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Vimarsh

"An Endeavour to Share Knowledge"

A Bi-Annual Peer-Reviewed Refereed Journal

IFTM UNIVERSITY MORADABAD

CONTENTS

Research Papers

श्रेयान्द्रव्यमयाद्यज्ञा ज्ञानयज्ञः परन्तप।
सर्वं कर्माखिलं पार्थ ज्ञाने परिसमाप्यते॥
Shrimad Bhagawad Gita, Chapter 4 (33)

"Attaining knowledge is superior to
accumulation of all sumptous substances.
As all acts finally conclude into wisdom."

VIMARSH

An Endeavour to Share Knowledge
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From the Editorial Team

Dear Reader,

Off-late life seems to have normalized, or it would be fair to state that we seem to have normalized to the Pandemic situation. Though, on the Economic front things are plummeting on a downward trend. With the ongoing Ukraine-Russia War, the hike in oil prices, the swelling rates of interests, the plunging exchange-rate, the politicizing of communal issues; it seems that we are falling down into a never-ending abyss.

However, it is probably a human trait to be able to move on with every ounce of effort and vigor still left in us. It may be safe to say that life must go on and so must research. Because for us researchers, all these events are much worthy of being searched and researched, to be talked about and to be wrote about.

With the same thought, we would like to thank all our national and international authors for being persistent in their research. This issue has covered recent issues and updates in FDIs, FIIs and Social Media, with a global perspective.

We thank all the parties concerned who have directly or indirectly contributed, in any way, to put together another issue of Vimarsh.

In case of any queries or comments, we would be happy to hear from you at vimarsh@iftmuniversity.ac.in.

Happy Reading...!!!

Team Vimarsh

VIMARSH

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Research Papers

Pupils' Self-Efficacy and Readiness to use Social Media Instructional Platforms for Extended Learning in Ekiti State, Nigeria

Olubusayo Victor*
Adetoun Tade**

ABSTRACT

Social media platforms have attracted the need to repackage the conventional teaching and learning processes across the globe. As an online avenue for social interaction and meaningful academic engagement, active learning among learners within and outside the classroom activities is encouraged. The main aim of this study was to assess learners' self-efficacy and readiness to use social media instructional platforms for extended learning. An extensive survey was conducted among 170 pupils consisting of 79 males and 91 females from five selected primary schools in each geo-political zone in Ekiti State. Data were collected using two self-developed instruments: Pupils' self-efficacy and learners' readiness to use social media instructional platforms for extended learning. The findings of the study indicated that pupils have a high level of social media efficacy. In other words, a significant number of these pupils used social media for social engagement but were willing to use it for learning activities. Similarly, most pupils have a moderate agreement on their level of readiness for the use of social media platforms for instructional purposes. Learners were eager to use social media instructional platforms beyond classroom instruction due to their interactive features.

KeyWords: *Social media instructional platform, social media efficacy, readiness, primary school pupils, extended learning*

INTRODUCTION

The gap created by the Covid-19 pandemic across the globe in teaching and learning processes has further called for a review of the conventional method of delivering instruction, especially at the primary school level. Kusel, Martin and Markic (2020) observed that Covid-19 has impacted on individuals' private life and has brought strict limitations to physical gatherings and enormous changes in teaching and learning. To bridge this gap, some studies have recommended the use of social media platforms for instructional purposes as Ho (2014) observed that new technologies have come to outpace the old techniques of instructional delivery and Javaeed, Kibria, Khan and Ghauri (2020) affirmed that social media integration provided better examination outcomes.

Kietzmann and Kristopher (2011) described Social media as interactive technologies that allow people to create, share information, ideas, and other forms of expression through virtual communities and networks. According to Friedman (2014), a social media platform is a platform that helps to build relationships where professional networks are developed online through connections with colleagues, teachers, role models and others. There, relationships are nurtured and professional guidance is given to those in need as well as ample opportunity for group discussions. This provides a direct opportunity for different groups or sets of learners in

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diverse situations and can be modified by the teacher. In essence, the emergence of social media instructional platforms has improved the communication landscape and the way people interact as much as the teaching and learning processes. Aditi (2010) noted that it has a significant impact on the teaching activity in the classroom as it generates discussions and strengthens classroom activities to promote active learning and collaboration; this has encouraged researchers and educators to examine the level of user's self-efficacy in social media instructional platforms and construction of knowledge.

Bandura (1986) defined self-efficacy as the judgment of people through their ability to organise and execute courses of action required to attain designated types of performances. Two aspects of this definition require further explanations. First, self-efficacy is a belief about one's perceived capability but does not necessarily match one's actual ability in a specific domain. Other studies have suggested that most learners actually overestimate their academic capabilities (Bandura, 1997; Pajares, 2016). However, the most useful efficacy judgments are those that slightly exceed one's actual capabilities, as overestimation can actually increase effort and persistence during difficult times (Anthony, 2016). A second aspect of Bandura's (1986) definition of self-efficacy is the idea that individuals make use of their efficacy judgments in reference to some attainable goal or designated types of performances, which according to Pajares (2016) can reflect both the task and situation-specific nature of efficacy beliefs. Moreover, individuals use four sources of information when making self-efficacy judgments: enactive mastery experience, vicarious experience, social persuasion as well as physiological and emotional state (Bandura, 1986; Bandura, 1997).

Nevertheless, self-efficacy is yet to be explored in the context of social media instructional platforms specifically, but scholars have used self-efficacy to examine performance using contemporary technologies such as computers and the Internet (Compeau and Higgins, 2015; Eastin and LaRose, 2017). The Internet is a broad environment and learners who are efficacious in the area of using the web to access and send email may be much less efficacious in using social media. Some scholars have differentiated between proficiencies which are defined as higher-level competence with computers, email, and the web, respectively (Bunz, 2014; Bunz, Curry, and Voon, 2017). This suggests that a pupil's self-efficacy with the Internet may differ from his or her perceived efficacy with social media. Therefore, from Bandura's theory of the sources of information that confirms self-efficacy judgments; social media self-efficacy is based upon a pupil's level of social media content production and consumption, perceived social media skill, and confidence in his or her ability to successfully obtain information online. There is a need to encourage the integration of technology into the education system among primary school pupils through the regular use of social media platforms being patronised by all and sundry. This could assist them to get prepared to cope with current educational needs occasioned by globalisation before the transition to high school.

To this end, it is very important to examine the readiness of pupils to use social media platforms to extend learning beyond the classroom as this will encourage teachers to deploy it to teach. The readiness of pupils to use social media platforms in extended learning is a key issue in this research. Borotis and Poulymenakou (2004) defined learners' readiness as being prepared mentally and physically for online learning. Poellhuber (2013) noted that learners have diverse views and experiences but they also show strong and significant age and gender differences in a variety of measures but Mostafa (2015) submitted that few studies have shown that learners who are ready to participate in value creation tend to perceive more value from social media engagement. However, where learners perceive role clarity, have higher ability and are motivated to take an active part in creating value, they demonstrate high functional, social and emotional value. Therefore, necessary efforts should be put in place to enhance pupils' willingness or readiness to take an active part in the use of social media for extended learning. Studies are scarce about learners' expertise with social media or their interest in using it to learn individually or to collaborate with peers but teachers should reflect on their view of pupils' readiness and to provide technical support.

PROBLEM AND GAP

In recent times, a social media instructional platform has become an interesting way to extend any form of learning. Where learning does not go beyond what is done within the classroom environment, it is not ''extended''. Learners need more than classroom teaching for effective learning outcomes in school as they have to be thoroughly engaged in the learning process. Thus, it is important for the 21st century teachers to employ a wide range of instructional materials/attractive platforms to be able to respond to learners' needs and areas of deficiencies. It is also necessary to fully prepare pupils to integrate the use of social media into learning processes to further engage them outside the classroom settings, especially during the current global challenge of the covid-19 pandemic which has informed lockdowns in the education sector like any other areas of human endeavour. In response to this problem, this study is concerned about pupils' self-efficacy and readiness to use social media instructional platforms to extend learning.

