CHAPTER V

FINDINGS, SUGGESTIONS AND CONCLUSION

1. Introduction
2. Summary of Findings
3. Suggestions
4. Conclusion
1. INTRODUCTION

This chapter presents a summary of findings of the study and suggestions thereupon.

2. SUMMARY OF FINDINGS

The findings may be broadly classified into three categories as 'Institution-oriented', 'Employee-member-oriented' and 'Student-member-oriented'. The findings have been enumerated below:

A. INSTITUTION-ORIENTED FINDINGS

The following are the findings of the study of the American College Cooperative Stores Limited as a whole which are related to management and performance aspects of the store.

(i) The payment of honorarium to the secretary has been suspended from 1970 as per Government Order.

(ii) The elections to the Board of Directors have long been suspended by the Tamil Nadu Government since 1976.

(iii) The store does not have any external borrowings.

(iv) The Books of account are properly maintained and audited.
(v) The profit earned by the store is inadequate. Gross profit ratios are meagre. Net profit ratios show low profitability. The store has incurred losses for four years out of the seven year period of study from 1980 to 1986.

(vi) The Reserve Fund accumulated to the tune of Rs. 36,847-19 in 1945 in 1986 from Rs. 744-15 has been retained in the business.

(vii) The store was paying 6% dividend till 1974 and is paying 9% dividend from 1975.

(viii) The store which was paying bonus on purchases since inception has stopped the practice in 1950.

(ix) The store has been making cash purchases and credit purchases. It has been selling both for cash and on credit. It extends credit sales to its employee-members.

(x) On analysis, it has been ascertained that the debt payment period is longer than debt collection period, especially for books. It is an indication of payment delays on the part of the store.

(xi) Since the store does not have profit motive, a very low profit margin is charged with price.

(xii) Though the short-term solvency of the store is satisfactory, it has been found that there is overstocking of books.
(xiii) The long-term solvency of the store has been found to be satisfactory.

B. EMPLOYEE-MEMBER-ORIENTED FINDINGS

The study which centred round the utilisation of the store by the employee-members in Chapter III has revealed that out of 50 sample members, 41 (82%) members are using the store. It also reveals the following facts:

i) Economic Benefits derived by employee-members

The study reveals that the employee-members derive the following economic benefits from the store.

a) Price advantage
b) Quality goods
c) Relief from adulteration
d) Correct weights and measures
e) Ability of store to meet all needs
f) Availability of articles as and when wanted
g) Variety of goods for choice
h) Availability of latest goods
ii) Level of Utilisation

The level of utilisation of the store by the employee-members has been measured on the basis of economic benefits derived by them, using 'Economic Benefit Scale'. Based on the benefit scores, the sample members have been grouped as medium beneficiaries and high beneficiaries. It has been found that no member is a low beneficiary.

The overall average economic benefit score of 41 sample members is 18.37 out of maximum score of 24. Of the sample members, 25 (61%) of them have attained the level of high beneficiaries with an average economic benefit score of 21.16 whereas 16 (39%) of them have attained the level of medium beneficiaries with an average economic benefit score of 14. Thus it may be concluded that majority of employee-members derive high benefits.

iii) Factors influencing economic benefits

The researcher has identified three personal factors and six institutional factors and has analysed their impact on economic benefits derived by employee-members. Statistical techniques have been applied for tests. The tests have shown that the following factors have significant influence on economic benefits.
a) Economic Status of member.
b) Member's opinion on quality of goods.
c) Member's opinion on adulteration.
d) Member's opinion on correct weights and measures.

The tests have proved that the following factors do not have significant influence on economic benefits.

a) Age of Members.
b) Size of family.
c) Period of membership.
d) Credit facility.
e) Member's opinion on price.

(iv) Reasons of dormant members for not using the store

Nine (18%) out of 50 sample members are dormant members. They have attributed the following reasons for not using the store.

a) My residence is far away.
b) Buying is not my responsibility.
c) Price is not competitive.
d) Poor quality.
e) Not all items are available.
C. STUDENT-MEMBER-ORIENTED FINDINGS

Chapter IV dealing with level of utilisation of book store by student-members has shown that out of 86 sample members, only 40 (46%) members are using the book store. It has also brought out the following facts.

i) Economic Benefits derived by student-members

The study has revealed that the student-members derive the following economic benefits from the book store.

a) Price advantage.
b) Quality goods.
c) Discount facility.
d) Availability of all text books.
e) Availability of all kinds of stationery.
f) Timely supply of books and stationery.

ii) Level of utilisation

An 'economic benefit scale' was developed to measure the economic benefits derived by student-members and for determination of level of utilisation. Based on the benefit scores, the sample members have been classified as medium beneficiaries and high beneficiaries. No member falls into the category of low beneficiaries.
The overall average economic benefit score of 40 sample members is 11.3 out of maximum score of 18. Of the sample members, 27 (67%) members have reached the level of medium beneficiaries with an average economic benefit score of 10.3 while 13 (33%) members have attained the level of high beneficiaries with an average economic benefit score of 13.4. Thus, majority of student-members derive only medium benefits.

