CHAPTER 5

RESEARCH METHODOLOGY
CHAPTER 5

RESEARCH METHODOLOGY

INDEX

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Introduction</td>
<td>231-237</td>
</tr>
<tr>
<td>5.2</td>
<td>Problem Identification</td>
<td>238-239</td>
</tr>
<tr>
<td>5.3</td>
<td>Research Methodology</td>
<td>240</td>
</tr>
<tr>
<td>5.4</td>
<td>Research Problem</td>
<td>241</td>
</tr>
<tr>
<td>5.5</td>
<td>Objectives of the Study</td>
<td>241</td>
</tr>
<tr>
<td>5.6</td>
<td>Hypotheses for the Study</td>
<td>242-244</td>
</tr>
<tr>
<td>5.7</td>
<td>Rationale of the Study</td>
<td>245-246</td>
</tr>
<tr>
<td>5.8</td>
<td>Period of the Study</td>
<td>247</td>
</tr>
<tr>
<td>5.9</td>
<td>Tools &amp; Techniques for Analysis</td>
<td>247-248</td>
</tr>
<tr>
<td>5.10</td>
<td>Chapter Plan</td>
<td>249-251</td>
</tr>
<tr>
<td>5.11</td>
<td>Limitations of the Study</td>
<td>252</td>
</tr>
<tr>
<td>5.12</td>
<td>References</td>
<td>253-254</td>
</tr>
</tbody>
</table>
5.1 INTRODUCTION

Tourism is a basic and most desirable human activity deserving the praise and encouragement of all people and all governments. Tourism was recognized as a means of economic expansion after the Second World War and is perceived as renewable resource. In early years of this century tourism was not looked as industry but considered as a collection of business whose common link was to provide services to travelers with increasing standard of living and fast technological resolutions. Today it has undoubtedly become an industry to be studied in its totality. Tourism is a multi-facet activity; it touches nearly all sectors of national life and consists of entire world of those trades which together satisfy the needs of the travelers. Governments have recognized tourism industry as a consuming industry and not simply a passive one that generates economic benefits.\(^1\)

The widespread awareness of potential benefits from tourism has asserted that effects of tourism on the economy of destination area are unchallenged, however the extent of this effect, its implications are debatable. An appraisal of tourism blessing or plight eventually depends upon the harnessing of its potential benefits such as correction of balance of payments, acceleration and dispersion of economic development, generation of employment and other social benefits. Thus, tourism has emerged as an instrument for poverty alleviation, employment generation and sustainable human development. Tourism promotes international understanding and gives support to local handicraft and cultural activities. It is an important segment of the country’s economy, especially in terms of its contribution towards foreign exchange earnings, generation of additional income and creation of employment.

\(^1\) Coltman Micheal M., “Introduction to Travel and Tourism an International Approach”, Van Nostrand Reinhold, New York 1989, Pg. 266.
opportunities. It is the third largest foreign exchange earner after garments and gems and jewellery for India.  

India has an impressive natural and cultural tourist attractions and a rich cultural heritage which is over 5000 years old. There are thousands of monuments and archaeological remains for tourists to visit and enjoy. India is one of the most fascinating ecological and geographical regions in the world. India, being a very vast country, had enormous tourist potential and many places of tourist interest. Tourists from west and east are equally fascinated by its diversity in human culture, manifested in the forms of forts, monuments, temples, memorials, food, languages, religious practices and social customs and traditions.

Tourism has registered a phenomenal growth in India in recent past, so much so that it made the government sit up and see the potential of tourism as a large income generating source. Though many things need to be done in this sphere while its stride towards progress is continued and has achieved satisfactory, the predetermined objectives in its long past journey.

As far as Indian tourism is concerned, India has a vast tourist attractions being rich in history, culture, art, music, dance, beaches, wildlife and fairs and festivals. Still it is a pity to say that Indian share to world tourism figures only 0.41% of total tourist movements all over the world. In India the state such as Rajasthan, Kerala and Goa has a capacity to attract around 33% of the international tourism, which visit India mainly because of their rich history, culture, wildlife, deserts, lakes, forts, palaces and colorful fair and festivals.  