Research Questions

1. What is the level of pupils' self-efficacy to use social media instructional platforms for: Extended learning in Basic Science?

2. What is the level of pupils' readiness to use social media instructional platforms for: Extended learning in Basic Science?

3. What are the major problems limiting the effective use of social media for learning in Basic Science?

METHODOLOGY

This study is a descriptive survey research designed to investigate learners' self-efficacy and readiness to use social media for extended learning. The population of the study was made up of primary five pupils from three senatorial districts in Ekiti-State; consisting of 79 males and 91 females. Random sampling technique was used in this study. A total of 170 pupils from nine public primary schools were randomly selected across all levels. In each school, a total of 20 pupils were randomly selected.

Research Instrument

The instrument used for data collection was a well-structured questionnaire, titled "pupils self-efficacy and readiness to use social media instructional platform for extended learning in basic sciences". The questionnaire was divided into three sections. Section A focused on the demographic information of the respondents, Section B was designed to gather information on the level of pupils' self-efficacy and readiness to use social media instructional platforms for extended learning, and Section C was interview-based questions to gather personal views on the major problems of effective use of social media and solutions. The questionnaire was developed using the Likert scale format, precisely, the three-point Likert scale: Yes, No and Uncertainty. The validity of the instrument used was determined by an expert in the Early childhood department at the University of Ibadan. This was to give a face and content validity. Corrections, modifications, contributions and suggestions regarding the items were made. The instrument was subjected to a reliability technique. The instrument was tested using the Cronbach Alpha reliability technique, after which a reliability coefficient of 0.71 was recorded.

RESULTS AND DISCUSSION OF FINDINGS

Research Question 1: What is the level of pupils' self-efficacy to use social media instructional platforms for Extended learning in Basic Science?

Table 1: The level of pupils' self-efficacy to use social media instructional platforms for Extended learning in Basic Science

S/N	Items	Yes	No	UnD	Mean	STD.D
1	I am capable of using social media.	61	23	57	2.68	1.133
		35.9%	13.5%	33.5%		
2	I am confident I will learn how to use social media.	40	39	50	2.46	1.09
		23.5%	22.9%	29.4%		
3	I am capable of registering an email account.	30	38	43	2.23	1.110
		17.6%	22.4%	25.3%		
4	I can confidently browse the internet.	40	46	45	2.51	1.089
		23.5%	27.1%	26.5%		
5	I am capable of using social media platforms for learning after school hours.	81	53	20	3.17	0.973
		47.6%	31.2%	11.8%		
6	I find it easier to interact with my teacher/tutors on social media platforms after school hours.	44	38	50	2.52	1.105
		25.9%	22.4%	29.4%		
7	I don't know how to interact with other pupils on social media platforms.	36	46	49	2.46	1.067
		21.2%	27.1%	28.8%		
8	Group discussion on social media platforms is difficult.	47	47	49	2.67	1.048
		27.6%	27.6%	28.8%		
9	I quickly figure out how to use social media platform for learning purposes.	50	39	46	2.61	1.116
		29.4%	22.9%	27.1%		
10	I find learning new things after school period on social media platforms difficult.	58	36	46	2.70	1.135
		34.1%	21.2%	25.3%		
	Weighted mean	**= 2.60**				

Table 1 revealed the responses of the respondents' level of pupils' self-efficacy to use social media instructional platforms for extended learning. The rating is as follows: I am capable of using social media. (2.68); I am confident I will learn how to use social media. (2.46); I am capable of registering an email account (2.23); I can confidently browse the internet (2.51); I am capable of using social media platforms for learning after school hours (3.17); I find it easier to interact with my teacher/tutors on social media platform after school hours. (2.52); I don't know how to interact with other pupils on social media platforms. (2.46); Group discussion on social media platforms is difficult (2.67); I quickly figure out how to use social media platforms for learning purposes. (2.61); and I find learning new things after school period on social media platforms difficult (2.70)

Results further revealed a weighted mean of 2.60; this indicated that the level of pupils' self-efficacy to use social media instructional platforms for learning is very high. The use of social media instructional platforms for instruction in extended learning resulted in an improvement of students' self-efficacy, but what exactly is self-efficacy? Self-efficacy is described as one's beliefs about behavioural outcomes and expectations about one's ability to engage in, execute, persist in, and be successful at a particular behaviour (Gokmem, 2016). The use of social media instructional platforms alone is reported to significantly increase or change learners' science self-efficacy by promoting a belief in their own ability to do science and be successful in learning (Çakır, Hava, Gülen, and Özüdoğru, 2015).

The report of the study has also shown that social media instructional platforms enable pupils to see the results of their efforts and receive feedback in a relatively risk-free environment and thus helping them develop their self-efficacy over the subject matter. This was due to the fact that pupils were active participants in the learning process; self-efficacy was improved compared with the conventional mode of instruction. These findings suggest that there is a link between self-efficacy and classroom success and that an individual's level of engagement in a task and willingness to persist in the task are indicators of success (Durmuş and Başarmak 2014); however, other studies revealed that self-efficacy is also inextricably linked to achievement (Timur, Yılmaz, and Timur 2013). Therefore, it is logical to affirm that, if pupils' confidence in their abilities to do science increases, so will their learning outcomes.

Research Question 2: What is the level of pupils' readiness to use social media instructional platforms for Extended learning in Basic Science?

Table 2: The level of pupils' readiness to use social media instructional platforms for Extended learning in Basic Science

S/N	Items	Yes	No	UnD	Mean	STD.D
1	The idea of using social media is boring tome	60 35.3%	28 16.5%	55 32.4%	2.71	1.112
2	I am ready to use social media platforms forlearning	47 27.6%	34 20.0%	56 32.9%	2.56	1.09
3	I am ready to do my homework on socialmedia platforms	31 18.2%	52 30.6%	41 24.1%	2.40	1.07
4	I am ready to interact with my friend onsocial media	46 27.1%	43 25.3%	42 24.7%	2.56	1.119
5	I am ready to send	83 48.8%	56 32.9%	18 10.6%	3.23	0.923
6	I don't want to use social media at all	47 27.6%	35 20.6%	51 30.0%	2.54	1.115
7	I don't want to use social media for learning	41 24.1%	49 28.8%	48 28.2%	2.58	1.053
8	I don't like doing my homework on social Media	69 40.6%	50 29.4%	30 17.6%	2.98	1.040
9	I am always eager to use social media instructional platforms to learn in extended Classroom	44 25.9	43 25.3	45 26.5	2.55	1.104
10	I am highly stimulated to discover more from the use of social media instructional platforms to learn beyond the classroom	44 25.9	35 20.6	49 28.8	2.48	1.126
	Weighted mean	**= 2.65**				

Table 2 revealed the responses of the respondents' level of pupils' readiness to use social media instructional platforms for extended learning in basic science. The rating is as follows: The idea of using social media is boring to me (2.71) I am ready to use social media platforms for learning (2.56); I am ready to do my homework on social media platforms (2.40); I am ready to interact with my friend on social media (2.56); I am ready to send (3.23); I don't want to use social media at all (2.54); I don't want to use social media for learning (2.58); I don't like doing my homework on social media (2.98); I am always eager to use social media instructional platforms to learn in the extended classroom (2.55); and through the use of social media instructional platforms; I am highly stimulated to discover more from the use of social media instructional platforms to learn beyond the classroom (2.48)

Results further revealed a weighted mean of 2.65, this indicated that the level at which pupils were ready to use social media instructional platforms for learning is very high. Furthermore, the result has clearly shown that pupils were always eager and very comfortable to use social media instructional platforms for learning activities beyond the classroom; they also achieved better in group study through social media instructional platforms. Most of the pupils have a moderate agreement on their level of readiness towards the use of social media platforms for instructional purposes. From the findings, learners were eager to use social media instructional platforms to learn beyond the classroom setting due to its interactive feature and collaborative method. Pupils strongly agreed that they were comfortable using social media instructional platforms for knowledge sharing and they also enjoyed the group study through social media instructional platforms. Most of them believe that social platform is an open space for instructional discussion. This is similar to Becker (1999) who indicated that as a technology-based generation, pupils have become content producers, who like to connect with peers for regular interactivity, which independence and ability to connect to the internet have encouraged them to manage their learning environment. Also, Cole (2019) revealed that social media instructional platforms can increase pupils' learning through interactions, as they were eager and agreed to use certain types of social media instructional platforms for learning.

