CHAPTER - I

INTRODUCTION AND DESIGN

OF THE STUDY
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1.1 INTRODUCTION

India is an agricultural country, which is endowed with abundant natural resources. The economy of our India is solely based on Agriculture. In India, Agriculture contributes nearly half of the gross national product and provides employment nearly 70-80 percent of the total population and we earn nearly 48% of our foreign exchange by Agricultural product.

Moreover, any economic development in our India is based on the development of Villages. Further, the rural character of the economy and the need for the regeneration of rural life has been stressed by many social leaders. Hence, the rural development has been realized by our planners to promote the life style of the village people.

1.2 MEANING OF CO-OPERATION

The term 'Co-operation' has been derived from the latin word 'Co-operator' which means 'work'. In good sense 'co-operation' means working together for a common purpose. Finally, the word 'Co-operation' means living, thinking and working together.
1.3 IMPORTANCE OF CO-OPERATION

Co-operation aims to develop the idea of love and brotherhood among the members of that concern. Further, the act of working together for a common purpose leads to the communal harmony among the members. In addition to that, the act of self help with mutual help among the members paves the way to a concrete and democratic set up.

1.4 STATEMENT OF THE PROBLEM

One of the major concerns of Indian Planning has been the development of weaker sections of the society particularly those in rural areas. PACBs intend to give loans to the needy and to supply agricultural inputs to the rural people.

The PACB supports the agriculturist by supplying them materials, adequate finance and marketing facilities. The political idea of PACB is the creation of self-reliant power for the people. India has still attained social, moral and economic independence in terms of its seven thousand villages as distinguished from its cities and towns. The PACB is an institution registered under the Tamil Nadu Co-operative Society Act of 1961. The Karippatti PACB is a Branch in Salem District and plays an important role in the field of agriculture. But so far no serious attempt has been made to bring out the salient
features of the PACB in Karippatti. Hence the present study in undertaken by the scholar.

The organisation being a Cooperative one is run by an elected body, which is elected from among the members of the society. These people lack even the basic knowledge of the Principles and the function of co-operative organisation and also the Management.

1.5 REVIEW OF LITERATURE

The pioneer studies are regarding the growth and development of PACB. They have used primary data and the secondary data for the purpose. The following are the important research studies on various aspects of the co-operative sector.

In S.K.Goyal’s ‘A study of growth in PACB in Haryana’ he explained the changes in a number of societies, membership deposits, loans advanced, loans outstanding and over dues of PACBs in Haryana.

K.Ravi and V.Radhamohan’s “Co-operative investment financing in small farmers, a case study from Kerala” is another significant work, which used the primary and secondary data”.

K.Sundarapandian, “A case study on PACB in sengipatty, Thanjavur District studied the socio economic factors influencing default in repayment of cooperative credit.
Ram Dawar studies the overdues in agricultural advances – causes and remedies. He used secondary data only and assesses the overdues in agricultural advance by PACBs in Andhra Pradesh.

1.6 OBJECTIVES OF THE STUDY

The study was undertaken with the following objectives.

1) To study the origin and growth of the Primary Agricultural Co-operative Bank.

2) To assess the performance of Primary Agricultural Co-operative Bank with the such parameters like deposits, loans, etc.

3) To analyse the level of deposits and loan disbursement.

4) To suggest suitable measures for improving the performance of the Primary Agricultural Co-operative Bank.

1.7 METHODOLOGY

The data pertaining to the present study were mainly depend on the information collected directly from the authorities of the Primary Agricultural Co-operative Bank.

The required secondary data also collected from the various sources care was taken to collect all the relevant data with reference to the particular period of the study.
1.8 PERIOD OF THE STUDY

A Five Years period was taken by the researcher to have a thorough enquiry into the performance evaluation of the Primary Agricultural Co-operative Bank, Karippatti. The data have been collected for the period from 1997-98 to 2001-2002.

1.9 SCOPE OF THE STUDY

This study is designed to analyze the overall performance of the Primary Agricultural Co-operative Bank in Karippatti (S.2160) Salem District.

1.10 HYPOTHESES

The following hypotheses have been framed to test the significant relationship between the following:

i) There is no significant relationship between the loan disbursed and deposits.

ii) There is no significant relationship between the Profits or Loss and Deposits.

1.11 LIMITATIONS

i) The period of study is confined to relatively a shorter period of 5 years i.e.1997-98 to 2001-02.

ii) The study is based on the data collected from officials and various Annual Reports of published and unpublished
ledgers etc, hence limitations of the secondary data may be possible.

iii) A comparative study of the performance evaluation of Primary Agricultural Co-operative Bank S.2160 in Karippatti with other societies has not been made.

1.12 IMPORTANCE OF THE STUDY

The researcher has undertaken this study to make in depth study of various problems in accepting deposits and payment of loans and recovery of the loans by the PACB in Karippatti, Salem District. Since the major population of our country depends on agricultural for their livelihood, the role of agricultural credit plays a vital role in the agricultural economy.

The researcher also wishes to follow the different problems of the users in waiting of such agricultural credit. The crop loan and distribution of fertilizers from a vital part in the different activities of such Co-operative Bank. The researcher also wishes to discover the different solutions to satisfy the needs of the farmers.
1.13 FRAMEWORK OF ANALYSIS

The collected data were scrutinized, edited and tabulated, statistical techniques like t-test, Quadratic trend model, Exponential trend, Linear trend, S-curve trend, constant mean have been applied. In addition chart, graphs and bar diagrams have been adequately employed to present a diagrammatic representation to the present study.

1.14 CHAPTERISATION

The study is co-ordinated into five chapters.

CHAPTER – I

The introduction chapter is intended to provide a brief idea of the subject matter of the dissertation nature of the topic, the objectives of the study, the methods used for collection of data. Period of the study, statistical tools used all these information include in this Chapter.

CHAPTER – II

Chapter II deals with meaning functions, Co-operative movement and Co-operatives during the plan period.

CHAPTER – III

The profile of Primary Agricultural Co-operative Bank S.2160 in Karippatti has been focused in the Third Chapter.
CHAPTER - IV

This Chapter is devoted to the analyse the performance of the bank.

CHAPTER - V

The last Chapter resume consolidates all the observations made in the previous chapter. It gives the summary of findings and suggestions for improvement.