Indian tourism also offer many types of tourism in India which has registered phenomenal growth in the last decade ever since the Indian government decided to boost revenues from the tourism sector by projecting India as the

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ultimate tourist spot. The main types of tourism in India are heritage tourism, cultural tourism, wildlife tourism, MICE tourism and ecotourism.

Indian tourism is based upon unique civilization in which the major religions of the world and wildlife and the ancient monuments are the main attractions for the tourists. Tourism is a composite of activities – services and industries that delivers a travel experience namely, accommodation, transportation, entertainment, shops and other hospitality related services available for individuals or groups that are travelling away from home. Finally tourism is the total of tourist expenditures within the geographical boundaries of a nation or a political subdivision or transportation centered economic area of states or nations.

In order to speed up the development of tourism in the country several thrust areas have been identified for achieving target tourism. During Golden Jubilee celebrations of India as a Republic, the Ministry of Tourism made special efforts to publicize the tourism potential of India. The first ever Indian Tourism Day was celebrated on 25th January 1998. Similarly for tourist facilities an official website of the Ministry of Tourism has also been created for facilitating dissemination of information on tourism. Apart from all various measures the government of India gives importance to tourism and allocate huge fund for tourism and all activities related to tourism.

Similarly the Government of India time to time formulates tourism policies with various objectives and strategies. It has been an important feature of India’s development planning that public and private sector both play combined role in development of tourism. For expansion of tourism and facility purpose the Central Government establishes Indian Tourism Development Corporation (ITDC) in the year 1966, which manages many hotels and tourist properties and arranges tourist packages. In many of Indian states incorporation of State Tourism Development Corporation made which manage hotels, tourist bungalows and other tourist properties. Similarly many organizations like Indian Institute of Tourism and Travel Management, National Council for Hotel Management and Catering Technology, Tourism Finance Corporation of India Ltd. and many other tourism organizations incorporated which provide
valuable service to tourists and assist to government for tourism expansion. Tourism in India is the largest service industry, with a contribution of 740 million domestic tourist and 5.58 million foreign tourists in 2010 as compared to 236.47 million of domestic tourists and 2.54 million foreign tourists in 2001. Since by increasing tourism at domestic and foreign level the foreign exchange earnings are also increasing from 15083 Crores to 64889 Crores from the year 2001 to 2010, which shows more potential of growth of tourism in India.

To sum up Indian tourism has vast potential for generating employment and earning large sums of foreign exchange besides giving a boost to the country’s overall economic and social development. But much more remains to be done. Unfortunately Indian government at the state and central level thinks tourism as a luxury industry, places it after defense, education, agricultural, health care and other development programme. Since tourism is a multi-dimensional activity and basically a service industry, it facing a problem of lack of publicity, lack of skilled people, problem of safety and security, inadequate infrastructure and high tax rates. To overcome with this problems it would be necessary that all wings of the Central and State governments, private sectors and voluntary organizations become active partners in the endeavor to attain sustainable growth in tourism in India to become a world player in the total industry.

The Rajasthan being situated in the northwest part of India is a land of majestic Aravali Hills, crowned with sand dunes of Jaisalmer and Bikaner, scenic and serene beauty, warrior princes – the land of regal creatures bird watchers and many more. The very rich culture heritage and most hospitable people make journey to Rajasthan a most enjoyable experience of life both for foreign and domestic tourists. The customs and traditions, fairs and festivals, handicrafts, art and music reflect the very broad spectrum of the Rajasthani culture where much of the Rajasthan thought, philosophy and culture is being reflected all over the State. Rajasthan tourism offers numerous possibilities from adventure to nature holidays, pilgrimage to sightseeing. Many of the cities in Rajasthan like Jaipur, Bikaner, Jaisalmer, Udaipur offering ancient
Tourism industry in Rajasthan is a vital breath in the economic activity. Tourism has direct and indirect impact on financial, cultural and social life of people. This industry is considered as an apex industry with many economic benefits like foreign exchange earnings, regional development and infrastructure development, promotion of local handicrafts, artisan and increasing standard of living. The tourism potential and future promise of Rajasthan is very well known and well documented all over the world. There are enjoyable experiences that offer By Rajasthan which tourists can enjoy. There are good reasons to believe why tourism in Rajasthan is being accorded the priority it deserves because the Honorable Chief Minister of Rajasthan has declared tourism as one of the key areas of economic development and termed this sector as the “Hope Sector” for Rajasthan.5