However, there were specific areas in which pupils expressed less satisfaction. Some studies revealed that, while some learners believe that social media platform has many benefits, others were reluctant to incorporate them into their learning style (Coleman, 2018; Livingstone, 2018 and Moore, 2017). This indicates that some learners are more adaptable and ready for the use of digital technology than others or, as Mohammed (2017) found, some pupils, when faced with the introduction of new technology, can cope with technology and it is best defined as "adaptation". Nevertheless, how ready pupils are to embrace and incorporate new digital technology can also impact their engagement. On the contrary, Davies and Cranston (2018) enumerated some of the risks associated with social media platforms such as criminal activities like identity theft, fake contacts, sexual abuse or harassment and unsuitable advertising which are prevalent today and appear to discourage some users which could result to the unwillingness of pupils to use any type of social media platform.

Further to this, Orakpo, (2015) found that while a minority of pupils attempt to effortlessly incorporate social media platforms into their learning style and are more motivated to see the benefits of technology use in their classrooms, many others were seen to be defiant to incorporating social media usage into existing modes of studying. To successfully incorporate the use of social media into a teaching-learning setting, both teachers and learners must first understand the benefits and purpose of using the new technology.

Research Question 3: What are the major problems limiting the effective use of social media for learning in Basic Science?

Table 3: Major problems limiting the effective use of social media for learning

S/N	Items	Frequency (F)	Percentage (%)
1	Data	60	35.2%
2	Distractions	5	2.9%
3	Bad network	25	14.7%
4	Unstable power supply	22	12.9%
5	High subscription cost	20	11.8%
6	Lack of time for browsing	10	5.9%
7	Inadequate devices	7	4.2%
8	Low internet bandwidth	21	12.4%
	Total	**170**	**100%**

Table 3 revealed the major problems limiting the effective use of social media for learning. Out of many responses derived from the open-ended questionnaire, 8 frequent challenges were analysed using a simple percentage. Data (35.2%) was rated the highest problem, followed by Bad network (14.7%), Unstable power supply (12.9%) High subscription cost. (11.8%), Lack of time for browsing (5.9%) and Distractions (2.9%). These are similar to Agboola (2019) who revealed that efforts are being made globally to encourage easy access to information in all formats to address the attendant features of challenges such as power failure, machine breakdowns, lack of spare parts and technical assistants which intermittently stops the performance of modern equipment from information storage and transfer in developing countries.

CONCLUSION

This study highlights important results that provide further information concerning pupils' self-efficacy and readiness to use social media instructional platforms for extended learning in Ekiti State. The results of this study have shown that most of the pupils have a high level of self-efficacy and a moderate level of readiness towards the use of social media instructional platforms for extended learning. The study has also shown that pupils are eager to use social media instructional platforms to learn beyond the classroom settings due to its interactivity functions and collaborative system. It further showed that most pupils in Ekiti- State believe that social media platform is an open space for instructional discussion.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations are made:

Learners should be encouraged to make it a habit to use social media instructional platforms after each lesson so that they would be able to leverage on the wide range of materials available on the platforms. Also, primary school teachers should strongly incorporate the use of social media instructional platforms for extended learning to improve pupils' understanding of the subjects and to further engage them beyond the classroom settings, especially during any situation that warrants any form of lockdown in the state or the nation.

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Convergence of Accounting Standards with International Financial Reporting Standards– Beginning of a new Era in Accounting.

Nitin Sareen*
Manoj Upreti **

ABSTRACT

The lack of comparability of financial accounts throughout the country prompted the global harmonization of accounting standards. In recent years, International Financial Reporting Standards convergence has achieved momentum worldwide. As the capital markets become increasingly global, more and more investors see the need for a common set of accounting standards. As India is one of the global players, the transition to the IFRS will enable Indian firms to access international capital markets. The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Rules, 2015, vide its notification dated February 16, 2015. Accordingly, it has notified 39 Indian accounting standards (Ind ASs) and set the roadmap for implementing Ind ASs. The new Ind Ass, the converged version of international financial reporting standards (IFRS), is applicable to different dates for different companies in India. The changeover to the IFRS is a significant challenge, but it is also an opportunity for chartered accountants. This paper is intended to provide an insight into the background of Accounting Standards and IFRS and the road map which MCA notifies for Indian companies.

KeyWords: *Accounting Standards, Convergence, IFRS, Ind. As.*

INTRODUCTION

As we need a language to communicate with others, along the same lines, a business requires language to communicate with its management, society, owners, and other stakeholders. This language is called accounting language. Accounting is a language of business that helps communicate the financial results of an enterprise to its owners, managers, society, and other stakeholders with the help of financial statements. Financial statements are the end product of an accounting process. Accounting is a process; by following it, we get financial statements. Different users of accounting use this information for various decisions, so this process requires proper attention and regulation because if it is not correctly regulated then it can mislead its users. If the accounting process is not regulated correctly, financial statements are possibly misleading and provide a distorted picture rather than a true and fair state of affairs. In order to maintain transparency, reliability, adequacy, consistency, and comparability of financial reporting, it is necessary to set the accounting principles and practices. These principles and rules are known as GAAPS (Generally Accepted Accounting Principles).

GAAP are good accounting practices that have evolved in the accounting profession over a while. Financial statements prepared using GAAP are more readily comparable. Accounting Standards further elaborate on the

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GAAP. Accounting Standards are mandatory requirements to be followed while preparing financial statements. Business enterprises must follow certain principles or rules (Accounting Standards) as their statutory duty. Accounting standards provide a framework and standard accounting policies. Each Accounting Standard covers a specific accounting area and provides detailed guidelines for accounting and disclosure. For example, AS 2, issued by ICAI, deals with the Valuation of Inventories. The Institute of Chartered Accountants of India, a premier accounting body in the country, took a leadership role by constituting the Accounting standard Board in 1977. The Institute of Chartered Accountants of India, as the Accounting standard formulating body, has formulated high-quality accounting standards. The council of ICAI (The Institute of Chartered Accountants of India) has issued 32 Accounting Standards. However, AS -8 on "Accounting for Research and Development" has been withdrawn due to the issue of Accounting Standard 26 on "intangible Assets," and Accounting Standard 30, 31, and 32 has also been withdrawn due to the applicability of Ind. As 32, 107, and 109. The Accounting standards issued by Accounting Standard Board establish standards that have to comply with business entities so that financial statements are prepared according to the Generally Accepted Accounting Principles. ICAI has taken significant initiatives in the setting and issuing procedure of accounting standards in order to ensure that the standard-setting process is fully consultative and transparent. The ASB (Accounting Standard Board) considers the IAS (International Accounting Standards) /IFRS (International Financial Reporting Standards) while framing Accounting Standards and trying to integrate them in the light of applicable laws, customs and usage, and the business environment in the country. However, there are still many differences between the Accounting Standards and IAS/ IFRS.

RESEARCH OBJECTIVES AND METHODOLOGY

1) To capture the importance of GAAP and accounting standards in financial reporting
2) To study the international experience in accounting standards (IFRS), the need for IFRS in India, and the applicability of IFRS in India for Indian Companies.
3) To understand the benefits and opportunities of IFRS for Chartered Accountants / Accounting executives in India.
Secondary sources, such as journals, magazines, and books, were mined for data to meet the goals mentioned above.

