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A STUDY ON IMPACT OF RISES IN PRICE OF LPGCYLINDER IN INDIA

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ABSTRACT

The study is about that now a days consumers lead to pay high price for LPG domestic cylinder and it create major impacts among public In this study data was collected with the questionnaire from the general public and this paper focus to study the reason for increasing LPG domestic cylinder price and the impact faced by general public. **A STUDY ON IMPACT OF RISES IN PRICE OF LPG CYLINDER IN INDIA.**

I.INTRODUCTION

LPG Price in India is decided by rate of the rupee against the dollar and also the global benchmark rate. In a year, every household can get to 12 cylinders at subsidised rates. within the case of more cylinders, the value must be paid. LPG prices in India are determined by the previous month's international market value.. Most the household in India contains a LPG gas and it's mainly used for cooking purpose. A rise in LPG prices will affect the commoner generally as they need intuned the brunt of the rising fuel prices within the current market scenario. The simplest part of the govt. of India is currently providing subsidy on the sale of domestic LPG cylinders to the consumers. The subsidy amount is directly credited to the individuals bank account after the purchase of the cylinder. The subsidy amount varies each month and depends on the changes within the average international benchmark LPG prices added with the exchange rate.

OBJECTIVES OF THE STUDY

- To study the pricing policy of the government indomestic LPG cylinders.
- To identify the reason for price rising of domesticLPG cylinders.
- To find the impact of price rise in domesticLPG cylinders.

II.LITERATURE REVIEW

In 2016, a paper by **Drs Amit vyas and Piyush kumar** focused on increasing the quantity of LPG users and therefore the marketing strategies adopted. . A survey was distributed with 2000people in and round the city of Bangalore. and that they found a rise in LPG access among households between 2004 and 2014

In December 2018, **Dr amutha's** paper presented the socioeconomic status and customer satisfaction for LPG in households in thoothukudi city tamilnadu . The study also focused on analyzing perceptions of gas subsidies and determining the explanation for gas rate increased.

In 2015, a paper by **P.K. arya S.Tupkarisathish K.G.D.Thakre B.M. Shukla** assessed the present cooking fuel scenario in India.The increase in demand for LPG and its impact on the India economy were discussed.

In 2013 GP. Bharambe reported that the reasons for prices increasing of LPG and therefore the paper also focuses on the govt subsidy schemes and its socio economic impact general public.The paper discusses the temporary solutions to substitute the utilization of LPG as a cooking fuel by the non conventional energy sources in future.

In 2004 **K.V. Narasimha murthy** paper reported that only about 33.6 million or 17.5% of all indian homes use LPG as

their primary cooking fuel, with 90% of rural homes still depends on some form of bio mass. hence this paper considers the possibility of enhancing the household use of LPG. RESEARCH METHODOLOGY

III RESEARCH METHODOLOGY

This study is based on descriptive research and also the sample size is 103, questionnaire as a Primary data and Secondary data from various articles, referred by books, etc., and sample location is chennai and rural areas surrounding chennai.

IV. DATA ANALYSIS

Table No 1: reason for increasing LPG domestic cylinder price

Reason	No of respondents	Percentage
Increasing in International price.	26	25.2%
Crude oil price hike	34	33%
Political issue	32	31.1%
Challenges with distribution channels	11	10.7%
Total	103	100