No wonder that Rajasthan has been called the “Designer state” as far as tourism is concerned because of its people, culture, cuisine, customs and art forms. Over the last two decades, Rajasthan has emerged as one of the leading state in India and Rajasthan was the third preference of tourist after Goa and Kerala as travel destination in India.6 The major tourism products in Rajasthan are cultural richness and diversity, forts and Palaces, fairs and festivals and handicrafts, heritage hotels, costumes and desert. The growth rate of tourism in the state of Rajasthan has shown that tourists arrivals (domestic and foreign both) to the state of Rajasthan is increasing annually

and it increase 0.83 crore to 2.68 crore from the year 2001 to 2010 which means more attention needs to this sector in the state plans.

The position of domestic tourist growth in the state is more satisfactory because domestic tourists generally influenced by religious motivators and state of Rajasthan has spiritual and pilgrimage centers like Pushkar, Nathdwara, Ajmer, Mahveerji, etc. therefore the rate of domestic tourist arrivals is increasing from 0.77 Crores to 2.55 Crores from the year 2001 to 2010 whereas growth rate of international tourists arrivals from the year 2001 to 2010 is also increasing from 0.06 Crores to 0.12 Crores in the state. Thus to enhance tourism in the state many new measures has been taken by the state government like organizing fairs and festivals, arranging more package tours and accommodation facilities, operating heritage trains such as Palace On Wheels, Rajasthan Royal On Wheels, establishing more number of Tourists Information bureau and Reception Centers and providing facility of camel safaris, horse safari and elephant safari.

Tourism organization is a behavioral aspect of industry which determines the enterprise to accomplish goals of increasing the tourist arrivals, generate employment and revenue and promote trade and transport and to earn foreign exchange. It relates to the structure of industry and approaches of tourism.\(^7\) Tourism is to be organized on industry segments like accommodation, marketing, transportation and trade association. Most of the states in India including Rajasthan have a tourism organization consisting of Department Of Tourism for policy and regulatory matters;\(^8\) directorate and tourism development cooperation for implementation of commercial aspects. In the state Rajasthan, **Rajasthan Tourism Development Corporation Ltd. (A Govt. of Rajasthan Undertaking)** acts as assisting wing of tourism department and supervises the commercial side by providing infrastructural and service facilities like accommodation, transport, catering midway facilities

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\(^8\) Seth Pran, “Successful Tourism management”, Sterling Publisher, New Delhi, 1997, Pg.189.
and package tours. In Rajasthan the Ministry of Tourism, Art and Culture presides over the affairs of policy framing, implication problems, supervision of Department Of Tourism, sanctions relating to tourism art and culture. Whereas department of tourism, directorate and RTDC looks to the promotional and commercial aspect respectively.

A state like Rajasthan has all the ingredients and elements to become a model state for tourism in the country. No other part of the world can boast of so many monuments and heritage cities that are still inhabited by vibrant, colorful and hospitable people. It is said fact for Rajasthan that the vehicle of culture, heritage and tradition is still being denied national recognition. Though out of every three foreign tourist amounting to Indian tourists visit Rajasthan every year, the state still does not have more number of international airport, no any town and country planning act and no fully protected tourists and heritage zones. There are no identified areas for tourism development or any areas specially earmarked for creation of amusement parks.
5.2 PROBLEM IDENTIFICATION