iii) Factors influencing economic benefits

One personal factor and three institutional factors were identified to analyse how far they influence the economic benefits derived by the student-members. Statistical methods have been employed for analysis. The generalisations drawn from the analysis show that three factors, viz., residential status of student members, member's opinion on price and member's opinion on discount do not have significant relationship with economic benefits while the fourth factor, viz., member's opinion on timely supply of books and stationery has significant relationship with economic benefits.

iv) Reasons of dormant members for not using the book store

Forty-six (53%) out of 86 sample members are dormant members. The reasons they have attributed include the following:
a) High Price.
b) Poor Quality of Stationery.
c) Low Discount.
d) Non-availability of books and stationery as and when wanted.
e) Working hours of book store are not convenient.
f) Buying outside is convenient.
g) Department library can supply the books.

3. SUGGESTIONS

While most of the suggestions have stemmed out of findings, some suggestions are based on consultations, discussions and observations of the researcher.

In tune with the findings, the following suggestions are made for improving the performance of the store so that there may be better utilisation by the members.

A. SUGGESTIONS FROM THE POINT OF VIEW OF THE STORE

(i) Price and quality are directly influenced by the purchase policy. The store has a purchase committee consisting of three members for buying goods. It is suggested that separate sub-committees co-opting the willing members may be constituted
for buying different goods such as measurables, countables and perishables, thereby giving better attention to individual items of purchase.

(ii) In the case of credit sales to employee-members, there are instances of delayed payment. Such instances can be avoided if deduction from the salary of the same month is made instead of after default. The recovery of credit from departments for supply of books and stationery may be geared up.

(iii) The study has revealed that the books are overstocked. Old books may be disposed off at heavy discount as a clearance sale at the fag end of the academic year.

B. SUGGESTIONS FROM THE POINT OF VIEW OF EMPLOYEE-MEMBERS

The following may be considered by the store, as suggested by the employee-member respondents.

(i) Door delivery of articles;
(ii) Discount sales for groceries;
(iii) Payment of bonus on purchases;
(iv) Attractive display of articles; for this purpose, the store may be housed in a more spacious building.
(v) The salesmen should be well-trained;
(vi) Introduction of Pass Book system for credit purchases of members.
The following are the suggestions of the student-members.

(i) The book store may be shifted to a central place in the college campus so that the students can have easy reach.

(ii) The working hours of the book store may be stretched by half an hour each at the start and at the end of the day so as to suit the convenience of the students. The working hours may consequently be from 8-30 a.m. to 5-30 p.m. with a lunch break from 1-00 p.m. to 3-00 p.m.

(iii) The book store may also deal in books meant for competitive and professional examinations.

(iv) The book store may make a catalogue of books it sells and keep it for reference by the students.

(v) The study has shown that many students are not aware of discount offered by the store, since the discount offered is not shown in the receipt in order to comply with a tax regulation. Therefore, the store may notify this fact to the students through the college and departmental notice boards, besides its own.
D. GENERAL SUGGESTIONS

The following suggestions based on consultations discussions and observations of the researcher are put forth for consideration.

(i) In case discount sales are introduced, the price discount may be discriminatory, say, 3\% for cash purchases, as against 2\% for credit purchases.

(ii) Polythene packing may be introduced.

(iii) Suitable prize schemes may be introduced.

(iv) Whenever the salesman in charge of book store is on leave, the book store should not be closed. Necessary arrangement should be made to keep the book store open.

(v) In order to inculcate the habit of thrift among the student-members, a voluntary deposit scheme may be started by the store in consultation with the college management. As for employee-members, a recurring deposit scheme may be launched with a monthly deposit of Rs. 5/- or multiples of Rs. 5/- according to the willingness of the members and the amount may be deducted at source. The rate of interest payable for deposits should not be less than bank rate.
(vi) The payment of honorarium as an incentive to the secretary as a percentage on net profit may be considered on the removal of the stay order by the government for such payment.

(vii) The store may consider opening a unit in the American College Shopping Complex, extending 'B' Class membership to the public thereby adding to its share-capital, sales and utility. It may sell to non-member public as well.

(viii) A cooperative canteen is the common interest of both employee-members and student-members. As such, the store may run the existing canteen as cooperative canteen, thereby enhancing its utility to the members.

(ix) In order to reduce cost, the store may explore the possibility of using student services wherever feasible.
4. CONCLUSION

The study has focussed its attention on the financial position of the American College Cooperative Stores Limited and on the utilisation of the store by identifying personal and institutional factors that influence economic benefits derived by employee-members and student-members. The suggestions given are the direct outcome of the study. If some of the suggestions prove worthy of being considered for better performance of the store, and if the study could be of some use for the future researchers, the researcher shall feel amply rewarded.