Difference between Convergence and Adoption-

Adoption means fledged use of IFRS, in other words, copy-paste of IFRS, as issued by IASB (International Accounting standard Board)

Convergence means that the Accounting Standards (AS) shall be prepared on the same International Financial reporting standards (IFRS). However, there may be a modification that suits Indian conditions.

<u>The convergence Journey (First step towards IFRS)</u>

Indian companies adopted the International Financial Reporting Standards (IFRS) in 2006 to improve investor and stakeholder acceptance and transparency of Indian companies' financial information (IASB).

In consultation with the ICAI, the Indian government expressed its resolve to converge with the International Financial Reporting Standards (IFRS). India will 'converge' with IFRS rather than 'accept' IFRS, it has been agreed. Convergence is defined as "the establishment and maintenance of national accounting standards in such a way that financial statements prepared in line with national accounting standards draw an unqualified statement of compliance with the International Financial Reporting Standards." As a result, it is safe to say that Convergence is not a carbon replica of IFRS. It is adopting the International Financial Reporting Standards

(IFRS) in the Indian context. IFRS Converged Indian Accounting standards (Ind AS) were formulated to meet this objective. While keeping these Ind AS, as far as possible, in line with corresponding IFRS/ IAS, certain departures have been made where it is considered essential.

These adjustments were made in light of several issues, including some language-related changes to align with legal terminology.

E.g., Instead of 'Statement of Comprehensive Income,' use 'Statement of Profit and Loss,' and 'Balance Sheet,' instead of 'Statement of Financial Position.' The country's economic environment differs from the economic environment assumed by IFRS to exist, necessitating some adjustments.

Ind AS was supposed to be adopted starting in 2011. However, the Ministry of Corporate Affairs has chosen to postpone the implementation of Ind. AS due to specific problems. Since then, Parliament has passed the new Companies Act of 2013. The new Companies Act, 2013, added several new provisions, including the necessity to prepare consolidated financial statements, which will make the transition to Ind AS convergent with IFRS easier. In light of this, and the growing necessity to incorporate IFRS, Shri Arun Jaitley, Minister of Finance, kicked off the process with his budget speech on July 10, 2014, when he proposed: **"The current Indian accounting standards must be brought into line with the International Financial Reporting Standards as soon as possible" (IFRS). The new Indian Accounting Standards (Ind AS) should be adopted by Indian companies starting with the financial year 2015-16 voluntarily and then made mandatory for 2016-17.**

Based on the international consensus, the regulators will separately notify the date of implementation of AS Ind for the Banks, Insurance companies, etc....…………..”

Furthermore, the MCA released the Firms (Indian Accounting Standards) Rules, 2015, on February 16, 2015, which lays out the pathway for the implementation of Ind AS for specific classes of companies, with 39 Ind AS included as an annexure to these Rules. As an annexure to several Ind AS, various interpretations from SIC and IFRIC have been included. Thus, Ind ASs are basically in line with IFRS. This will be beneficial in the long run since it will ensure that financial statements issued by Indian enterprises are accepted globally.

Implementation of Ind. As in India – Roadmap

Voluntary Basis for all companies: April 1, 2015, or after.
(With Comparatives)
Phase 1: April 1, 2016, or after that: Mandatory Basis (With Comparatives)

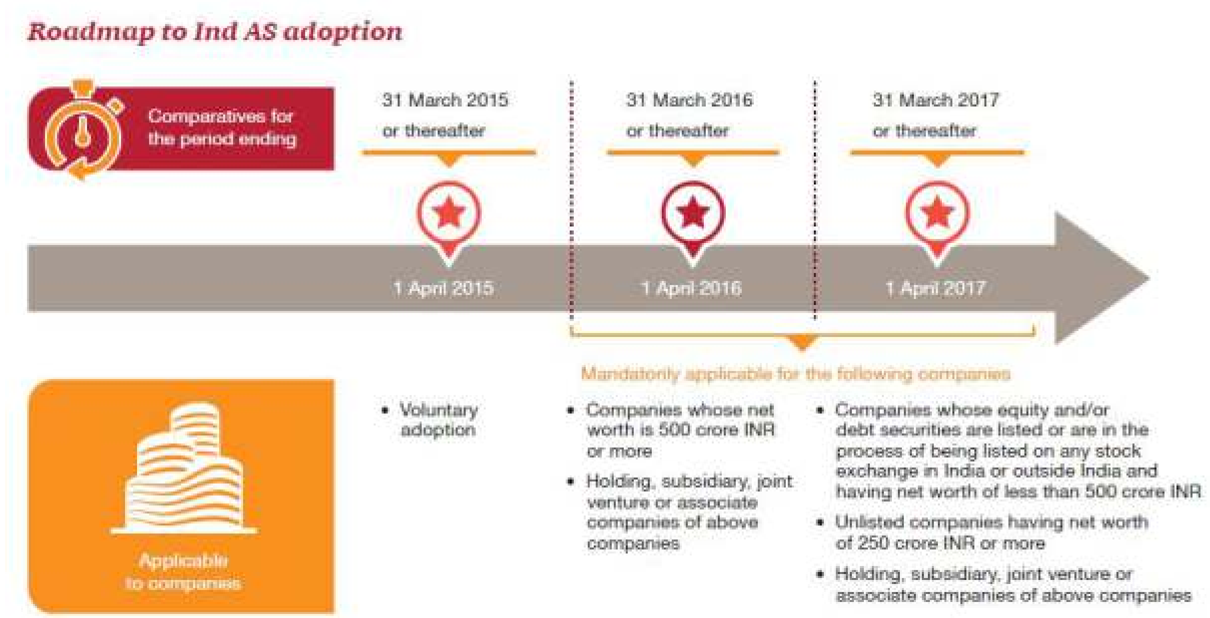
i) Companies having a net worth of 500 crores INR or more that are listed or in the process of being listed on stock exchanges in India or abroad.
ii) Unlisted Companies have a net worth of 500 crores or more.
iii) Holding, Subsidiary, Associate, and Joint Venture of companies mentioned above.

Phase 2: April 1, 2017, or after that: Mandatory Basis (With Comparatives)

i) All companies not included in Phase 1 are listed or in the process of being listed on Indian or international stock exchanges.
ii) Unlisted Companies have a net worth more than or equal to 250 Crore INR but less than 500 Crore INR.
iii) Holding, Subsidiary, Associate, and Joint Venture of companies mentioned above.

- In the case of those companies listed on SME exchange not required to apply Ind. As.
- Net worth will be checked for the first time on March 31, 2014, and then at the end of each financial year after that.
- Once Ind. As. has been applied, an organization must follow Ind. As. for all subsequent financial statements. It means there is no exit door once it becomes applicable.

- Companies not covered by the above road map must continue to follow the existing Accounting Standards as outlined in the Companies (Accounting Standards) Rules 2006.



Benefits Of Convergence with IFRS

The Economy: As we all know, markets expand globally; therefore, Convergence benefits the economy by boosting international business growth. It aids in the preservation of efficient capital markets and capital development and, as a result, economic growth. It promotes international investment, resulting in increased foreign capital inflows into the country.

Investors: Investors desire more relevant, reliable, timely, and comparable information across countries. Financial statements generated using a common set of accounting standards are more useful to investors than financial statements generated using a separate set of national accounting standards. Global investors must pay a higher price in terms of time and effort to transform financial statements so that they may confidently assess alternative opportunities. If the accounting standards are widely acknowledged, investors will have much faith in the company. Investors' knowledge and confidence in high-quality financial statements are aided by Convergence with IFRS.

The Industry: If the industry can convince overseas investors that its financial statements comply with internationally accepted accounting standards, it will raise financing from global markets at a cheaper cost. Because accounting standards fluctuate from country to country, businesses that operate in numerous countries must comply with various accounting rules. The Convergence of accounting standards minimizes the financial reporting burden by simplifying the process of preparing individual and group financial statements and thereby lowering the expenses of making financial statements using separate sets of accounting rules.