Rajasthan Tourism Development Corporation Ltd. (RTDC) (A Govt. of Rajasthan Undertaking) is a sister concern of Department Of Tourism – Rajasthan, acts as an apex body for tourism development in the state and provides various facilities for tourism development like accommodation, packages, fairs and festivals, transportation and many more. Over past 34 years RTDC play prominent role for tourism and cater incoming foreign and domestic tourists by way of providing accommodation, catering, transport, package tours and bar facilities. At present RTDC operates 61 units which include 36 hotels, 15 motels, 7 cafeterias, and 3 independent units. Besides these, RTDC also provides temporary ‘tented’ accommodation at various tourist places, particularly during the fairs and festivals. RTDC runs 42 Tourist Reception Centres (TRCs) and Tourist Information Bureaus (TIBs) at 21 places in the state and 5 outside the state (at New Delhi, Mumbai, Kolkata, Ahmedabad and Chennai). RTDC provides transport facilities for the tourist visiting Rajasthan. It provides daily sightseeing and guided tour facility through luxury buses at important ‘tourist hubs’ like Jaipur, Jodhpur, Chittaurgarh, Jaisalmer, Sariska, Mount Abu and Udaipur. For this, RTDC has a fleet of 12 buses, 6 taxis and an imported car. RTDC is a license holder of wholesale beer from June 1987 and also runs 59 beer shops in the state. Variety of Indian Made Foreign Liquor (IMFL) and beer is provided at 22 units of RTDC.\(^9\) Though from the year 2004 no beer shops run by RTDC and the Government of Rajasthan establish a separate body RSBL (Rajasthan State Beverage Corporation Ltd.) This corporation undertakes sale of beer in the state. There are more than 1200 employees in RTDC who are highly skilled relating to tourism activities and directly engage with RTDC. One of the major

\(^9\) Department of Tourism, Ministry of Tourism, Final Report on Perspective Plan for Tourism in Rajasthan, Pg. 20.
achievements of RTDC is that it serves more than 2 lacs domestic and foreign tourists annually.

Thus RTDC acts as a sister concern of Department Of Tourism in Rajasthan and perform various activities of tourism as per expectation of DOT and achieving all the goals of ministry for enhancing tourism in the state, but in recent times RTDC face many problems such as decreasing number of managerial and non-managerial employees, decreasing number of tourist traffic receiving service from RTDC, declining trends of profitability and increase in operating and non-operating expenditure. RTDC also face huge expenses by operating heritage trains like Heritage on Wheels, Rajasthan Royal on Wheels and Palace on Wheels. RTDC also face more personnel expenses like salary and wages, medical expenses, leave salary and gratuity. Since last few numbers of years RTDC also face problem of increase in borrowed funds, unproductive use of its assets and increase in current liabilities compare to current assets which makes effect on financial position and performance of RTDC. So it is a moral responsibility of Government, Department Of Tourism and employees of RTDC to improve the financial soundness of RTDC by reducing its losses, improving its asset utilization, increasing its current assets and rendering services in more significant manner. The proposed study, “An Analysis of Financial Performance of Rajasthan Tourism Development Corporation Ltd. (A Govt. of Rajasthan Undertaking)”, throws light on the financial condition and financial performance of RTDC over a given period of time. The main objective behind this study is to contribute in this direction and create value for all stakeholders, public, employees, tourist, state government and fund providers.
5.3 RESEARCH METHODOLOGY

The present study has been carried out on the micro level, since it is not possible to conduct at the macro level such universe of this study is restricted with reference to only one Rajasthan Tourism Development Corporation Ltd. (RTDC) (A Govt. of Rajasthan Undertaking), of the State of Rajasthan out of the 28 States and 7 UTs of India; from the period 2001 to 2010 as the period of reference.

As researcher has selected RTDC for the study of an analysis of Financial Performance which is a company registered under Companies Act, 1956 with its head quarter at Jaipur. This company is fully owned by Government Of Rajasthan and it is incorporated on 24th November, 1978 as a wholly owned Government company to promote tourism in the state of Rajasthan by providing facilities of accommodation, catering, transport, package tours, bars and restaurants and operating heritage trains, celebrating various festivals, arranging package tours for students at concessional rates and many more. The main functions of RTDC units incorporation are to establish, develop, promote and operate projects, activities, schemes which facilitate the development of tourism in the state of Rajasthan both internal as well as international, to provide entertainment by organizing way cultural shows, games, dance and music concerts, to establish and manage transport units, travel and transport counters, purchase, lease, sell and operate cars, buses, air craft’s, helicopters, couches, trains and other modes of transport and to operate traveler bungalow, state guest house, motels, circuit houses, heritage hotels for providing accommodation to tourists.
5.4 RESEARCH PROBLEM

The title of the study is “An Analysis of Financial Performance of Rajasthan Tourism Development Corporation Ltd. (A Govt. of Rajasthan Undertaking)”. 

