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INDIAN KNOWLEDGE SYSTEM: ITS CASCADING EFFECT ON COMMERCE AND MANAGEMENT AND SOCIETY

Sub Theme : Indian Knowledge System and Business Management

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Abstract: The Indian Knowledge System (IKS) is the process of gathering preserving, and sharing knowledge from India with the rest of the world through written traditions. It has a universal outlook and encompasses various subjects, including science, mathematics, social sciences, medicine, philosophy, art, and religious studies. It had a significant impact on many areas of life, including commerce, and can be applied in many ways to help people and businesses. The Indian Knowledge System emphasizes hands-on-learning and real-world application of knowledge, which helps students develop problem-solving skills and adaptability. This can help prepare students for the challenges of the professional world. The IKS can provide lessons that can help people in business, such as increasing their skills and competency and helping them face their fear of failure. The IKS can offer a wide range of opportunities in business, research, social, and cultural areas. The IKS can help transform the education sector, ushering in a new area of intellectual empowerment and mental freedom. It has also impacted many areas of life, including education, arts, administration, law, justice, health and manufacturing. The IKS can be applied in practical ways to benefit citizens and the global community as India progresses.

Index Terms - Indian Knowledge System, Commerce, Business, Education, Opportunities.

I. INTRODUCTION

The Indian knowledge system (IKS) is based on experience, observation, experimentation, and analysis. It can be applied to various areas of life, including commerce and management, to help people find their purpose and attain it.

Some of the ways that the IKS can be applied to commerce and management:

- ✓ Ethical Conduct: The IKS can help managers develop a deeper understanding of ethical conduct.
- ✓ Mindfulness: The IKS can help managers incorporate mind fullness practices like meditation and yoga into the work place. This can help improve focus, reduce stress, and promote employee well-being.
- ✓ Interconnectedness: The IKS can help managers understand the interconnectedness of individuals and systems.
- ✓ Corporate Lessons : The IKS can be used to learn corporate lessons from scriptures like the Mahabharata, Ramayana and Bhagwad Gita.

The IKS is based on the Vedas, Upanishads, and Upvedas. The Government of India established the IKS in 2020 to revive and integrate the knowledge system into contemporary education and research. The National Education Policy (NEP) 2020 also acknowledges that it should be included in all levels of education.

Knowledge is passed down systematically from one generation to the next through the Indian Knowledge system (IKS). Rather from being a custom, it is an organized system and a method of knowledge, transfer. The Vedic literature, the Upanishads, the Vedas, and the Upvedas form the foundation of the Indian Knowledge System. The National Education Policy or NEP 2020, takes as its guiding premise the rich legacy of timeless Indian knowledge and philosophy. The Jnan, Vignan, and Jeevan Darshan knowledge systems of India have developed from experience, observation, experimentation, and thorough analysis. Our education, arts, administration, law, justice, health, manufacturing, and commerce have all been touched by this legacy of validating and putting into practice. This has had an impact on Bharat's classical and other languages that were passed down through creative, oral, and literacy traditions. It encompasses knowledge of ancient India, its achievements and difficulties as well as an understanding of India's future goals with regard to ecology, health, education, and really every facet of existence.

COMMERCE: Commerce is defined as the exchange of goods and services between two or more entities. It typically involves buying and selling things of value. Commerce can take place between businesses; between consumers, or between businesses and consumers.

Commerce involves an exchange of value and often generates a profit for one of the parties involved. It also includes services provided by companies and other organizations that facilitate the commerce exchange.

Commerce is important to our society in five essential ways;

- ✓ Commerce satisfies individual wants and needs.
- ✓ Commerce links producers and consumers.
- ✓ Commerce increases the standard of living.
- ✓ Commerce creates employment opportunities
- ✓ Commerce generates profits.

Know that commerce is not the same thing as business—it's a subset of what we call business. Commerce also involves the distribution of goods produced by manufacturers, leaving out the manufacturing or production processes.

MANAGEMENT: Management is an activity which is necessary wherever there is a group of people working in an organization. Though people have diverse functions in the organization but their aim is to achieve same goals. Management is also considered as a process of getting things done with the aim of achieving goals effectively and efficiently.

The concept of management insists on three essential elements:

- ✓ **Process:** A process refers to a series of activities/functions which are necessary for getting work done. These functions are : planning, organizing, staffing, directing and controlling.
- ✓ **Effectiveness:** Effectiveness refers to a situation when the goals are achieved within a stipulated time. It is concerned with the end result i.e. completion of task. So effectiveness or ordering work effectively means finishing the given task or achieving the goal.
- ✓ **Efficiency:** Efficiency refers to completion of task with minimum cost. The task is completed in a right way by making optimum use of resources. It involves cost- benefit analysis. It aims to derive more benefits by using less resources. So use of less resources and bringing more benefits leads to efficiency.

