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(*Corresponding Author)

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COVID-19 Crisis, Geopolitical Tensions and Carbon Market Dynamics

Nayanjyoti Bhattacharjee[1]

Abstract

In this paper, the non-linear relation between uncertainty and the carbon market during the COVID-19 crisis and the ongoing geopolitical tensions is examined using novel measures of uncertainty derived from Twitter. Two separate measures of uncertainty derived from twitter namely Twitter Economic Uncertainty (TEU) and Twitter Market Uncertainty (TMU) is employed as a proxy for uncertainty and the returns on the IHS Markit Global Carbon Index is used as an indicator of the performance of carbon markets for the study. The evidence informs investors, regulators, policy makers and scholars about how economic and financial market uncertainty influences carbon markets during the COVID-19 crisis and the ongoing geopolitical tensions using novel measures of uncertainty derived from the social media platform Twitter.

Keywords: *Carbon Price, Twitter-based economic uncertainty index, Twitter Market Uncertainty, Geopolitics, COVID-19*

JEL classification: D81; G12; G41

[1]*Corresponding Author* & Assistant Professor, Department of Management Studies, Bodoland University, Kokajhar (BTR), Assam, India. Email: nayanjyotibhattacharjee@gmail.com, https://orcid.org/0000-0001-6695-5705

Deleveraging of Indian Corporates: The Role of Firm Specific, Institutional, and Macroeconomic Factors

Nivya Unni[1], S Santhosh Kumar[2]

Abstract

This paper aims to explain the factors contributing deleveraging of Indian companies listed in the National Stock Exchange (NSE). This study conducts a panel data analysis of 348 non-financial firms from 2000 to 2020. Using fixed effect regression, we found that conventional firm specific factors such as firm size, growth, asset tangibility, profitability, and tax rate significantly influence the debt ratio, and the trend of these factors indicates the declining debt ratio of Indian firms. Also, institutional and macroeconomic factors such as stock market development, credit market development, GDP, and investments account for the declining debt ratio of Indian firms. The study has laid some novel evidence on the deleveraging of Indian companies which will be helpful to policymakers and corporate financial managers in making informed decisions regarding corporate financing.

Keywords: *Capital structure, Debt ratio, Deleveraging, Firm specific factors, Institutional and macroeconomic factors*

JEL classification: G3, G32, G320

[1]*Corresponding Author* & Research Scholar, School of Management Studies, Cochin University of Science and Technology, Kerala, India, Email: nivyaunni19@gmail.com

[2]Professor, School of Management Studies, Cochin University of Science and Technology, Kerala, India, Email: drsan@cusat.ac.in

Analysing the Relationship between FDI Inflows, Inequality, Political, Human Capital and Environment Factors in India

Pooja Sharma[1], Priya Bhalla[2], Sunita Gupta[3]

Abstract

Economic growth and development of an economy depend heavily on Foreign Direct Investment (FDI). India is a leading destination for Foreign Direct Investment. Several factors are responsible for determining the potential to attract foreign investment. The primary purpose of the study is to investigate the relationship between FDI, political factors, socioeconomic factors mainly human capital, and inequality. To achieve this objective, the Principal Component Analysis (PCA) technique is deployed to analyze the political and human capital factors from 2000 to 2020. To construct a political index, political participation, labour laws government effectiveness, regulatory law, rule of law, political stability, and control of corruption are the selected indicators. All these reflect a conducive environment for foreign investors. To analyze the human capital, indicators such as infant mortality rate, immunization status, life expectancy at birth, and other socio-economic indicators such as gross enrolment ratio and number of beds are deployed to construct the Human Capital Index. Further, to examine the relationship between FDI and factors such as inequality, environment as well as political and human capital, the Granger causality test is performed. The results reveal that inequality, political factors, and human capital granger cause FDI, while FDI influences carbon emission. A policy framework is recommended in the study that will enhance political conditions and human capital which will significantly contribute to attracting further FDI. As per the findings, FDI is responsible for environmental degradation therefore, those investments or technologies that guarantee less emissions and reduce environmental degradation should be promoted in FDI.

Keywords: *Foreign Direct Investment, Principal Component Analysis, Political Factors, Human Capital, Inequality, Environment*

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[1]Associate Professor, Department of Economics, Daulat Ram College, University of Delhi, New Delhi, India, Email id: poojasharma@dr.du.ac.in

[2]Associate Professor, Department of Economics, Motilal Nehru College (E), University of Delhi, India, Email id: priyabhalla01@gmail.com

[3]*Corresponding Author* & Associate Professor, Department of Commerce, Daulat Ram College, University of Delhi, India, Email id: dr.sunita@dr.du.ac.in

The Influence of Big Five Personality Traits on the Investment Behaviour of Gen Y

Dr P. Sasirekha[1], S.S. Mageswari[2]

Abstract

Retail investors' decisions can be influenced by a variety of factors; among all investors, millennials (Gen Y) are those who are deeply influenced, because this market-leading generation exhibits its talents and has a great deal of success and failures which influences the market. Although there have been several researches on the impact of personality characteristics on investment behaviour, there is no specific literature about Generation Y. Thus, the study's primary goal is to comprehend how investors' Big Five personality qualities affect their financial behaviour with special reference to Generation Y. The study also aims to understand the investor's profile, preferred investment avenues by the investors, satisfaction level of investors, the relationship between socio-economic characteristics and level of satisfaction, dimension of personality traits on investment behaviour, the influence of personality traits on the investment behaviour and challenges faced by the investors while investing in financial markets. Using the snowball sample technique, 160 investors from the Coimbatore city of Tamil Nadu were chosen for this study. A descriptive research design was used and the raw data was collected through a well-structured questionnaire. The collected data was analysed and interpreted with the help of appropriate tools and techniques. According to the study's findings, neuroticism and extraversion have no discernible impact on Gen Y investor's investment behaviour, whereas conscientiousness, openness, and agreeableness have a considerable impact.