5.5 OBJECTIVES OF THE STUDY

As researcher has selected a study on “An Analysis of Financial Performance of Rajasthan Tourism Development Corporation Ltd. (A Govt. of Rajasthan Undertaking)” because RTDC is an apex body of Department Of Tourism in Rajasthan which provides all services to tourists related to tourism such as accommodation, transport, tours and packages, fairs and festivals, entertainment and many more. As RTDC operating since more than 32 years and provide valuable service through its wide network and earning huge income for its corporation, DOT and for the Government of Rajasthan. The broad objective of the study is to analyze the financial performance of RTDC. The present research work has been undertaken keeping in view the following objectives:

- To analyze Financial Position of RTDC.
- To analyze Liquidity Position of RTDC.
- To assess the Financial Strength of RTDC.
- To analyze Financial Efficiency of RTDC.
- To assess Profitability of RTDC.
- To analyze Capital Structure of RTDC.
- To analyze cost of different operation and revenue trends of RTDC.
- To suggest an appropriate strategy for improvement of financial soundness of RTDC.
5.6 HYPOTHESES FOR THE STUDY

A hypothesis is a tentative statement that proposes a possible explanation to some phenomenon or event. A hypotheses may be defined as a proposition or set of propositions set forth as an explanation for the occurrence of some specified group of phenomenon either asserted merely as a provisional conjecture to guide some investigation or accepted as highly probable in the light of established facts. A research hypothesis is a predictive statement, capable of being tested by scientific methods that relates an independent variable to some dependent valuable.

In present study An Analysis of Financial Performance of Rajasthan Tourism Development Corporation Ltd. (A Govt. of Rajasthan Undertaking) is based on some of the hypotheses which are based on objectives of the research study are explained as under:

- **Hypotheses related to Working Capital Analysis:**
  - There is no significant difference between current ratio of RTDC over the time.
  - There is no significant difference between liquid ratio of RTDC over the time.
  - There is no significant difference between cash ratio of RTDC over the time.
  - There is no significant difference between cash flow coverage ratio of RTDC over the time.

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Hypotheses related to Capital Structure Analysis:

- There is no significant difference between debt-equity ratio of RTDC over the time.
- There is no significant difference between interest coverage ratio of RTDC over the time.
- There is no significant difference between proprietary ratio of RTDC over the time.
- There is no significant difference between capital gearing ratio of RTDC over the time.
- There is no significant difference between financial leverage ratio of RTDC over the time.
- There is no significant difference between debts to total assets turnover ratio of RTDC over the time.
- There is no significant difference between fixed assets to net worth ratio of RTDC over the time.
- There is no significant difference between fixed assets to long term debt ratio of RTDC over the time.

Hypotheses related to Profitability Analysis:

- There is no significant difference between gross profit ratio of RTDC over the time.
- There is no significant difference between net profit ratio of RTDC over the time.
- There is no significant difference between return on capital employed ratio of RTDC over the time.
- There is no significant difference between return on owner’s equity ratio of RTDC over the time.
- There is no significant difference between earning per share ratio of RTDC over the time.
 CHAPTER 5  

RESEARCH METHODOLOGY

➢ Hypotheses related to Activity Analysis:

▪ There is no significant difference between various sources and years of revenue in RTDC.
▪ There is no significant difference between various nature and years of expenditure in RTDC.
▪ There is no significant difference between in operating expenditure ratio of RTDC over the time.
▪ There is no significant difference between personnel expenses to total revenue ratio of RTDC over the time.
▪ There is no significant difference between in head office administrative expenses to total revenue ratio of RTDC over the time.
▪ There is no significant difference between interest expenses to total revenue ratio of RTDC over the time.
▪ There is no significant difference between depreciation to total revenue ratio of RTDC over the time.
▪ There is no significant difference between taxes to total revenue ratio of RTDC over the time.
5.7 RATIONALE OF THE STUDY

Tourism has been a major social phenomenon of the societies all along. It is motivated by the natural urge of every human being for new experience, adventure, education and entertainment. The motivations for tourism also include social, religious and business interests. Tourism's importance, as an instrument for economic development and employment generation, particularly in remote and backward areas, has been well recognized in the whole world. Tourism is the largest service industry globally in terms of gross revenue as well as foreign exchange earnings.