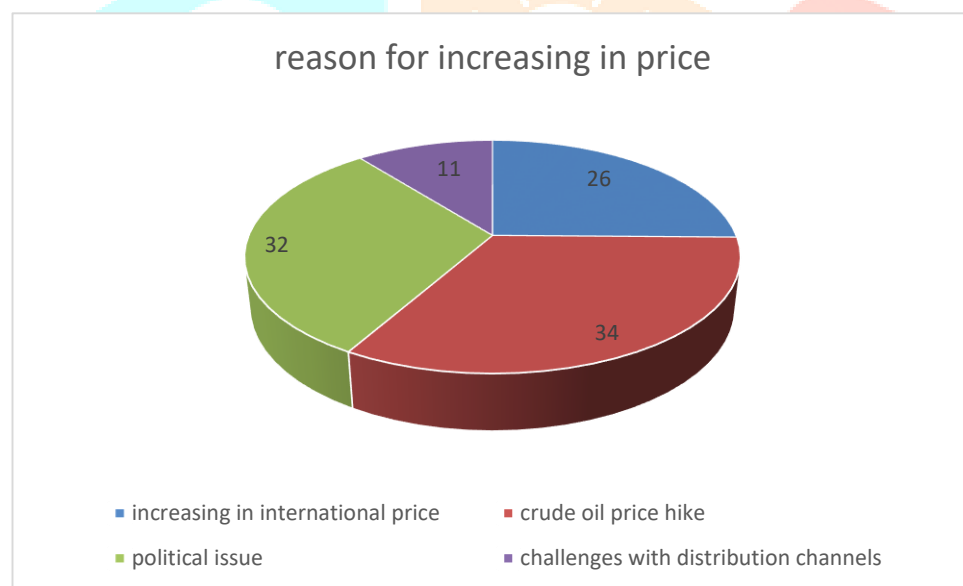


Chart no 1: reason for increasing LPG domestic cylinder price

Inference

Majority 33% respondents told that increasing in crude oil price is a reason for increasing LPG cylinders price.

Table No 2 : satisfaction level of respondents for subsidy gained

Subsidy satisfaction level	No of respondent	Percentage
Satisfied	7	6.8%
Strongly satisfied	10	9.7%
Neutral	35	34%
Dissatisfied	28	27.2%
Strongly dissatisfied	23	22.3%
Total	103	100

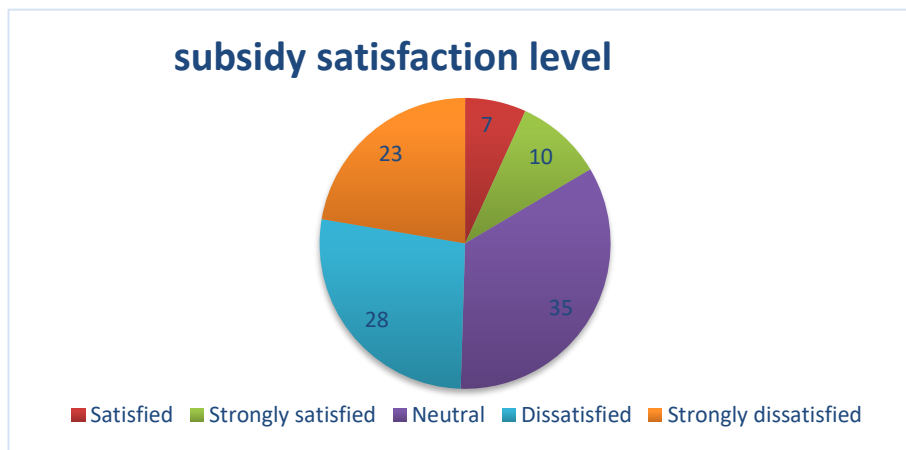


Chart no 2: satisfaction level of respondents for subsidy gained

Inference

Majority 34% respondents are neutral on satisfaction level of subsidy for cylinder.

Table no 3: impact of middle class family and poor family

SA-Strongly agree, A-agree, N-neutral, SDA-strongly disagree, DA-disagree.

Impacts	SA	A	N	DA	SDA
A price of LPG cylinder affects the daily wages employee.	40	41	16	3	3
Most of the family change to electronic stove and kerosene stove due to price hike.	14	39	28	8	14
Refill of cylinder was reduced after cylinder price hiked.	20	37	28	6	12
15% of monthly salary of middle class family was spent on LPG.	26	41	20	9	7
The price hit the calculation for monthly expenses in a household.	24	36	32	7	4



