



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## A Study Of Efficiency Management Of District Co-Operative Purchase-Sale Unions Limited

**CHAUDHARI SUNILBHAI CHIMANBHAI**

(M.Com, B.ed, GSET)

Adhyapak Sahayak

R. R. Mehta College of Science &

C. L. Parikh College of Commerce, Palanpur

**DR. DILIPSINH R. THAKOR**

(M.COM, M.Phil., GSET, Ph. D)

Smt.S. C. P. F. Commerce College, Dabhoi, Dist. Vadodara

### Abstract

A business that focuses on efficiency, is more likely to compete as the lowest cost manufacturer in the market, although efficiency can increase profits in the under both methods. By selling the lowest price, a business can undercut its competitors' prices while still making a profit. If a low-cost manufacturer charges too low a price, it could drive their competitors out of the market, unless they can protect themselves by focusing on markets where consumers are demanding and willing of paying higher prices for their products. Objectives of the study are to study about the financial situation of the District Cooperative Purchase and Sale Unions in the South Gujarat region, to study about the income and expenditure of the selected cooperative unions and to find out an appropriate possible way to expand the financial reliability of District Co- Operative. The current study is based on ten (10) years of data from 2012-13 to 2021-22. Ten years is sufficient time to obtain results. Furthermore, all the selected samples include samples prior to that period, so complete data from ten years are available so the researcher has selected this period. The analysis of income and expenditure of selected District Cooperative Purchase and Sale unions in the South Gujarat region during the study period and the researcher found that the Bharuch and Narmada District Cooperative Purchase and Sale union has sales ratio, purchase ratio, operating ratio, administration to total expense ratio, employee cost ratio and administration to sales ratio are excellent level. The Bharuch and Narmada district Co-Operative Purchase-Sale Unions Limited are very

strongest than Navsari and Surat district Co-Operative Purchase-Sale Unions Limited. the Navsari and Surat district unions are poor in many ratios while Bharuch and Narmada district are favourable in many ratios. It means Bharuch and Narmada district Co-Operative are more investment purchase and sales activities compare to the other selected union.

**Key Words; Operational Performance, Co- Operative, Purchase-Sale Unions Limited**

## **Introduction**

A business that focuses on efficiency, is more likely to compete as the lowest cost manufacturer in the market, although efficiency can increase profits in the under both methods. By selling the lowest price, a business can undercut its competitors' prices while still making a profit. If a low-cost manufacturer charges too low a price, it could drive their competitors out of the market, unless they can protect themselves by focusing on markets where consumers are demanding and willing of paying higher prices for their products. "Efficiency management is a systematic approach to optimizing the use of resources and processes in an organization to achieve maximum output with minimum input. Efficiency in management means performing activities with the minimum wastage of resources which also refers to optimum utilization of resources so that the organization can maximize the profit."

## **Literature of Review**

(Nana Prihatna, 2023) has Investigated on "Maximizing efficiency and profit through productive asset management and risk control". The researcher initiates that the results of this research resulted in a new product: the OER model and bank-to-bank services. New research finds that OER is primarily related to revenue-generating asset management (i.e., the level of liquidity of all a bank's assets under the LAR) and risk management (CAR and LDR values). In addition, active asset management (LAR, NCM, RR) and risk management (CAR, LDR, DER), which have a significant impact on net profit margin (NIM), are measured through net profit margin (NPM). RR and LDR are two dependent variables in profitability models (NPM and NIM). Judging from the efficiency index and profitability index of rural banks, there is a certain relationship between rural banks with low efficiency (relatively low OER), that is, a low cost-to-income ratio, which means that rural banks already have good internal processes. . and healthy. Appropriate research and study has been conducted as per the requirements to become a banker. Rural banks, on the other hand, must also generate revenue from their operations (core NPM) or at least be financially protected from operating expenses (core NIM). Therefore, healthy rural banks are characterized by their ability to operate efficiently and earn high profits because healthy banks can play the role of social intermediaries by maintaining the continuity of business growth (sustainability).

