VII

**SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION**

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CHAPTER-VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

7.1. INTRODUCTION

Every concern has to measure their financial performance. The methods of measuring the financial performance are different. Accordingly the result shown by them and their impact shall also be different. The overall financial results will not revealed the strengths and weaknesses of each segments. Hence, transparency of segment wise results is needed to give clear picture over the financial performances for improving the profitability.

7.2. BRIEF SUMMARY OF PERFORMANCE ANALYSIS

In this study segment wise results are arrived by segregating the business into five business segments. It shows the segment wise results, segment wise PBIT, segment wise assets and liabilities. It also presents the profit making and loss making segments. This may not be arrived in the traditional reports.

7.3. FINDINGS

The following are the brief summary of finding arrived from the study:

1. Consolidated segment wise PBIT in % for different periods shows that:
   a. Hardware segment PBIT has started showing more incomes from the year 2000-01 onwards when compared with previous years.
b. The Software segment PBIT has been showing declining trend from the year 2000-01 when compared with the previous years.

c. The guidance segment PBIT has also shown a declining trend from the year 2001-02 onwards. It showed greater PBIT for the year 1998-99 to 2000-01.

d. The Textile segment PBIT have turned into negative from 2001-02 onwards. The PBIT for the years 1998-99 to 2000-01 is comparatively the least when compared with all other segmental PBIT's.

e. The Skill segment PBIT has shown a substantial increase in the year 2001-02. But, it has declined by 39% in the year 2002-03.

2. The average segmental PBIT of the five years show that the guidance programme PBIT rank first, Software rank second, and Hardware rank Third.

3. The rules declaring a segment as a reportable segment is used for the all the five years under study. It shows that the Software segment stands as a reportable segment from the year 1998-99 to 2001-02. However in the year 2002-03 Hardware segment has turned as the reportable segment.

4. PBIT on segment assets shows that every segment has been giving reasonable return for all the year under study. In the year 2002-03 the ratios increased to 35% because of proper utilization of assets.
5. The % of segment result on segment assets shows that, the Institution has started using the segment assets efficiently. As such the % of segment results on segment assets show the gradual increase from the year 1998-99 onwards.

6. The Leverage risk ratio also shows an increase in trend from the 1998-99 onwards. It means the assets are properly tuned to get handsome revenues. It also shows that the proportion of capital is greater than the segmental assets involved.

7. In all the five years in the study the assets and liabilities are reconciled by considering the unallocated assets and liabilities. Similarly, the segmental PBIT are also reconciled by considering the unallocated revenues and expenses.

7.4. SUGGESTIONS FOR IMPROVING SEGMENTAL RESULTS

1. It is advisable to concentrate more on Hardware and Software segments as giving huge amount of segmental income to this institution. This is very clearly shown in the reportable segment computation.

2. As Textile segment has been giving only loss and there is no chance of improving the segment, it is advisable to dispose the unwanted assets, which is not giving any income at all.
3. If it is not able to sell the assets then formulate new courses related to the Textiles and Garment designing, to attract more number of students to bring more revenues to that segments.

4. It is advisable to check segment assets and segment liabilities for the purpose of transferring or disposing the unwanted assets and reducing the segmental liabilities by reducing or transferring the related segmental liabilities.

5. Software segmental revenues may be improved by designing the courses most suitable to the occasion. It should be designed by considering the job opportunities available to the respect Software courses. Crash or short-term courses may be organised at various suitable occasion to bring more revenue to this segments. This will increase the segmental revenues in addition to the regular revenues given by the various Software courses.

6. The Hardware courses have started giving more revenue from the year 2000-01 onwards. Hence, Hardware courses revenue can be increased further by redesigning the course contents by considering the job opportunities to the students.

7. The Skill segment has shown five times increase in revenues in the year 2001-02. It shows that there is a good chance for bringing revenue into this segment. Outsourcing of different skillful persons to conduct short-term courses
or crash programmes may also give greater revenues to the Institution on sharing basis.

7.5. CONCLUSIONS

The efficient running of the Institution depends on evaluating the segmental performances. The various courses offered by the Institution have been classified into five segments and segmental result are computed. It shows that the Textile segment gives only losses for the last two years and needs a restructuring of the course to inject revenue into that segment.

The reportable segment approach very clearly shows that the Software courses was leading as the reportable segment for all the years except 2002-03. In the year 2002-03 the leading reportable segment is Hardware.

The Institution while taking decision in improving its profitability it should properly show its attention to different segmental activities and its result giving effects.

Any concern can improve profitability by making use of its available scarce resources in an effective way. Hence, better utilization of scarce resources to the segment shall increases the profitability.