

# ***CHAPTER - I***

***RESEARCH PROBLEM AND  
METHODOLOGY***

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### RESEARCH PROBLEM AND METHODOLOGY

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## CHAPTER - I

### RESEARCH PROBLEM AND METHODOLOGY

#### INTRODUCTION :

The importance of tea and other eatables is increasing in human life. Any person attempts to have atleast a cup of tea immediately in the morning. A business of selling tea as well as the other items of refreshments is seen to be carried out by various types of sellers. There are Five Star and Three Star Hotels carrying on their activities on corporate lines, mainly in big cities. Next to them there are well established Hotels and Restaurants catering the needs of the people. Besides, these conventional business organisations, the activities of preparing tea and other items is also carried out by "Tea Stall Vendors", who mainly cater the needs of common people. In fact, the site of any Tea Stall Vendor looks very small and simple. It can however be hardly taken as negligible agency in this line of business. If we consider the number of customers served, the number of vendors and their turnover, it can be treated as one of the important agencies of retail hotelling. In any city or town the Tea Stall Vendors as a class of businessmen is not organised. Most of them are either illiterate or less educated. The tea stall vendors certainly

constitute an important business class in the informal sector in the economy in our country.

In our country the informal sector of business activities is very large. There are various types of business activities carried on in the informal sector. These business activities include production of various types of goods and services. The essential features of the business activities in the informal sector are as follows :

1. The business units are small units, mostly organised as individual proprietorship. The individual person along with his family members carry on the business activity.
2. The area of operation is limited to a particular place of a city, town or a village.
3. The business activities are carried out in traditional manner and there is less of modern facilities and amenities.
4. The business activities are mostly labour intensive. These business units are suitable methods of self-employment.
5. The business activities may be a regular or seasonable. Many a times the place of working is changed as per the demands of the season.

6. Except for a registration with the authority of localship government no details, as to their business are available in the official records of either localship government or state government.

The informal sector has a significant place in the economy of our country. There is decentralisation of business activities in the informal sector. Although not accounted are the informal sector has provided large number of employments opportunities to many of the people, who are less educated or even illiterate. From social point of view informal sector enjoys unique importance, because all the business units in the informal sector cater the need of the most common and the poor people in the society.

The basic necessities like daily food, clothing and such other personal services are provided by their business units in the informal sector.

In spite of this kind of significant role played by the business units in informal sector no systematic studies are undertaken as yet. The research scholars have not paid due attention to study in this kind of business on scientific lines.

The present study attempts to critically examine these business units as an agency of informal sector of our economy. The Tea Stall Vendors certainly deserve this kind of research study as to their business activities.

#### 1.1 SIGNIFICANCE OF THE STUDY :

The present study is the study of Tea Stall Vendors in Nipani. The business of preparing and selling tea along with other eatables by stall vendors is a common feature of Indian towns and cities. Generally these Tea Stall Vendors carry on their business activities at the place where people are likely to assemble in large numbers. The places like, Bus-stand, Corners of the market place, Garden and Bypass of highways are generally selected by the Tea Stall Vendors to carry on their business.

The Tea Stall Vendors are certainly important because they cater to the needs of common people on one hand and also create their own employment opportunities. While doing this, they contribute towards the income of concerned Municipal Council or Corporations. The systematic Development of business units in the informal sector has become necessary. It is necessary to study the units on scientific lines. The most important part of any business is management of Finance. The present study is focused to critically

examine the working of tea stall vendors particularly the Financial aspects of this business activity. Whatever conclusions and inferences which are likely to be drawn at the end of the study are certainly useful for the proprietors of such business units. If clearcut idea about the financial position and the profitability of their business is given, they will be in a position to take necessary steps to strengthen their financial position and to improve the profitability of their business. This kind of study is also useful for creating more and more opportunities of such employment. The study is also helpful to the Tea Stall Vendors to adopt the modern practices of selling.

The Tea Stall Vendors will satisfy the needs of the customers more efficiently. They will attract more customers and they will improve their business and enterprises. Improvement of the working of Tea Stall Vendors is also desirable from the view point of people at large. People will get goods and services of good quality at reasonable prices. Tea stall vendors will become aware of the needs of cleanliness of the goods and services.

In Urban cities and towns the Socio-economic inequality is quite intensive in case of the Tea Stall Vendors. If Tea Stall Vendors, improve upon their conditions, if many

people get the opportunities of self employment, the inequality both of economic and social nature will be reduced and there shall be no struggles or quarrels among the people of common and poor strata of the Society.

Tea Stall Vendors though individual proprietorship are a generally family units. Preparation and selling of tea and other items is the main source of income of the entire family. The whole family gets a minimum base of economic resources.

#### 1.2 STATEMENT OF THE PROBLEM

The present study is directed towards, "THE CRITICAL STUDY OF FINANCIAL ASPECTS OF TEA STALL VENDORS, IN NIPANI". The study attempts to examine the operational efficiency and financial strength/weakness of their business.