Accounting Professionals: Accounting professionals can sell their services as specialists in various locations throughout the world. It provides them with more significant opportunities in any part of the world where the same accounting practices are followed. As accounting professionals in industry and practice, their mobility to work in different parts of the world grows.

Indian Corporate: If a corporation follows IFRS, it may raise financing from other countries. When a company provides its financial statements under IFRS, it is easy to compare with foreign competition.

Transparency: IFRS will increase financial information and performance comparability with global peers and industry norms. Investors, consumers, and other key stakeholders in India and abroad will benefit from more transparent financial reporting of a company's actions as a result of this.

Reduction in Cost: Another possible benefit is the cost savings associated with international firms that must reconcile their accounting data with several accounting standards.

Benefits to Stock Exchange: Stock exchanges worldwide could profit from the harmonization of accounting standards; as more companies begin to adopt the international standards, they will become eligible for listing.

Harmonization with Global Financial Market: Some Indian companies have already gone public on foreign stock exchanges, with many more to follow. The language of communication for Indian companies will then be international accounting standards. Since the IFRS is now acknowledged as a financial reporting framework for companies looking to obtain funds from most capital markets worldwide, they have better access to and lower the cost of capital raised through global capital markets.

CONCLUSION:

The decision to converge with the IFRS will go a long way in the profession's history.
While it has its challenges, it is a golden opportunity for the profession to rise to the occasion and make a mark for itself. Finance professionals entering the field of IFRS and Ind AS will have an advantage over others because few accounting professionals have expert knowledge of IFRS and Ind AS. Having the right IFRS and Ind AS skill set will elevate the status of chartered accountants in the high-growth and demanding world of accounting professionals.

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Impact of Foreign Investment and Key Macroeconomic Variables Affecting The Economic Growth of Indonesian Economy

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ABSTRACT

Foreign investment, together with local investment, is a major source of economic growth. It examines the impact of foreign investment and macroeconomic variables like inflation and exchange rate on Indonesia's economic growth from 1990 to 2020. The unit root test is used to determine time series stationary qualities. The ARDL model was used to determine long-term and short-term relationships between model variables. The study's empirical findings suggest that foreign investment boosts economic growth in Indonesia, but inflation and exchange rate drag it down. Indonesia's economic growth varies due to its unique shocks, according to variance decomposition.

INTRODUCTION

Indonesia's financial deregulation unleashes a flood of foreign capital. These include foreign portfolio investment (FPI) and foreign direct investment (FDI). Foreign investors employ FPIs to diversify risk. FDI is a cross-border investment category where an investor from one country exerts significant influence over a company from another. Both sources of foreign money can spur economic growth, directly or indirectly. This study's major goal is to determine how foreign capital affects Indonesia's economic growth.

FDI is a composite package that includes physical capital, production techniques, managerial skills, products and services, marketing expertise, advertising and business organisational processes (Thirlwall, 1999 & Zhang, 2001). As an element of aggregate demand, an increase in the investment rate generally has an effect on the increase in a country's output. Therefore, foreign direct investment has a positive effect on a country's economic development (Hermes & Lensink 2003). Conversely, a decrease in the investment rate will result in less economic growth. For this reason, the Government is trying to attract foreign investors to invest in host countries to accelerate the economic performance of the country. The financial liberalization adopted by Indonesia triggers various forms of foreign investment to boost the economy.

FPI helps build a strong local capital market and benefits the host country. Liquidity in the stock market leads to a deeper and broader market (Levine and Zervos 1996). Stronger access to money at reduced costs provides better support for economic activities (La Porta, et al. 1998; Bekaert and Harvey 2003). In this aspect, FPIs entering the stock market help enterprises overcome financial restraints (Laeven 2003; Knill 2004). Portfolio investment is a type of investment where capital is placed in the capital market in the form of shares. Individuals, companies, pension funds, and mutual funds invest in stocks, bonds, and CDs issued by private and public companies. So you may finance local businesses and build the local capital market with professionalism and openness. Portfolio flows can be dangerous, as large portfolio investments can create substantial exchange rate volatility, asset price over- or undervaluation, and banking crises. These varied shocks complicate monetary policy in developing market nations, which channel capital flows to growth. In

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short, it is necessary to monitor the evolution of portfolio flows and to maintain monetary policy stability to attract portfolio investors to invest in the host countries.

The history of the existence of foreign direct investment and foreign portfolio investment in Indonesia began with the Dutch Colonial Government in 1870. This period was marked by the enactment of the agrarian law, which later initiated the flow of FDI in Indonesia (Bank of Indonesia, 1987). The Indonesian Government began liberalizing its capital account regime in 1967. After adopting a floating exchange rate system in 1970, the financial sector was liberalised in the 1980s. This extensive exposure to investment flows makes Indonesia an ideal candidate for empirical research into its effectiveness in promoting economic growth. Although the Indonesian government has long sought to attract foreign investment, little has been done to examine its impact during the past 30 years. Indonesia, as a developing country, needs a large enough fund to finance development. The investment can be used as a source of funding to cover funding constraints in Indonesia's economic development. In addition to efforts to mobilize funds from within the country, efforts are also made outside of government loans, such as the flow of capital between countries in the form of foreign investment has an impact on economic growth in beneficiary countries, mainly through direct capital transfer, technology, management skills or those strictly related to production efficiency problems and have an indirect impact through external side effects.

This study also considers that inflation is an important indicator in analysing a country's economy, especially in relation to its broad impact on aggregate macroeconomic variables like economic growth. It also plays an important role in influencing the mobilization of funds through formal financial institutions. The effect of inflation on investment activities has a negative relationship(Fisher, 1993 & Barrow, 1995). Where a high rate of inflation will reduce the level of investment due to the high cost of the investment itself. Conversely, a low inflation rate will keep investment costs low, thus stimulating foreign direct investment in domestic countries. Therefore, investors will feel safer investing when the inflation rate in a country tends to be stable or low, i.e. an increase in inflation will reduce investors' interest in investing, instead, if inflation falls, investments will increase (Mallik and Chowdhury, 2001). In the Indonesian economy in 1998, the Bank of Indonesia, as the institution responsible for inflation rate stability, promptly formulated and implemented a monetary policy to keep inflation low, as well as to maintain and manage exchange rate stability. However, in reality, achieving the goal of maintaining exchange rate stability dominates the monetary policy goal. Achieving growth in terms of monetary magnitude and inflation is often overlooked. With the increase in capital inflows in the early 1990s, the goal of working on a monetary basis has become less controllable. With increasing pressure on the rupee, the Bank of Indonesia abandoned its intervention in August 1997 and the rupee exchange rate fluctuated.

Eight business categories are closed to both domestic and foreign investment. These are: germ plasma cultivation, natural resource concessions, logging contractors, taxi/bus transportation, small-scale sailing, trading and trading support services, radio and television broadcasting services, and film production services companies. The effect of the exchange rate on investments occurs in several ways, notably on the demand side and on the supply side. In the short term, a decrease in the exchange rate will reduce investment due to its negative effect on internal absorption or the so-called reducing effect of spending. This is because a decrease in the exchange rate will cause the real value of public goods to rise in the price level in general and further reduce the internal demand of the community. The above symptoms at the enterprise level will be worked out by a decrease in investment spending and capital allocation. On the supply side, the effect of the change aspect of spending will change the exchange rate of investments relatively erratically. An exchange rate depreciation (weakening of the exchange rate) can increase foreign investment because investors can invest at low prices with high yields.

LITERATURE REVIEW

A systematic literature review is critical for research since it provides comprehensive information about the subject and helps define the study's objectives. Many empirical studies have been done on the relationship between FDI and economic growth using various methodologies. To study the empirical link between foreign investment and economic growth, most researchers use various theories or hypotheses.