(Flavio Sergio Linhares, 2019) has discussed with “Earnings management and investment efficiency”. The researcher initiates that the extend prior literature by providing evidence that high levels of earnings management by Brazilian listed firms may lead firms to deviate from expected investment levels. Therefore, we show that knowledge acquisition and knowledge sharing are relevant even in different organizational contexts such as Brazil. We demonstrate the impact of profitability on investment decisions; decisions to adopt IFRS, corporate governance practices, individual listings, impairments, size and organization-wide audits. Our results are consistent with factors linking accounting information quality and corporate decisions more broadly. We hope that our findings will encourage new research on this topic, especially testing different profitability prediction models such as classical regression, mapping outcomes, and persistence. We also believe that the results may be important to investors and individuals, given that actions to improve financial reporting can lead to better economic outcomes in the long run.

### **OBJECTIVES OF THE STUDY**

- To study about the financial situation of the District Cooperative Purchase and Sale Unions in the South Gujarat region.
- To study about the income and expenditure of the selected cooperative unions.
- To find out an appropriate possible way to expand the financial reliability of District Co- Operative.

### **HYPOTHESIS OF THE STUDY**

In simple terms, a hypothesis is an assumption that is either true or false. Conceptual thinking was measured as a primary research method. Its main role is to provide questions and advice on new writing.

### **SAMPLING TECHNIQUES OF THE STUDY**

The population of the study is all district Co- Operative Purchase-Sale Unions Limited in Gujarat. The current study uses non-probability convenience sampling methods for selecting all district Co- Operative Purchase-Sale Unions Limited in Gujarat.

### **SAMPLES SELECTION AND SAMPLING METHOD OF THE STUDY**

The sample size for the present study is 4 district Co - Operative Purchase-Sale Unions Limited in south Gujarat. The researcher selected a sample the district Co- Operative Purchase-Sale Unions Limited, there are 32 (Thirty-two) district Co- Operative Purchase-Sale Unions Limited in Gujarat. So, the researcher took the 4 district Co- Operative Purchase-Sale Unions Limited which are 12.5% of the population. The district Co- Operative Purchase-Sale Unions Limited are selected based on south region of Gujarat state. The selected five district Co- Operative Purchase-Sale Unions Limited;

- Bharuch district Co- Operative Purchase-Sale Unions Limited
- Navsari district Co- Operative Purchase-Sale Unions Limited
- Narmada district Co- Operative Purchase-Sale Unions Limited
- Surat district Co- Operative Purchase-Sale Unions Limited

### 3.12 PERIOD OF STUDY

The current study is based on ten (10) years of data from 2012-13 to 2021-22. Ten years is sufficient time to obtain results. Furthermore, all the selected samples include samples prior to that period, so complete data from ten years are available so the researcher has selected this period.

### 3.13 DATA COLLECTION

This research is based on mainly secondary data which have collected from published annual reports of the selected district Co- Operative Purchase-Sale Unions Limited. Other information associated with the district Co- Operative Purchase-Sale Unions Limited and the annual report collected from head office of selected district Co- Operative Purchase-Sale Unions Limited. district Co- Operative has been obtained from the district Co- Operative magazine and annual report.

### Data Analysis

**Table No. 1 Descriptive Statistics**

<b>Variables</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Gross Profit Ratio	40	0.037	2.301	1.12545	.720299
Net Profit Ratio	40	0.030	1.591	.43723	.367121
Return on Assets	40	3.123	4.366	3.86218	.282786
Proprietary Ratio	40	18.658	42.266	28.50350	6.917094
Investment to Proprietary Fund Ratio	40	38.225	73.315	56.34695	9.581569
Current Ratio	40	0.895	1.985	1.39793	.310119
Total Assets Turnover Ratio	40	4.165	14.215	9.24005	2.543632
Fixed Assets to Current Assets Ratio	40	18.33	48.252	31.86859	14.235930
Current Assets Turnover Ratio	40	3.425	12.523	7.90315	2.247290

Above table no. 1 descriptive statistics of all selected variables for the whole study period of all selected purchase and sale union.

The maximum and minimum Gross Profit Ratio was 2.301 and 0.037 respectively. The average Gross Profit Ratio is 1.13 and standard deviation is 0.72.

The minimum Net Profit Ratio is 0.030 and maximum Net Profit Ratio was 1.591. The average of Net Profit Ratio is 0.437 and the standard deviation is 0.367.

The minimum Return on Assets Ratio was 3.12 and maximum ratio was 4.37. The average and standard deviation of Return on Assets ratio is 3.86 and 0.282 respectively.