SIGNIFICANCE OF THE STUDY:

This study discusses integrating Indian knowledge system into commerce and management. It provides context from the National Education Policy on incorporating indigenous knowledge. Some potential ways to include Indian knowledge systems are through management concepts and practices from ancient texts, case studies of traditional and contemporary Indian businesses, and the history of ancient Indian commerce teachers and curriculum developers can work to root lessons in the Indian context through stories, examples, and field visits. While text books are one avenue, a holistic approach across the institutional culture is needed. Care must be taken to properly interpret sources and develop structured teaching materials.

Inclusion of IKS as a critical element of Indian education is reflected in the fundamental principle of “ a rootedness and pride in India, and its rich, diverse, ancient and modern Culture and knowledge systems and traditions” of NEP 2020. It envisions so far an education system rooted in Indian ethos.

REVIEW OF LITERATURE:

Majumder (2020) in his study describes the introduction to commerce and management, how it basically evolved, how much it has developed over the time both in terms of Management in organization and commerce relating to small medium enterprises and start-ups. Not everything has some positive side there are also some negative sides that you will read in this paper also in terms of commerce and management combined how both has affected the people as well as the economy in total and how the remedies are taken into action and at last will be the conclusion of how it's all important and helped us over the course of the years.

Rajoura (2022) in his study states that the study attempts to determine the potential of India's ancient knowledge system in providing solutions to the organization's management problems. This study mainly discusses corporate lessons from Bhagawad Gita, Ramayan and Mahabharat. The study is based on secondary data. The study also concluded that corporate teachings that are provided by Bhagawad Gita, Ramayan, and Mahabharat are very useful for corporate people as it provides the man aid in increasing their competency, skills and helps them in facing their fear of failure. The adoption of lessons taught in various Indian Knowledge System can excel the company's effectiveness and efficiency.

OBJECTIVES OF THE STUDY:

The following are the objectives of the study:

- I. To study the importance of Indian Knowledge System in Commerce and Management.
- II. To analyze the relationship between Commerce and Management in the context of Indian Knowledge System.
- III. To study the developments in commerce & management in IKS.

METHODOLOGY OF THE STUDY:

Research Methodology is a science of studying how research is to be carried out. It is a systematic way to solve a problem. Research Methodology deals with the research methods and take into consideration the logic behind the methods. (Kothari, 2012).

In respect of the present research objectives, the methodology has been described:

1. Research Design

The nature of the study is both exploratory and descriptive. It is exploratory as the study aims at identifying the importance of Indian knowledge system in commerce and management.

2. Sources of Data

The study is based on secondary data. The data is collected from articles and literature review is done by online available studies and journals.

RELATIONSHIP BETWEEN COMMERCE AND MANAGEMENT

The Indian knowledge system (IKS) has had a significant impact on many areas of life, including commerce and management and can be applied in many to help people and businesses.

Commerce and management helps in understanding the people employees within organization to have a clear image on how it's supposed to operate on a daily basis and how it will result in profit maximization and employee satisfaction that will further keep them motivated and inspired for longer period of work, not because they have to but to make them updated and interested in the work they are assigned to. Commerce and management when jointly and properly employed can help in overcoming the mismanagement that might prevail in any situation and can be used for Economic prosperity and raising the standard of living for the people.

Commerce and management are two different terms but both have its own relationship. Without commerce the management cannot prosper and without management commerce cannot operate so it needs the influence of both to be able to work in an organization.

Without the one, the other cannot operate.

DEVELOPMENTS IN COMMERCE

A. *E-Commerce Is The New Way*

With the change in technology we can now run our business or start a new business a tour fingertips with the help of laptop or desktop and with the creation of our website, people can now carry their business anywhere they want and do their everyday 9-5 jobs at home. Due to the ongoing pandemic of covid-19, the networks companies have earned huge amount of profit as a result of people conducting their business and doing jobs even education from home. Smartphones which costs much less than PC or laptop can be used to carryout business using social media sites like Facebook or Instagram or LinkedIn to find and carryout their respective jobs. Applications similar to Zomato or Big basket can be made to carryout delivery business to the people in need at times of the current pandemic because at times like this, these are the variations that can be trusted to. So, by combining technology with commerce, one can easily access various means of carrying out businesses and jobs.

B. **Virtual Reality Product Visualisation : A Marketing Prospective**

Seeing a product online and acquiring it is two very different things. What we see is not always what we get, the product might be out of shape or losing colour or texture than shown in the picture as a result, the consumer gets vastly dissatisfied with the product which leaves a negative impact on the company selling it. Most consumers want to experience the product before hand before making the purchase hence virtual reality combined with artificial intelligence gives a perfect view in real time on what the product looks like and becomes easy for the consumer to understand it before purchasing it. It increases the sales as well as brand awareness on part of the company.

