

CHAPTER VII

CHAPTER NO. VII

CONCLUSIONS AND SUGGESTIONS

After studying and examining the analysis of performance of Warana Bazar during the period from 1989.90 to 1992.93 the researcher has drawn the following conclusions, and suggestions. ✓

Warana Bazar is one of the leading consumer co-operative stores in Maharashtra which covers the important talukas of Kolhapur and Sangli districts. Considering the growth rate of membership, capital, reserves, sales, purchases during the period under study, it can be said that the Bazar has made remarkable progress because of its efficient working.

As far as performance of sales is concerned, it examined that sales increased every year, which increased from Rs 81.6 Lakhs in 1978.79 to Rs 1755.4 Lakhs in 1992-93. But there was no steady increase in every years increase

in sales. The branchwise sales of 16 branches showed that Warana Nagar Branch stood first amongst all the branches, then followed by Vadgaonk, Kodoli, and Chikurde. To promote the total sales the Warana Bazar adopted various schemes out of which one day free sale became popular one. The increase in daily average sales during four years period (1989-90 to 1992-93) was at decreasing trend. However, in 1990-91 as the daily average sales was comparatively more, the sales performance in that year was considerably good. It is also noteable thing that the Warana Bazar could maintain on an average five percentage gross profit on sales during the four years period under study. It clearly follows that the Bazar has succeeded in supplying the commodities to its customers at most moderate and reasonable rates.

Hence, to improve the sales performance, the Warana Bazar still should introduce number of attractive schemes like after sales service, effective advertisement, appointing good salesman etc.

The financial performance of Warana Bazar is evaluated mainly by ratio analysis. During the four years period, the current ratio varied in the range of 2.6:1 to 2.8:1. It shows that the Bazar succeeded in maintaining more than the standard ratio (2:1). Similarly the liquidity position of the Bazar was not so satisfactory as it could not maintain the standard liquid ratio (1:1) during any year of the study as such. However, it has maintained the needed debt equity ratio i.e. near to 2:1 ratio during the study period. It should try to improve liquidity ratio by reducing the investment in current liabilities.

As a matter of principle, the Bazar could maintain on an average 5% gross profit on sales, during the study period and proved that it is not for maximisation of profit.

The fixed assets turnover ratio during the period under study was fluctuating. Though the Warana Bazar is

purely dealing with trading activities, it failed to maintain the normal fixed assets turnover ratio. This may be due to heavy investments in buildings and furniture & tools etc. and hence it is advised that Warana Bazar should invest in quite needed fixed assets only.

The Warana Bazar has distributed its earned profits in Reserve funds Benivolent fund, price fluctuating fund, share redemption fund and building fund. During the four years period on an average 25%, 10%, 15%, 40% & 10% of the net profits is distributed in above funds respectively. Another important thing is that Warana Bazar has not declared any dividend to its members during the period under study, but it has distributed rebate coupons (25% rebate in purchasing) to its members.

The working capital position of Warana Bazar during the study period was also good. It increased from Rs 70 Lakhs in 1989.90 to Rs 117 Lakhs in 1992.93.

A study consumers satisfaction of fifty consumers of selected branches of Warana Bazar shows that consumers are satisfied with fair price, quality of goods, accuracy of weight, behaviour of employees and other services rendered. Improvements in these, can still be made by strict supervision and by surprise checking.

* * *