Abdul and Ilan (2007) used detailed sectoral data for FDI inflows to Indonesia from 1997-2006 to examine the influence of FDI on economic growth. Globally, FDI appears to boost economic growth. However, when comparing average growth rates across sectors, the beneficial effect of FDI is lost, and the positive relationship between FDI and economic growth is concluded. Bengoa and Sanchez (2003) used panel data from 18 Latin American nations from 1970 to 1999 to estimate the FDI-growth connection. They found that FDI boosts economic growth in host countries. A study by Marwah and Tavakoli (2004) looked at FDI's impact on economic growth in Thailand and Malaysia. Using annual data from 1970 to 1998, they discovered that FDI boosts economic development in all four countries. Bende-Nabende and Ford (2003) studied the impact of FDI on the ASEAN-5's economic growth from 1970 to 1996. They found that FDI directly or indirectly boosts economic growth. They found a favourable association between FDI and economic growth in Indonesia, Malaysia, and the Philippines but a negative relationship in Singapore and Thailand.

Foreign direct investment may potentially harm the host country. Foreign corporations may only invest in profitable projects. It drives away domestic enterprises, lowering national welfare (Hanson, 2001). From 1979 to 1989, Aitekn and Harrison (1999) found no evidence of favourable spillovers from international enterprises to domestic firms in Venezuela. And in Morocco, a developing country, Mansfield and Romeo (1980) found no positive FDI effect on economic growth. While there is optimism about FDI's role in economic growth, there is also pessimism. So it's vital to understand how FDI affects the economy of LDCs.

At the same time, foreign portfolio investment helps strengthen a local capital market and benefits the host country. A deeper and broader capital market is the result of increased FPI (Levine and Zervos 1996). The multiplier effect extends the wealth effect's impact on the stock market. In this way, money flows spur economic growth and enhance wealth creation.

Ultimately, easier access to capital via portfolio investments leads to more effective capital allocation (Wurgler 2000, Love 2003) and (Rajan and Zingales 1998).

Despite its many benefits, FPI may harm the host economy. FPI's potentially harmful characteristics stem from its short-term and consequently volatile nature. Indeed, FPI volatility has been seen as a primary cause of financial market distress and the Financial Crisis. Large and rapid portfolio investment reversals often induce fear in the financial market, as they are interpreted as a sign of imminent financial disaster (Knill 2004). (Sula and Willet 2006). More crucially, as underlined by Henry (2003) and Demirguc-Kunt and Detragiache (1999), the volatility of portfolio investments exacerbates the impact of a financial crisis. Instability in the FPI complicates macroeconomic stabilisation policies. Money supply, exchange rate level, and stock market volatility are all affected by uncertainty in FPI flow (Patro and Wald 2005). Particularly, excessive capital inflows due to high capital mobility could lead to asset price bubbles and inflation, while unexpected portfolio withdrawals followed by substantial asset price corrections can seriously harm the economy. Based on monetary policy, Ihsan and Firmansyah (2020) investigated the causes and effects of portfolio flow in Indonesia. To investigate the relationships between portfolio investment, global and domestic macroeconomic indicators, and financial variables, the research illustrates that portfolio flow shocks can impact economic growth.

The relationship between inflation and growth remains a controversial one in both theory and empirical findings. Empirical studies have shown that the relationship between economic growth and inflation may be positive, negative and neutral. Today, there are no doubts that high inflation has a negative effect on economic growth. Sergii (2009) found that the growth-inflation relationship was strictly concave above a certain threshold. The primary finding was that inflation above 8% slows economic growth, whereas below 8% boosts it. Fischer (1993) concluded that moderate inflation would not affect growth negatively. On the other hand, Ghosh and Phillips (1998) put forward that even moderate rates of inflation would affect growth negatively.

Barro (1996) stressed the fact that high inflation reduces the level of investment and such reduction adversely affects economic growth.

The exchange rate is a key macroeconomic factor that affects international trade and the real economy of each country. It is a key economic indicator in global trade management. It compares the value of domestic money to international money. Exchange rates are vital because they allow us to compare global goods and services. This section examines an empirical study to explain the relationship between GDP and economic exchange rates. Aman et al. (2013) used three-stage least square approaches to examine the exchange rate and economic development in Pakistan from 1976 to 2010. They proved that the exchange rate promotes export and import replacement industries, therefore increasing economic growth. To analyse the impact of the exchange rate on Nigerian economic growth from 1970 to 2010, Obansa et. al. (2013). The exchange rate had a significant positive impact on economic growth. So they identified a link between economic growth and real exchange rate depreciation. The exchange rate and economic growth were studied in 20 African countries from 1981 to 1999 by Yiheyis (2006). An unbalanced panel data study revealed that depreciation of local currencies slowed economic growth.

From 1983 to 2004, Blecker and Razmi (2008) looked at the influence of devaluation on economic growth in 17 developing nations. The exchange rate and economic growth were found to be negatively related to dynamic panel data analysis (GMM). In Indonesia, Hossain and Akhtar (2005) explored the causal relationship between money growth, inflation, devaluation, and economic growth. Three hypotheses are examined: Do money supply increases generate inflation? Does Granger currency devaluation generate inflation? Lastly, is inflation a factor in growth? The empirical data shows a short-run bi-directional connection between money supply expansion and inflation. The results imply that there was no short-run causation between inflation and economic growth for the whole sample period or any sub-sample period.

To examine the impact of the currency rate, inflation, capital, and labour force on Indonesian economic growth. It uses secondary data from the Central Bureau of Statistics and Bank Indonesia on the rupiah-dollar exchange rate, inflation, GDP, and labour rate. The capital positively affects economic growth. Inflation and exchange rate have a cyclic influence on economic growth. Inflation, in particular, reduces economic growth by lowering interest rates and capital.

Rodrik (2008) identified that growth in a country's or region's ability to meet the population's economic requirements. The gross domestic product measures economic growth. Inflation, interest rates, and currency rates are used as supporting variables. Interest rates have a big negative impact on GDP, while exchange rates have a significant positive impact, and inflation has no major impact. Using multiple linear regressions, Irsania and Noveria (2014) studied the association of foreign direct investment, inflation, unemployment, and exchange rate on Indonesian economic development. The conclusion shows that FDI, inflation, employment, and currency rate all have a major impact on economic growth. Thus, rising exchange rates and inflation rates reduce economic growth. The employment rate and FDI also have a substantial impact on economic growth. Indonesia's economic growth will increase if FDI and employment rise.

Arintoko and Insukindro (2017), studied macroeconomic models that include the production gap and the degree of inflation. To adapt to the data, new macroeconomic theories applicable to Indonesian conditions, and the suitable approach, employed structural co-integrating vector auto- egression. According to the study, FDI and FPI boost economic growth while the exchange rate slows it down. Barguellil & Ben-Salha (2018) found that changes in macroeconomic variables such as exchange rate, government expenditure, and GDP impact foreign direct investment. While inflation reduces foreign direct investment in Indonesia. The monetary crisis has hampered the growth of FDI in Indonesia. The estimated effects of inflation, exchange rate, and GDP on foreign direct investment are positive, with the exception of inflation being non-significant. Government spending has a negative and considerable effect on FDI in Indonesia.

Frankel & Rose (2002) claim that FDI represents a long-term investment for emerging countries, FDI helps

Indonesia's economic development. Increased foreign investment can immediately improve Indonesian living standards and economic performance. According to Wulandari et al. (2020), macroeconomic variables such as investment, export, and e-money transactions affect economic growth in Indonesia. The VECM was used to determine long-term and short-term associations between variables. In short, investment has a favourable impact on economic growth in Indonesia, both short and long term.

OBJECTIVES OF THE STUDY

- To examine the relationship between foreign investment and the economic growth of Indonesia.
- To empirically evaluate the explanatory role of macroeconomic variables in affecting the economic growth of Indonesia.

Hypothesis of the study

Foreign Investments (FDI and FPI) have a significant and positive impact on economic growth in Indonesia.
Inflation has a significant and negative impact on economic growth in Indonesia.