C. **Collaboration and Recognition:**

Various companies plans a marketing strategy on Collaborating with other companies in order to mix two products on one product the profit which then earned is shared equally. This marketing Strategy is usually called co-branding and is of short term but increases the brand recognition on both the companies as well as cost effective and generates a lot of profit by targeting those consumer segmentations that they know who will purchase it.

DEVELOPMENTS IN MANAGEMENT:

I. Diversification In Gender : We have all known that when it comes to gender its either male or female but apart from that there are genders, we aren't much aware of and not given certain importance to yet, this kind of people have access to knowledge and skills that we are not aware of or which can be helpful. Corporate uses this aspect and employs the other genders to work with them and to create a balance in the working environment so that everyone shares all their knowledge and problem-solving skills to overcome various boundaries and gaps which hence removes conflict in work. Corporate does this to ensure that its mission and vision are not disrupted and to send a message to the world that everyone is equal and that everyone matters regardless of their gender.

II. Employment of Data Analyst: Employment of Data Analyst is now an utmost importance that is being done not only by Corporate but by private agencies like CIA of USA, MI6 of UK even CBI of India as millions and billions of data are being prepared and data analyst are hired to analyse the trends occurring in the given data to find out possible solutions relating to different problems. This data gives results relating to finding out trends and fashion changes among the people, finding out the best possible scenario of sustainability and helping in finance to depict cost and cost control measures. Big Companies like Google, Amazon etc. releases trillions of data that are being taken care by the data analyst everyday whether be it in machine learning techniques, programming, coding etc.

III. Engagement in Corporate Social Responsibility: Not only a company must ensure smooth running of its profit for its business continuation, but it should use that profit to help the economy grow or assist countries in times of emergency situations.

SOLUTIONS FOR THE NEGATIVE IMPACTS:

- **Firewall / Anti-Malware Software:** Incorporating strong firewalls or using proper antivirus or anti-malware software's, one can easily protect its e-commerce business against potentially harmful viruses or malwares that endanger the system. In that way the hackers won't be able to take control of the system either because a good firewall not only blocks them for their access but it also masks the IP address which they primarily need to get into a system illegally.
- **Coordination Among Top, Middle and Lower Level Management :** An organization runs on its people so it should be the responsibility of each level of department regardless of their position to come and discuss various solutions relating to various problems by ignoring the ranks posed by upper, middle and lower level of management in that way a perfect harmony is created and solutions to different problems like Finance, Production and Marketing can be solved efficiently and quickly which not only saves time but also saves resources.

Accounting played an essential role in government administration and commerce as well as economic administration throughout history. Since ancient times India has fostered structured financial structures together with moral financial controls and transparent government practices. Ancient writings including Kautilya's Arthashastra and Manusmriti together with Vedic literature presented exhaustive instructions about taxation systems and financial accountability as well as ethical business leadership principles. Globalization together with economic integration requires standardized financial reporting regulations because it establishes transparency along with financial reporting accountability and improves comparability. The Indian government uses accounting standards called Indian AS that follow the principles of International Financial Reporting Standards (IFRS). The standards exist to provide consistent financial reporting and to draw international investments while improving corporate governance. The current global accounting systems prioritize Western accounting standards, often overlooking ancient Indian financial ethics which focused on sustainability and ethical principles. Since social responsibility and sustainability have emerged as key priorities in corporate finance it is essential to study the potential benefits of traditional Indian ethical finance principles to support modern accounting systems.

Research Objectives This study aims to achieve the following objectives:

- To analyze the financial principles outlined in ancient Indian texts such as the Arthashastra, Manusmriti, and Vedic literature, particularly in relation to taxation, wealth management, and financial governance.
- To compare these historical financial ethics with modern frameworks established by Indian AS and IFRS.
- To identify key challenges that prevent the integration of traditional Indian financial principles with contemporary accounting regulations, including regulatory rigidities and lack of awareness.
- To propose practical solutions that enable the harmonization of ethical and sustainable financial practices from ancient India with modern financial reporting standards. This comparative study identifies significant barriers preventing the integration of traditional principles with modern regulatory requirements. Businesses face three main obstacles: rigid regulatory structures, interpretational differences, and a lack of understanding of traditional financial systems. The research provides practical recommendations that promote the synchronization of traditional ethics with modern financial regulations to develop a transparent economic system based on sustainability and accountability. This investigation is significant as it explores new possibilities to enhance financial reporting systems through ethical principles established in ancient Indian financial philosophy. This study aims to integrate traditional Indian financial practices with modern accounting standards while ensuring international compliance.