The maximum and minimum of Proprietary Ratio was 42.26 and 18.66 respectively. The average of Proprietary Ratio is 28.50 and standard deviation is 6.92.

The minimum Investment to Proprietary Fund Ratio is 38.22 and maximum Investment to Proprietary Fund Ratio was 73.32. The average of Sales to Total Income Ratio is 56.35 and the standard deviation is 9.58.

The minimum Current Ratio was 0.89 and maximum ratio was 1.98. The average and standard deviation of Current Ratio is 1.40 and 0.31 respectively.

The maximum and minimum Total Assets Turnover Ratio was 14.22 and 4.165 respectively. The average Total Assets Turnover Ratio is 9.24 and standard deviation is 2.54.

The minimum Fixed Assets to Current Assets Ratio is 18.33 and maximum Fixed Assets to Current Assets Ratio was 48.25. The average of Fixed Assets to Current Assets Ratio is 31.87 and the standard deviation is 14.24.

The minimum Current Assets Turnover Ratio was 3.43 and maximum ratio was 12.52. The average and standard deviation of Current Assets Turnover Ratio is 7.90 and 2.24 respectively.

**Table No. 2: One-way Anova**

Variables		Sum of Squares	df	Mean Square	F	Sig.
Gross Profit Ratio	Between Groups	18.966	3	6.322	179.409	.000
	Within Groups	1.269	36	.035		
	Total	20.234	39			
Net Profit Ratio	Between Groups	4.270	3	1.423	51.936	.000
	Within Groups	.987	36	.027		
	Total	5.256	39			
Return on Assets	Between Groups	.836	3	.279	4.393	.010
	Within Groups	2.283	36	.063		

	Total	3.119	39			
Proprietary Ratio	Between Groups	1737.562	3	579.187	162.339	.000
	Within Groups	128.440	36	3.568		
	Total	1866.001	39			
Investment to Proprietary Fund Ratio	Between Groups	2424.494	3	808.165	25.169	.000
	Within Groups	1155.958	36	32.110		
	Total	3580.452	39			
Current Ratio	Between Groups	3.034	3	1.011	50.791	.000
	Within Groups	.717	36	.020		
	Total	3.751	39			
Total Assets Turnover Ratio	Between Groups	173.138	3	57.713	26.235	.000
	Within Groups	79.194	36	2.200		
	Total	252.332	39			
Fixed Assets to Current Assets Ratio	Between Groups	6294.031	3	2098.010	46.919	.000
	Within Groups	1609.776	36	44.716		
	Total	7903.807	39			
Current Assets Turnover Ratio	Between Groups	105.278	3	35.093	13.779	.000
	Within Groups	91.684	36	2.547		
	Total	196.962	39			

$H_0$  : There is no significant difference between the selected district Co- Operative Purchase-Sale Unions Limited in South Gujarat.

$H_1$  : There is significant difference between the selected district Co- Operative Purchase-Sale Unions Limited in South Gujarat.

Above table no. 2 identified the result of one-way Anova test for selected ratios among selected (Union Wise) district Co- Operative Purchase-Sale Unions Limited in South Gujarat during the study period. The P value of one-way ANOVA for all selected variables are less than significant level 0.05. So, Null hypothesis is rejected. It means there is significant difference in selected variables among selected district Co- Operative Purchase-Sale Unions Limited in South Gujarat.

### Findings

As per the analysis of profitability ratio, the Navsari district Co-Operative Purchase-Sale Union Limited has Gross profit ratio, net profit ratio, return on assets and total assets ratio are above average level. So, this union is more profitable union compare to the other selected unions. The Bharuch District Cooperative Purchase and Sale union has below the average level of profitability ratio. The Navsari and Narmada district unions are on average level.



The analysis of assets and liabilities ratio of selected District Cooperative Purchase and Sale unions in the South Gujarat region during the study period, the researcher found that the Bharuch district Co-Operative Purchase-Sale Union Limited having good position in assets while the Navsari district Co-Operative Purchase-Sale Union Limited is having not good assets position from selected unions. The Narmada and Surat District Co-operative Purchase and Sale Unions assets having on average level.