Exchange rate has a significant and negative impact on economic growth in Indonesia.

RESEARCH METHODOLOGY

Data Source

Data required for the study is collected from secondary source and its determinants of economic growth in Indonesia are collected from World Economy Database 2020. The data collected for the study covers from 1991 to 2020.

Data Analysis

The present study uses both descriptive and inferential statistics to analyse and evaluate the results. Descriptive Statistics have been used to know the structural properties of data. Auto-Regressive Distributed Lag (ARDL) Model is used to determine the macro-economic determinants of economic growth in Indonesia. The Augmented Dicky Fuller (ADF) is used for testing the stationary properties of the data. Akaike Information Criteria (AIC) was used for the ARDL specification by using Eviews 9.

Figure 1: Foreign Investment and Economic Growth in Indonesia

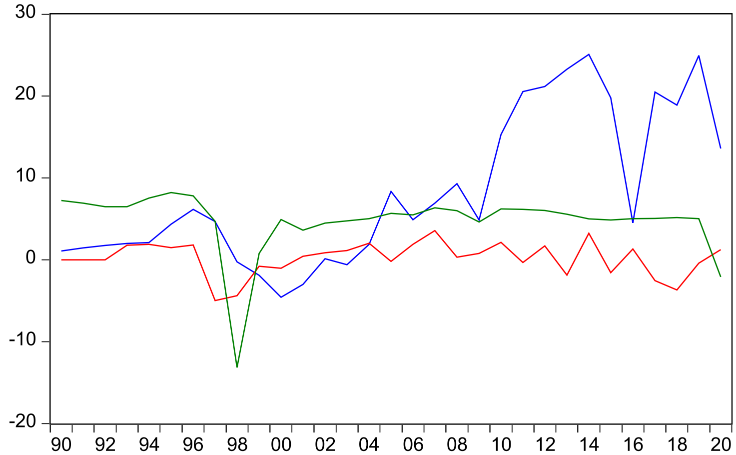


Table 1: Correlation between Foreign Investment and Economic growth in Indonesia

FDI	FPI	GDP
1.00	-0.06	0.14
-0.06	1.00	0.42
0.14	0.42	1.00

Source: Author's calculation

Indonesian liberalisation began in 1967 with the enactment of Investment Law No. 1. Indonesia's economy grew rapidly in the following years, averaging roughly 7.3 percent. As shown in Figure 1 and Table 1, Foreign Investment positively impacts India's economic growth. The empirical finding reveals that Foreign Investment (FDI and FPI) positively affects Indonesia's economic growth. Indonesia's economic history since independence can be split into four phases: pre-1965, 1965-1986, 1986-1997, and post-1997. Since the start of the economic crisis in mid-1997, FDI and FPI have fallen by over two-fold. Economic reform commitments are being implemented unevenly, the judicial system is unreliable, security difficulties are prevalent, and current investors are being treated unfairly. From 1997 to 1999, manufacturing got about two-thirds of total realised FPI inflows, but that share fell sharply thereafter. The privatising initiative has missed its targets for three years. To solve these issues, the Indonesian government encouraged more active FDI promotion. The Capital Investment Coordinating Board (BKPM/BKPMD) was responsible for approving project applications. Following the above deregulation, the Indonesian government removed numerous FDI and FPI restrictions in retail and wholesale markets in June 1998, subject to a cooperative agreement with a small firm. From 1997 to 2006, there were fundamental changes in the realisation of FDI inflows.

The reasons for the weakness in attracting foreign investment are well known. Indonesia keeps many economic sectors closed to foreigners or only open to a limited extent in order to protect domestic companies from competition. In addition, there is an excessive bureaucracy with overlapping legislation between the central government and provincial authorities. Labour law, which is extremely rigid in regional comparison, is particularly deterrent. We discovered that FDI and FPI appear to have a positive effect on economic growth. However, the benefits of FDI on economic growth differ by industry and there are no aggregate effects. Oddly enough, inflation and exchange rate affect economic growth. According to the findings, extractive FDI may not boost economic growth. More studies may show that policies should be formulated to maximise the benefits of FDI and FPI inflows through suitable sectoral composition and by creating the circumstances for beneficial FDI in sectors where the current institutional structure appears to offer no such benefit. In short, FDI and FPI increase GDP. Foreign investment boosts economic growth. An econometric model can determine the exact impact of foreign investment on economic growth.

Empirical Model

There are many other Macroeconomic factors affecting the performance of the Economic Growth of Indonesia. The macroeconomic theory has identified various factors that influence the growth of a country from the classical, neoclassical and new growth theories. The economic growth rate of Indonesia is formulated with the four macroeconomic determinants of independent variables. Foreign direct investment, foreign portfolio investment, exchange rate and inflation rate of the host country are the independent variables of the model. The expected relationship between economic growth and its macroeconomic determinants in Indonesia is exhibits in Table 2. We develop a linear equation model such that:

GDP=F (FDI, FPI, CPI, EX, ⚜)
GDP= Gross Domestic Product
FDI= Foreign Direct Investment
FPI= Foreign Portfolio Investment
CPI= Consumer Price Index
EX= Exchange Rate.

◎=Error Term

Table 2: Expected Relationship of Growth Rate and Macro-Economic Variables in Indonesia

Variable Name	Description	Expected Relationships
FDI	Foreign Direct Investment	Positive or Negative
FPI	Foreign Portfolio Investment	Positive or Negative
CPI	Consumer Price Index	Positive or Negative
EX	Exchange Rate.	Positive or Negative

Source: Review of Literature

Unit Root Test

Before investigating co-integration and long-run relationships, economic time series must be tested for stationary. The ADF is used on the variables in level and initial differences. It is evident from the Table 3, the order of integration of all the variables used in the subject field is either zero or one i.e. I (0) or I (1). As can be seen from Table 3, foreign direct investment, foreign portfolio investment and exchange rate are integrated of order I(1). But gross domestic product, and consumer price index are integrated of order zero i.e. I (0).

Table 3: Augmented Dickey-Fuller (ADF) Test

Variables	Stationary
GDP	I(0)
CPI	I(0)
FDI	I(1)
FPI	I(1)
EX	I(1)

Source: Author's calculation

Auto-Regressive Distributed Model (ARDL Model)

An ARDL model is applicable when all the variables are stationary at different levels. In this approach, variables can be stationary at level and first difference. This model estimates the dynamic relationship between variables of the model. It is possible to transform the model into a long-run form even if the model has a different level of integration (co-integration). To test the existence of a long-run relationship of an ARDL model, bounds test is conducted.

Table 4: ARDL Model for GDP and its Macroeconomic Indicators in Indonesia

Dependent Variable: GDP
Method: ARDL
Maximum dependent lags: 4 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (4 lags, automatic): FDI FPI CPI EX
Fixed regressors: C
Number of models evaluated: 2500
Selected Model: ARDL(4, 4, 4, 4, 4)

Table 1: Correlation between Foreign Investment and Economic growth in Indonesia

Variable	Coefficient	Std. Error	t-Statistic	Prob.*
GDP(-1)	-0.893142	0.705481	-1.266004	0.3330
GDP(-2)	0.246700	0.691290	0.356869	0.7553
GDP(-3)	-1.192789	0.444044	-2.686196	0.1151
GDP(-4)	-0.927363	0.211967	-4.375025	0.0485
FDI	0.077812	0.050054	1.554576	0.2603
FDI(-1)	-0.067367	0.077085	-0.873920	0.4743
FDI(-2)	-0.039609	0.060226	-0.657667	0.5783
FDI(-3)	-0.202765	0.053880	-3.763277	0.0639
FDI(-4)	0.512176	0.128476	3.986563	0.0575
FPI	0.339576	0.087851	3.865350	0.0609
FPI(-1)	0.961429	0.184542	5.209804	0.0349
FPI(-2)	0.565373	0.183591	3.079527	0.0912
FPI(-3)	-0.062829	0.241699	-0.259947	0.8192
FPI(-4)	0.387252	0.245662	1.576363	0.2556
CPI	-0.053857	0.071478	-0.753478	0.5298
CPI(-1)	-0.154754	0.120567	-1.283548	0.3279
CPI(-2)	0.116170	0.157248	0.738766	0.5370
CPI(-3)	-0.195811	0.062628	-3.126573	0.0889
CPI(-4)	-0.438697	0.121443	-3.612370	0.0688
EX	-0.001374	0.000529	-2.596205	0.1218
EX(-1)	0.000496	0.000561	0.883940	0.4700
EX(-2)	1.41E-05	0.001085	0.013030	0.9908
EX(-3)	-0.001752	0.001250	-1.400908	0.2962
EX(-4)	0.001688	0.000925	1.824514	0.2096
C	32.26413	5.791428	5.571015	0.0307