The present study is significant from various points of view. The study would contribute to the society, employees of RTDC, government of Rajasthan and tourist and subject knowledge in the following manner:

- **Contribution to the Society:**

  The present study would reveal the financial condition and facts to the society. It is aimed at throwing the light on the fact that the corporation is trying to do its best, by providing quality of tourism services such as accommodation, transport, fairs & festivals, tour packages and many more which would helpful in the development of various tourist sites and infrastructure of the state.

- **Contribution to the RTDC:**

  The present study helps RTDC in continuing its key objectives of providing services to tourist and expanding its operations. It would remind the corporation to move further in the direction of improved service by minimizing the cost structure.

- **Contribution to the Employees of the RTDC:**

  RTDC provides direct employment to more than 2000 managerial and workman who engage in overall functions of RTDC and other indirect employment such as tour operators, transporters, tourist guides and many
more. The present study will try to bring actual financial condition of RTDC to the knowledge of the employees of RTDC, hence making the employees aware from their own organization.

- **Contribution to the Knowledge / Subject:**

  Every new research enriches the contents of the related subject. The proposed study would surely put an important brick in the build of the subject.

- **Contribution to the Government:**

  RTDC plays a remarkable role towards government and Department of Tourism for increasing revenue of government and increasing the number of tourist visitors such as domestic and foreigners by providing various innovative services.

- **Contribution to the Tourist:**

  The main role of RTDC is to provide various tourism related services to tourist. RTDC runs 42 Tourist Reception Centers (TRCs) and Tourist Information Bureaus (TIBs) at 21 places in the state and 5 outside the state (at New Delhi, Mumbai, Kolkata, Ahmadabad and Chennai) which provides all recent information about all the activities of RTDC. RTDC provides transport facilities for the tourist visiting Rajasthan. It provides various tour packages, accommodation and transportation facilities to the tourist by its wide network in over the Rajasthan and in India. RTDC also operates various heritage trains such as POW, RROW which give experience of royal Rajasthan to tourists.
5.8 PERIOD OF THE STUDY

This research study is based on secondary data taken from annual reports of RTDC collected from the registered offices of RTDC. The present study is made for 10 years from 2000-01 to 2009-10. As the RTDC functioning since last 34 years but the period of that is very long therefore because of time and resource constraints, the 10 years data has been taken for the study which satisfy all the objectives of the study.

5.9 TOOLS & TECHNIQUES FOR ANALYSIS

The study is based on secondary data taken from published annual reports of RTDC which have been collected from registered office. The collected data are duly edited, classified and analyzed using all type of relevant statistical techniques and employing the most appropriate parametric and non-parametric test. The data are presented through simple classification and with help of percentage, average, standard deviation and coefficient of variation, the data were analyzed and the hypotheses were tested at 5% level of significant by employing various test such as t – test, F - test (two way ANOVA).

There are many techniques which may be used for analyzing the financial performance of RTDC. These techniques may be classified as follows:

- **Accounting Techniques**
  - Ratio Analysis
  - Common-size Statement
  - Comparative Statement Analysis
  - Trend Analysis
CHAPTER 5 
RESEARCH METHODOLOGY

➢ **Statistical Techniques**

- Measures of Central Tendency
- Measures of Dispersion
- Correlation and Regression Analysis
- Time Series Analysis
- Analysis of Variance
- Chi-Square Test
- t-Test
- Index Number
- Diagrammatic and Graphic Presentation of Data

➢ **Mathematical Techniques**
5.10 CHAPTER PLAN

The present study is divided into seven parts which are as under:

CHAPTER 1

INTRODUCTION

This chapter deals with the - Introduction - Meaning of Tourism and Tourists - Tourism in India - Development of Tourism in India - Components of Tourism Industry - Impact of Tourism in India - Types of Tourism in India - Role of Tourism during Planning Period (Five Year Plan of India) - Tourism Policy of India - Organizations Involved in Tourism - Tourism Boards in India - Statistics for Tourism in India.