### **Suggestion**

The analysis of Profitability, the Navsari district Co-Operative Purchase-Sale Union Limited is very profitable union compare to the other selected unions while Bharuch district Co-Operative Purchase-Sale Union Limited is very less profitable unions. The Bharuch district need to improve the profit and control the expenditure. If Bharuch district union is controlling the expenditure, then profit and profitability ratio also will be increase. The Navsari and Narmada district unions are on average level. So, these two unions also need to improve the profitability ratio. The Navsari district Co-Operative union has good level of profitability activity. So, this union must be maintaining the profitability ratio.

After analysis of assets and liabilities of selected union limited, the Bharuch district Co-Operative Purchase-Sale Union Limited having good position in assets while the Navsari district Co-Operative Purchase-Sale Union Limited is having not good assets position from selected unions. The Navsari District Co-operative Purchase and Sale Union need to improve in assets through short term as well as long term investment. The Narmada and Surat District Co-operative Purchase and Sale Unions assets having on average level. So, these two unions also improve in assets through short term as well as long term investment.

### **Conclusion**

The Navsari district Co-Operative Purchase-Sale Union Limited has Gross profit ratio, net profit ratio, return on assets and total assets ratio are above average level. So, this union is more profitable union compare to the other selected unions. The Bharuch District Cooperative Purchase and Sale union has below the average level of profitability ratio. The Bharuch district need to improve the profit and control the expenditure. If Bharuch district union is controlling the expenditure, then profit and profitability ratio also will be increase. The Navsari and Narmada district unions are on average level. These district Co-Operative unions have good level of profitability activity. So, this union must be maintaining the profitability ratio.

The assets and liabilities of selected union limited, the Bharuch district Co-Operative Purchase-Sale Union Limited having good position in assets while the Navsari district Co-Operative Purchase-Sale Union Limited is having not good assets position from selected unions. The Navsari District Co-operative Purchase and Sale Union need to improve in assets through short term as well as long term investment. The Narmada and Surat District Co-operative Purchase and Sale Unions assets having on average level. So, these two unions also improve in assets through short term as well as long term investment.

**References**

1. O. P. Agarwal. (2010). Financial Management (1st ed.). Mumbai: Himalaya Publishing House.
2. M. C. Shukla, T. S. (2014). Cost Accounting: Text and Problems (12th ed.). New Delhi: S. Chand & Company Pvt. Ltd.
3. CA (Dr.) P. C. Tulsian, C. B. (2014). Cost Accounting: A Self-Study Textbook (3<sup>rd</sup> ed.). New Delhi: S. Chand & Company Pvt. Ltd.
4. G. Sudarsana Reddy. (2012). Financial Management: Principles and Practice (3<sup>rd</sup> ed.). Mumbai: Himalaya Publishing House.
5. I. M. Pandey. (2015). Financial Management (11th ed.). New Delhi: Vikas Publishing House Pvt. Ltd.
6. Prasanna Chandra. (2013). Financial Management: Theory and Practice (7th ed.). New Delhi: Tata McGraw Hill Education Private Limited.
7. P. V. Kulkarni, B. G. Satya prasad. (2011). Financial Management: A Conceptual Approach (18th ed.). Mumbai: Himalaya Publishing House.
8. 31. Nana Prihatna, S. R. (2023). "Maximizing efficiency and profit through productive asset management and risk control". ECONOMIC ANNALS-XXI, 204(7-8), 50-56. doi:<https://doi.org/10.21003/ea.V204-07>
9. 32. Ologhodo, C. J.-R. (2020, June). "Impact of Accounting Information Systems on Operational Performance of Nigeria Small Scale Business Enterprises". International Journal of Creative Research Thoughts (IJCRT), 08(06), 2960-2973. Retrieved from [www.ijcrt.org](http://www.ijcrt.org)
10. Princewill, S. J. (2022, April). "Continuous Improvement and Operational Performance of Manufacturing Firms: Does Organisational Culture Matter?". "Network for Research and Development in Africa", 07(01), 301-332.
11. (2024, December 24). Retrieved from [www.learningtz.blogspot.com:2017/03/meaning-of-research-according-to.html](http://www.learningtz.blogspot.com:2017/03/meaning-of-research-according-to.html)
12. C.R.Kothari. (2004). Research Methodology. New Delhi: New Age international publisher.