CHAPTER 9

BUSINESS ECONOMICS

Doctoral Theses

01. CHAKRABORTY (Manab)
Impact Investment and Transformation of Microfinance Institutions in India.
Supervisor:Prof. Vijay Kumar Kaul
Th 24379

Abstract
(Not Verified)

This study tries to understand and investigate empirically the relationship between investors, microfinance institutions, and households, and formulate a theory of change in the context of microfinance. Chapter 1 introduces the plan for the thesis. Chapter 2 presents literature review and identifies gaps. Chapter 3 sketches the evolution and transformation of MFIs in India, and the role played by development finance institutions. Chapter 4 provides a theoretical framework linking issues found in the literature review. Chapter 5 discusses the methodology of research. The impact of microfinance on households has been assessed in Chapter 6. The analysis of data collected from 201 NBFC-MFI financed joint liability group and 154 bank-financed self-help group clients in Rajasthan indicates that despite sharing similar socioeconomic characteristics, SHG members have significantly higher wellbeing than JLG members. The drivers of growth and efficiency, and response of MFIs to infusion of equity and debt has been empirically explored in Chapter 7. Data Envelopment Analysis of 51MFIs suggest more efficient MFIs deliver services to clients cost effectively, and lower than average operation expense ratio. Further, empirical investigations carried out on return on investment of five loan companies and five MFIs shows that as suggested by efficient market hypothesis, there is no excess return for MFI stocks. Finally, analysis of behavior of 74 impact investors and 36 self classified non-impact investors confirms that there is a significant difference between the two groups. Impact investors have lower financial return expectations, and higher social responsibility concerns than their commercial peers. Chapter 8 presents a case study of Equitas, Ujjivan and Bandhan, three MFIs which became banks, and also Bhartiya Samruddhi Finance Limited, which was placed under corporate debt restructuring. Finally, Chapter 9 draws the threads of theory, evidence and analysis policy implications of the findings of the thesis.

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02. Dua (Pritika)
Adoption of Environmental Management System and Financial Performance: An Analysis of Indian Firms.
Supervisor: Prof. V.K. Kaul
Th 24377

Abstract
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India's current impressive economic growth is being clouded by massive environmental degradation and growing scarcity of natural resources that are essential to sustain further growth for future generations. With increasing public awareness about environmental issues, it becomes imperative for the industrial community to assume responsibility of the consequences of their actions. This study is a novel attempt to investigate state of corporate environmentalism in a developing country like India characterised by weak enforcement, lack of data on emissions, weak institutional capacity and lack of trained personnel. Using a sample of 152 firms across fourteen leading industries over a six year period from 2009-10 to 2014-15, we investigate the entire gamut of environmental management in Indian firms. Chapter 1 of the study introduces the concept of environmental management system. In chapter 2, we review the current literature on environmental management system to identify the existing research gaps. Chapter 3 investigates the factors leading to adoption of environmental practices by Indian firms. Count regression models and Tobit regression is used to identify the institutional forces and firm capabilities that enable firms to switch to greener practices. In chapter 4, we study the impact of these practices on firm's profitability and market valuation using static and dynamic regression models. In chapter 5, we frame case studies on five leading enterprises which reflect the growing awareness and pro-activeness of Indian corporate sector in the environmental domain. The study closes with chapter 6, giving the conclusion and policy recommendations. The findings show that firms in the more regulated industries and those with pro-active parent companies and enlightened labour unions are more likely to adopt environment friendly practices. Moreover, firms with quality management systems and innovation capabilities are expected to adopt greener practices. Subsequently, adoption of environmental management system improves the market valuation of Indian firms.

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03. JAIN (Rakesh Kumar)
Carbon Mitigation: An Economic Analysis of Thermal Power Sector in India.
Supervisors: Prof. Vijay Kumar Kaul and Prof. Surender Kumar
Th 24380

Abstract
(Not Verified)

During the Paris meet of UNFCCC, India has committed to reduce its emission intensity (Emissions/GDP) by 33-35 % by 2030 from 2005 level. India faces a tough challenge of progressing on a low carbon development path. Coal-based electricity generation accounts for about three-fourth of total electricity generation and about

half of total CO_2 emissions generated in the country. Therefore, if India is to achieve the targets announced during the Paris agreement, it is important to find cost effective measures of reducing CO_2 emissions in this sector. Objectives: Main objectives of the study are to estimate the potential of existing plants in increasing electricity output and decreasing emissions under different strategies of emission reduction. The marginal abatement (mitigation) costs of various plants are estimated under these strategies to find out variations in these costs and to take necessary steps to equalize them. Gains from equalizing marginal abatement costs across various producers, various factors contributing to changes in Carbon Mitigation overtime are estimated to suggest the cost-effective solution for achieving the committed reduction in emissions. Gains from adoption of market-based instruments such as emissions trading system, under spatial and spatial temporal systems, vis-à-vis Command and Control Instruments are estimated. The study is further extended to measure carbon-sensitive efficiency and productivity if all the plants are made to operate at Meta-frontier so as to account for group heterogeneity. Thus technical efficiency of a production unit relative to group-specific technology and also technological gap with respect to the best practice technology are estimated. The study is mainly divided into four chapters, which are independent of each other. Further problems associated with accessibility of data of thermal power plants in India are discussed.

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04. JOSHI (Pramod Kumar)
Entrepreneurship Ecosystem in Higher Education Institution in India.
Supervisors:Prof. Vijay Kumar Kaul and Prof. Pankaj Chandra
Th 24378

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05. SHARMA (Gagan)
Relationship Between Financial Integration and Equity Market Anomalies : An Empirical Study.
Supervisor: Prof. Snajay Sehgal
Th 24381

Abstract
(Not Verified)

This study examines the relationship between financial integration and equity market anomalies across 25 global markets. A Financial Integration Index (FII) is developed using Diebold and Yilmaz methodology. Eight countries, United States, United Kingdom, France, Germany, Canada, Sweden, Australia and Spain are part of the 'High Integration' grouping (HIG). Nine countries, Italy, Singapore, Hong Kong,

Brazil, South Korea, South Africa, Taiwan, Japan, Indonesia are in the 'Middle Integration' grouping (MIG). Eight countries India, Thailand, China, Pakistan, Malaysia, Turkey, Israel, Egypt are in the 'Low Integration' grouping (LIG). In each of these integration groupings, portfolios are created on decile sorts of size, value, momentum, liquidity, profitability and investment attributes, for all the 25 markets. Unadjusted portfolio returns are analysed and later tested on CAPM, Fama-French Three Factor Model and Fama-French Five Factor Model, using local as well as global factors. There is evidence of size effect and value effect among all the three integration-based groupings. Size premium is also the strongest among all the six anomalies studied. Momentum effect is more pronounced in the HIG markets. Liquidity premium, though not as universal as size and value effect, is also evident across all integration groupings. Profitability effect, on unadjusted basis, is more pronounced in the LIG markets and average profitability premium increases with decreased level of integration. On risk-adjusted basis, profitability effect is more visible in the LIG and HIG markets than MIG markets. International evidence for investment effect is mixed and lower investment firms need not necessarily generate superior returns. In 16 of the 25 markets studied, investment premium is negative. Highest number of portfolio returns are explained for MIG markets while most unexplained domestic portfolios belong to HIG markets. Overall results reveal that global factors do not explain domestic returns as well as the local factors are able to do.

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