Literature Review

Findings Shortcomings Archunan and Ramaiyan, 2024 The study highlights the need for international accounting standards due to globalization. Indian Accounting Standards (Ind AS) follow IFRS requirements which enhances The study lacks empirical data and focuses mainly on large corporations, ignoring challenges faced by SMEs. It does not fully address regulatory and legal hurdles

Research Methodology The research adopts a qualitative framework together with comparative methods to explore ancient Indian text financial principles from an accounting perspective. This research performs a qualitative content analysis to study financial concepts contained in Arthashastra and Manusmriti and Vedic literature particularly concerning taxation systems and strategies for wealth management and financial organization schemes. The evaluation discovers basic moral values and managerial systems which formed traditional Indian financial systems. Personal financial ethics from ancient times are compared with modern standards mentioned in Indian AS and IFRS to determine overlapping concepts and diverging aspects. The analysis compares various financial elements starting with revenue recognition through corporate governance and sustainability and ending with forensic accounting to determine their current connections along with their inconsistencies.

Comparison of Ancient Indian Financial Ethics with Modern Accounting Frameworks (Indian AS & IFRS)

Aspect	Ancient Indian Financial Ethics	Modern Financial Frameworks (Indian AS & IFRS)
Taxation Systems	Emphasis on fairness, justice, and equity in taxation.	Focuses on accurate tax reporting and compliance with legal frameworks.
	Arthashastra suggests taxes should be proportional to wealth for equitable distribution	Indian AS 12 – Income Taxes ensures transparent and accurate tax reporting.
	Manusmriti highlights taxes must not burden the common people but benefit society.	IFRS focuses on revenue recognition and tax reporting with legal compliance
Wealth Management	Vedic texts promote the idea of taxation as a moral duty for the welfare of society.	Less focus on the moral implications of taxes. Focuses more on technical accuracy
	Wealth is seen as a moral responsibility for the wellbeing of the community.	Focuses on accurate financial reporting of wealth but does not focus on its moral duty.
	Arthashastra advocates for fair and just management of wealth for the common good.	Indian AS 18 – Revenue Recognition and IFRS 15 focus on technical aspects of reporting.
Financial Governance	Manusmriti stresses wealth should be accumulated through honest means and used for social welfare.	Modern standards are focused on financial accuracy, transparency, and legal compliance.
	Vedic texts connect wealth with spiritual duty, ensuring wealth benefits both society and spirituality.	Wealth management is approached from a financial and operational standpoint, often without moral consideration
	Governance is based on ethical oversight, with rulers ensuring equitable wealth distribution.	Modern frameworks focus on regulatory compliance, financial transparency, and accuracy.
	Arthashastra emphasizes governance as a tool for social welfare and economic justice.	IFRS 10 and Indian AS 110 ensure corporate governance compliance, but ethical considerations are limited.
	Manusmriti insists that rulers maintain financial systems aligned with moral principles	Corporate governance codes are focused on accountability and compliance, with less focus on ethics in governance.
	Vedic literature stresses governance as spiritual responsibility for community welfare.	Ethical governance in modern frameworks is more indirect, primarily addressed through CSR practices.

Indian financial ethics from ancient times focus differently than modern systems such as Indian AS and IFRS. The ethical commitment of taxation and wealth management and financial governance appears prominently in ancient Indian texts through their purpose of social welfare and equity with moral responsibility. The texts included wealth and financial governance within an all-encompassing ethical system which worked toward societal benefit. The current standards of accounting emphasize

financial correctness and both open financial records along with following established regulations. The technical approach of financial reporting in Indian AS and IFRS lacks the thorough moral evaluation of public welfare and spiritual matters that traditional Indian thought emphasized. The analysis reveals potential integration chances for ancient Indian ethical financial principles with current accounting standards which would establish new reporting standards that serve the public better and manage wealth more ethically.

CONCLUSION:

Ancient Indian texts such as the Arthashastra together with Manusmriti and various Vedic texts stress ethical financial operations that require equal taxation and ethical government practices and accountable wealth sharing principles. Riches needed to serve spiritual needs and serve society based on these principles of social welfare and justice. The present financial reporting standards such as Indian AS and IFRS devote their attention to transparent financial reporting together with tax guidelines and profit growth objectives but avoid ethical considerations. Modern accounting standards (Indian AS and IFRS) ensure both legal compliance and transparency whereas they omit the ethical values from ancient Indian financial principles. New ethical practices added to modern financial reporting would achieve a balance between profit making while being socially responsible and maintaining fairness.

Future investigation needs to develop effective solutions for integrating Indian traditional financial ethics with modern accounting practices. The research should cover teaching ethical principles in accounting education and ethical financial reporting practices which combine profit maximization with community welfare enhancement

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