Keywords: Big Five Personality traits, Generation Y, Investors, Investment Behaviour.

JEL Classification: G41, G40, G11

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[1]Assistant Professor (SS), Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore - 641043, Tamil Nadu, India. Email: sasirekha_comm@avinuty.ac.in

[2] *Corresponding Author* & Research Scholar, Department of Commerce, Avinashilingam Institute for Home Science and Higher Education for Women, Coimbatore - 641043, Tamil Nadu, India. E-Mail – 20phcof002@avinuty.ac.in

Promotion Strategies and Consumer Decision Making: An Empirical Study of the Personal Luxury Fashion Brands

Varsha Ingalhalli[1], Prachi Premanand Kolamker[2]

Abstract

Personal Luxury Fashion Brands (PLFB) is a fast-growing industry with immense competition among the companies. They develop different sales promotion techniques to increase their sales volume and profitability. Hence, the main aim of this study is divided into two major parts: one, to identify the factors driving the purchase decision of consumers buying PLFB products offered on sales promotion, and two, to analyze the impact of various sales promotion techniques on the consumers' purchase decision making. The sales promotion techniques, in turn, impact the sales and profitability of the company while at the same time influencing site/store loyalty and consumer lifestyle. Results of the study using exploratory factor analysis reveal the five factors driving the consumers' purchase decision towards PLFB products offered on sales promotion. Besides, using regression analysis, it also showed the impact of different sales promotion techniques on store/site loyalty, improvement in the purchasing power of the consumers due to sales promotion techniques, and influence on consumers' lifestyles. This study is beneficial first to new entrepreneurs venturing into this sector and secondly to the existing companies to understand the impact of various sales promotion techniques adopted by the companies in the PLFB sector on the consumers' purchase decisions.

Keywords: *Sales Promotion, Purchase Decision, Store/Site Loyalty, Consumer Lifestyle, Factor Analysis, Regression*

JEL classification: *M310, M370*

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[1]Assistant Professor, Department of Commerce, Vidya Prabodhini College of Commerce, Education, Computer & Management, Porvorim Goa. Email: varsha.ingalhalli@gmail.com
[2]*Corresponding Author* & Assistant Professor, Goa Business School, Goa University, Email: prachi.kolomkar@unigoa.ac.in

Do Corporate Tax Reforms Contribute to Corporate Tax Revenue? Evidence from India

Arjuna Kumar Maharana[1]

Abstract

The paper aims at analysing the impact of corporate tax reforms on corporate tax revenue in the context of India. The research relies on secondary data sourced from diverse government websites. We analyse the corporate tax collection from 1991-92 to 2021-22 and the various reforms undertaken during that period. For the purpose of the study, we consider the tax rate cuts as significant reforms. Welch's test and the Games-Howell post hoc test have been applied as per the objective. We found that corporate tax reforms have a positive and significant impact on corporate tax revenue. The study will be helpful to policymakers in formulating impactful policy. The study is the first of its kind to study such impact exclusively for corporate tax in the context of India.

Keywords: *Corporate Tax Reforms, Corporate Tax Revenue, Corporate Tax*

[1]*Corresponding Author* & PhD Scholar, Gangadhar Meher University, Sambalpur, Odisha, Email: arjunakumarmaharana506@gmail.com

Tax Aggressiveness: Perceptions of Tax Practitioners & Professionals

Rahul Mongia[1], N.P. Singh[2]

Abstract

This study presents perception of tax practitioners and professionals of the term "Tax Aggressiveness "as defined in the literature. For the purpose, data is collected from tax practitioners and professionals who are chartered accountants, cost and management accountants, company secretary, lawyers, tax consultants and those who are still pursuing their professional courses in the tax domain. It is believed that the terms such as tax planning, tax avoidance and tax evasion are very familiar to tax professionals, but the term tax aggressiveness is not so prevalent in the vocabulary of tax professionals. To ascertain this fact, this study consists of collecting and analyzing data on perception of professionals about nineteen definitions of the term tax aggressiveness. Further, data of perception on Likert scale are collected from 112 professionals. The collected data is subjected to factor analysis, test of reliability and adequacy of sampling. Based on analysis of data it is inferred that awareness is low of tax aggressiveness term among tax professionals and perceptions data resulted in five latent dimensions of the term tax aggressiveness.

Keywords: *Tax Aggressiveness, Tax Planning/Optimization, Tax Evasion, Tax Avoidance, Tax Practitioners*

JEL classification: H20, H21, H26, H29

[1]*Corresponding Author* & Research Scholar, MVN University, Email Id: 20ms9006w@mvn.edu.in
[2]Professor, MVN University, Email Id: dr.npsingh@mvn.edu.in

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