#### 1.3 OBJECTIVES OF THE STUDY :

The study sets before it the following objectives:

1. To examine the overall background and the operational procedures.
2. To understand the ways and means of raising the funds
3. To examine the investment pattern.
4. To estimate the earnings and to examine utilisation of such earnings.



5. To study of the problems and difficulties and to suggest the remedies to solve the problems.

#### 1.4 SCOPE :

The study covers the 'Tea Stall Vendors' in Nipani. They are established in four to five major areas viz. S.T.Stand, Cinema Theaters, Vegetable Market and Shopping Centres, Highway and other important areas. The study covers the investigation of the financial aspects of these 'Tea Stall Vendors' established in different areas. Actual investigation of vendors is made of the appropriate sample units.

#### 1.5 SAMPLE SIZE :

There are about hundred and five Tea Stall Vendors in Nipani. For the purpose of the present study 50% i.e. nearly 50 Tea Stall Vendors are selected as samples. We have used stratified random sampling method. The procedure of selection of samples is as follows.

1. Tea stall Vendors according to their business activity are found to be of three types
  - a) Those who sell tea along with some items of refreshments prepared themselves. This type of Tea Stall Vendors are about 50 from which we have selected 23 for investigation.

- b) Those who purchased a refreshment items from outside and sell alongwith tea. This type of sellers generally purchase biscuits, donates and such durable items from outside. All these items are sold alongwith tea. The total number of such Tea Stall Vendors is about 20 out of which we have selected 10.
  - c) Those who sell only tea. The total number of this type of such vendors is about 35 out of which we have selected 17 as a sample of our study.
2. The Tea Stall Vendors carry on their business activities at different places. Such as S.T.Stand, Cinema theaters, Markets, Schools and Colleges and By pass Highway etc., while selecting the sample due care is taken to select adequate number of vendors from each of such places.

As described above the total number of Tea Stall Vendors included in the sample is fifty.

#### 1.6 METHODOLOGY :

The steps to be taken to complete the study are as follows :

1. Collection of Primary data by way of administration of questionnaires and conducting personal interviews.

2. The information available with other sources like Municipal Council, would be collected and used as a secondary data.
3. Processing of both primary and secondary data by using of appropriate techniques of analysis and interpretation.
4. Presenting the information with the help of graphs and charts wherever it is desirable.

#### 1.7 CHAPTER SCHEME :

The present study includes five Chapters -

##### 1. CHAPTER-I :

This chapter brings out the Research Problem and Methodology. Tea Stall Vendors is one of the important business units in the informal sector. The concept of informal sector is explained and the role of informal sector in the development of Indian economy is also highlighted in brief manner.

##### 2. CHAPTER-II :

This chapter explains the concept of Financial Management. The core part of our study is assessment of profitability and examination of financial position of Tea Stall Vendors. Before examination of the profitability and

financial position; it is necessary to throw light upon the principle of Financial Management. These principles are explained in brief in this chapter.

**3. CHAPTER-III :**

This chapter describes the socio economic background of the families of Tea Stall Vendors. The information relating to family background economic and social status is necessary. Therefore this kind of socio-economic background is studied.

**4. CHAPTER-IV :**

This chapter is devoted to the assessment of the business results of Tea Stall Vendors. In order to understand, such results the data collected is presented in various types of financial statement..pl63

**5. CHAPTER-V :**

This chapter is final chapter of our study. It includes the important conclusions and the suggestions based on the conclusions.

After the end of the fifth chapter the research report also includes statements showing the data in Appendix. The data is used at various levels of our study. The questionnaire is given at the end of Appendix Statements. Finally the research report ends with the Bibliography.

### 1.8 LIMITATIONS OF THE STUDY :

At the time of completing the research study the researcher has come across with the following limitations.

1. Tea Stall vendors are traditional type of business units working in informal sector. They do not keep any record of their business transactions. The researcher has solicited this information by asking them suitable questions. The answers given by the Tea Stall Vendors were thoughtfully considered to know their day-to-day business transactions.
2. Tea Stall Vendors do not give information readily. A kind of fear is in their mind, that the researcher may use this information for the purpose of tax which may be an additional liability. The researchers had to clarify her purpose and remove this kind of undue fear in their mind. It is only after several meetings Tea Stall Vendors could be brought in the confidence of researcher.
3. The major part of the data collected is given by Tea Stall Vendors by words of mouth. The data therefore is found to be of general nature and could be used for simple analysis. The analysis could have been more penetrative if data is available on larger scale.

4. The present study is based on the enquiry of the business of Tea Stall Vendors in Nipani. Although the overall nature of the business of Tea Stall Vendors is similar in all the towns and cities. The conclusions of this study are drawn on the basis of Tea Stall Vendors in Nipani.
5. Tea Stall Vendors as the business activity has not been studied by earlier scholars. The researcher has not come across any kind of literature of the research study on this topic. Therefore no specific hypothesis could be formulated for this study.