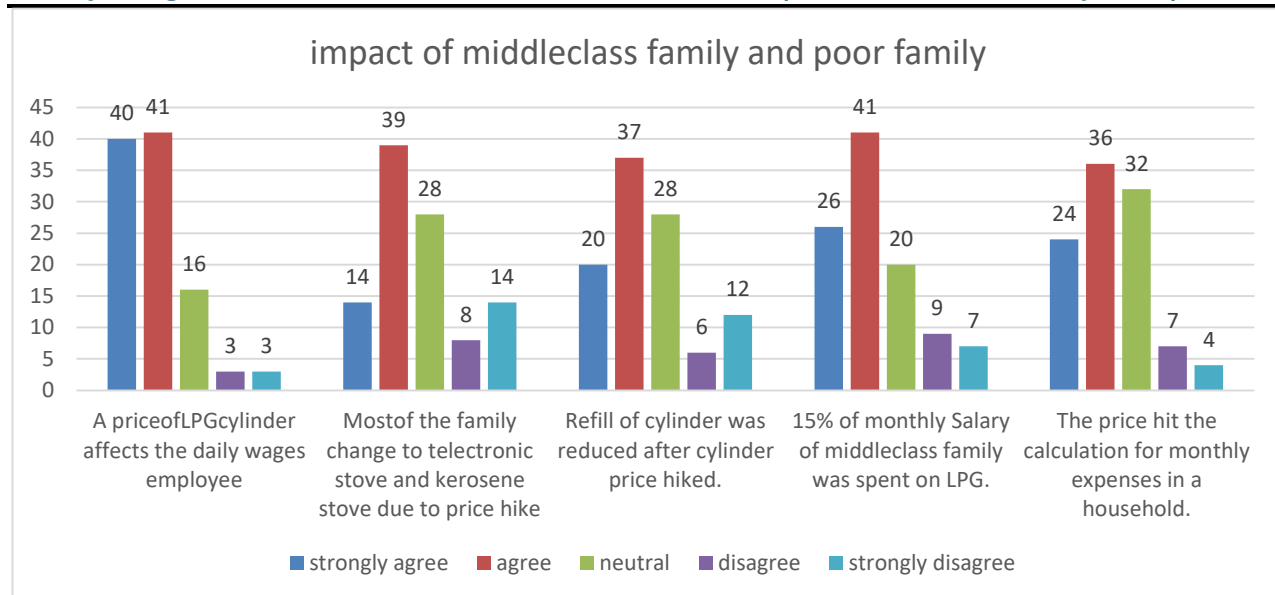


Chart no 3: impact of middle class family and poor family.

Inference

Majority 40% respondents agree on a price of LPG cylinder affects the daily wages employee.

Majority 38% respondents agree on Most of the family change to electronic stove and kerosene stove due to price hike. Majority 36% respondents agree on refill of cylinder was reduced after cylinder price hiked. Majority 40% respondents agree on 15% of monthly salary of middle class family was spent on LPG. Majority 35% respondents are neutral on the price rise hit the calculation for monthly expenses in a household.

V. CHI SQUARE

Hypothesis:

Null hypothesis: There is no significant association between located zone of the respondents and the satisfaction of received subsidy.

Alternate hypothesis: There is a significant association between located zone of the respondents and the satisfaction of received subsidy.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	15.822 ^a	8	.045
Likelihood Ratio	18.721	8	.016
Linear-by-Linear Association	2.021	1	.155
N of Valid Cases	103		

a. 8 cells (53.3%) have expected count less than 5. the minimum expected count is .88. Inference

inference

Since p value .045 is lesser than 0.05. we accept the alternative hypothesis and reject the null hypothesis. Hence there is significance association between the located zone of the respondents and their satisfaction of subsidy received.

VI.ONE WAY ANOVA TEST

Hypothesis

Null hypothesis: There is no significant difference between age of the respondents and their opinion on the reason for increasing LPG cylinder price.

Alternate hypothesis: There is significant difference between age of the respondents and their opinion on the reason for increasing LPG cylinder price.

	Sum of square of Squares	Df	Mean Square	F	sig
Between Groups	6.093	3	2.031	2.277	0.084
Within Groups	88.295	99	0.892		
Total	94.388	102			

inference

Since p value .084 is greater than 0.05. we accept the the null hypothesis and reject the alternative hypothesis. Hence there is no significant difference between age of the respondents and the reason for increasing price in LPG cylinders.

VII.FINDING

Majority 33% respondents told that increasing in crude oil price is a reason for increasing LPG cylinders price. Majority 40% respondents agree on a price of lpg cylinder affects the daily wages employee. Majority 35% respondents are neutral on the price rise hit the calculation for monthly expenses in a household. Majority 36% respondents agree on refill of cylinder was reduced after cylinder price hiked. Majority 38% respondents agree on Most of the family change to electronic stove and kerosene stove due to price hike. Majority 36% respondents agree on refill of cylinder was reduced after cylinder price hiked.

VIII.SUGGESTION

Majority of the respondents are face many impacts because of continuous price hike LPG cylinder. And the respondents are using different companies of LPG cylinders and buying in several price, majority of the respondents received low subsidy from government and few of them not receiving subsidy also. The government should take necessary steps to cutback the price and make cheap for public.

IX.CONCLUSION

The purpose of the study is to form new knowledge and to found out the impacts of increasing price on LPG cylinders among middle class peoples and poor. The rise in price continuous will result in reduce usage of LPG cylinders and people move to use fire woods and kerosene for cooking and it affects the economy of India, and the we should not blame the government alone for price hike and that they are more reason apart from the government also. This study concludes that people are suffered more for rise in price of domestic LPG cylinders and therefore the opinion is to cut back the LPG cylinder price.

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