CHAPTER 2

ABOUT RAJASTHAN TOURISM & RAJASTHAN TOURISM DEVELOPMENT CORPORATION Ltd. (A Govt. of Rajasthan Undertaking)

This chapter deals with - Introduction - Tourism in Rajasthan - Tourism Products in Rajasthan - Types of Tourism in Rajasthan - Tourism Policy of Rajasthan - Types of Tourism Services - Awards & Appreciation Won by Rajasthan for Tourism - Statistics for Tourism in Rajasthan - RTDC - Introduction - Objectives/Functions of RTDC - Organization Structure of RTDC - Services Provided by RTDC - Marketing Agents of RTDC.

CHAPTER 3

REVIEW OF LITERATURE

This chapter deals with publish literature on tourism sector. The main literature cover in this chapter is divided under different heads such as Literature on International Tourism - Literature on Tourism in India - Literature on Rajasthan Tourism and RTDC.
CHAPTER 4

CONCEPTUAL FRAMEWORK OF FINANCIAL PERFORMANCE ANALYSIS


CHAPTER 5

RESEARCH METHODOLOGY

This chapter deals with - Introduction - Problem Identification - Research Methodology - Research Problem - Objectives of the Study - Hypotheses for the Study - Rational of the Study - Period of the Study - Tools & Techniques for Analysis - Chapter Plan - Limitations of the Study.

CHAPTER 6

FINANCIAL PERFORMANCE ANALYSIS

This chapter deals with following main parts:

   6.1 Working Capital Analysis

   6.2 Capital Structure Analysis

   6.3 Profitability Analysis

   6.4 Activity Analysis

6.1 WORKING CAPITAL ANALYSIS

CHAPTER 5

6.2 CAPITAL STRUCTURE ANALYSIS

This chapter deals with Introduction - Factors Determining Capital Structure - Capital Structure Analysis of RTDC through Trend Analysis and Ratio Analysis.

6.3 PROFITABILITY ANALYSIS

This chapter includes Introduction - Concept of Profitability - Analysis of Profitability of RTDC in context of Management - Analysis of Profitability of RTDC in context of Shareholders with help of Ratio Analysis.

6.4 ACTIVITY ANALYSIS

This chapter deals with Introduction - Growth of activity - Activity Analysis in relation to Total Resources - Analysis in Relation to Conduct of Activity for various items like Operating expenditure of units, Personnel expenses of units, Head Office Administrative expenditure of units by Ratio Analysis.

CHAPTER 7

SUMMARY, FINDINGS, SUGGESTIONS & CONCLUSION

This chapter includes Introduction – Summary of all six chapters – Findings based on the Analysis - Suggestions for enhancing profitability, for financial soundness, for cost reduction and control and liquidity position – Conclusion – Scope for Further Study. So we can say that this chapter provides useful information about the tourism in Rajasthan and analyze financial performance of RTDC.
5.11 LIMITATIONS OF THE STUDY

- This study is based on secondary data derived from annual reports and accounts of RTDC and as such its findings depends entirely on the accuracy of such data.
- There are many different approaches to analyze financial performance and experts are not unanimous regarding the approach.
- The present study is largely based on Ratio Analysis which has its own limitations which also apply to the study.
- The study is limited to 10 years data only so scope for the study is limited.
- We know that ratio analysis has, like all other methods, limited value and application, it cannot reveal exact picture of the financial performance and its conclusion are not always reliable, because use of heuristic and intuitive character, use of window dressing and misinterpretation of results may practiced.
- As this study is limited only to financial performance analysis of RTDC, this study will not be relevant to other Tourism Development Corporation in India.
- The analysis of financial performance of business enterprise gives diagnostic indicators. Researcher being outside external analyst obviously has no access to internal data. Therefore, inside view of the organization can not characterize in the study.
- This study provide glimpse of the past performance, therefore future conclusion may not be correct since several other factors may affect the future operations.
- Researcher has tried best to remain faithful and kin. But after all being a human, physical constrains may affect the result and as such the result of the analysis may not be cent percent correct to be relied upon.
5.12 REFERENCES