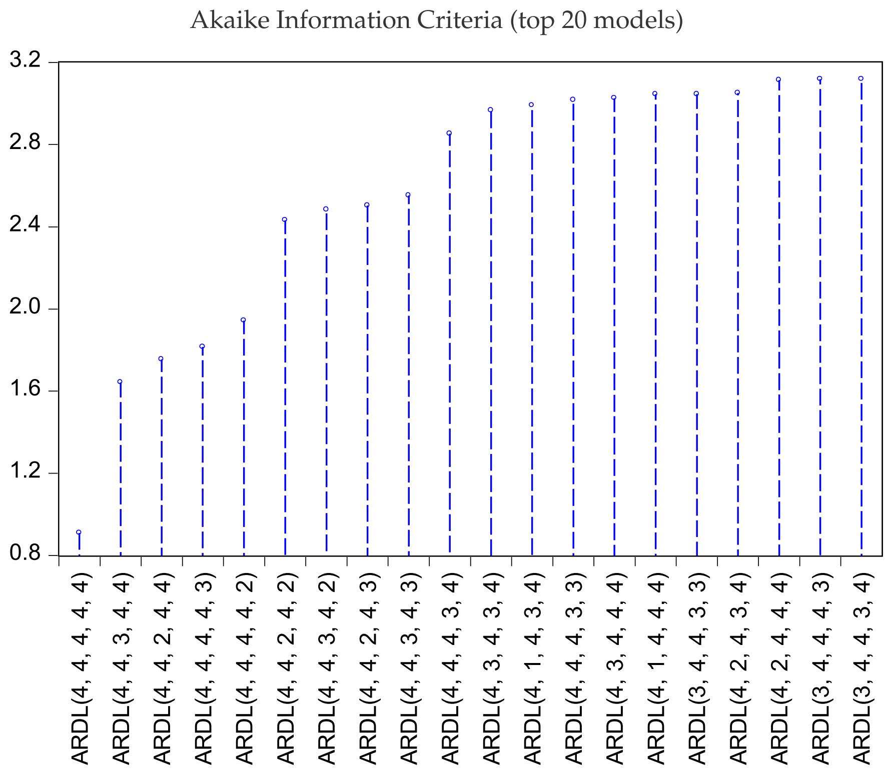
R-squared	0.998541	Mean dependent var	4.410000
Adjusted R-squared	0.981032	S.D. dependent var	4.028930
S.E. of regression	0.554877	Akaike info criterion	0.909022
Sum squared resid	0.615777	Schwarz criterion	2.108871
Log likelihood	12.72820	Hannan-Quinn criter.	1.265800
F-statistic	57.03135	Durbin-Watson stat	1.966814
Prob(F-statistic)	0.017369		

*Note: p-values and any subsequent tests do not account for model
Selection.

Optimum Lag Length Criteria

The model must display the optimal lag length when including lagged values. The model selection criterion picks the best lag length. The Akaike Information Criterion (AIC) was employed since it has the least penalty or error. Figure 2 shows the 20 best models with the lowest AIC values. As shown in Figure 2, the ARDL model's ideal lag length is (4, 4, 4, 4, 4).

Figure 2: Akaike Information Criterion



Ramsey RESET Test

Ramsey proposed the Regression Specification Error Test (Ramsey, J. B. 1969) in 1969. This test checks whether model errors have a multivariate normal distribution. Table 5 shows an estimated probability of 0.20, which is greater than 0.05. This indicates a well-defined model with no significant missing variables.

Table 5: Ramsey RESET Test of GDP and its macroeconomic indicators

Ramsey RESET Test			
Equation: UNTITLED			
Specification: GDP GDP(-1) GDP(-2) GDP(-3) GDP(-4) FDI FDI(-1) FDI(-2) FDI(-3) FDI(-4) FPI FPI(-1) FPI(-2) FPI(-3) FPI(-4) CPI CPI(-1) CPI(-2) CPI(-3) CPI(-4) EX EX(-1) EX(-2) EX(-3) EX(-4) C			
Omitted Variables: Squares of fitted values			
	Value	df	Probability
t-statistic	2.989030	1	0.2055
F-statistic	8.934298	(1, 1)	0.2055
F-test summary:			
	Sum of Sq.	df	Mean Squares
Test SSR	0.553792	1	0.553792
Restricted SSR	0.615777	2	0.307889
Unrestricted SSR	0.061985	1	0.061985

Source: Author's calculation

ARDL Bound Test

ARDL bound test approach, developed by Pesaran et al. (2001), investigates the long-run relationship among variables in the model. After determining the order of integration and lag length, the next step is to employ bounds test to confirm the long-run relationship among the variables. In ARDL, the first step is to investigate the long-run relationship among variables in the model using an F - test. The second step of this analysis is to estimate the coefficients of the long-run relationship with the error correction representation of the ARDL model. Here, the dependent variable is always affected by a number of explanatory variables in the current period as well as in the earlier period. The bounds test result (refer Table 6) confirms the long-run relationship because the calculated F-statistic value is 10.58, which is greater than the critical value of the upper level of bounds at the 5% level of significance. This evidence gives a strong indication of the existence of a long-run relationship among the variables included in the model.

Table 6: ARDL Bound Test for Normalizing GDP and its Macroeconomic Indicators

Null Hypothesis: No long-run relationships exist		
Test Statistic	Value	k
F-statistic	10.58070	4
Critical Value Bounds		
Significance	I0 Bound	I1 Bound
10%	2.45	3.52
5%	2.86	4.01
2.5%	3.25	4.49
1%	3.74	5.06

Source: Author's calculation

Table 7: Estimated Co-integrating Form and Long-run coefficients using ARDL Approach

ARDL Co-integrating And Long Run Form				
Dependent Variable: GDP				
Co-integrating Form				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(GDP(-1))	1.873452	0.396001	4.730926	0.0419
D(GDP(-2))	2.120152	0.552967	3.834138	0.0618
D(GDP(-3))	0.927363	0.211967	4.375025	0.0485
D(FDI)	0.077812	0.050054	1.554576	0.2603
D(FDI(-1))	0.039609	0.060226	0.657667	0.5783
D(FDI(-2))	0.202765	0.053880	3.763277	0.0639
D(FDI(-3))	-0.512176	0.128476	-3.986563	0.0575
D(FPI)	0.339576	0.087851	3.865350	0.0609
D(FPI(-1))	-0.565373	0.183591	-3.079527	0.0912
D(FPI(-2))	0.062829	0.241699	0.259947	0.8192
D(FPI(-3))	-0.387252	0.245662	-1.576363	0.2556
D(CPI)	-0.053857	0.071478	-0.753478	0.5298
D(CPI(-1))	-0.116170	0.157248	-0.738766	0.5370
D(CPI(-2))	0.195811	0.062628	3.126573	0.0889
D(CPI(-3))	0.438697	0.121443	3.612370	0.0688
D(EX)	-0.001374	0.000529	-2.596205	0.1218
D(EX(-1))	-0.000014	0.001085	-0.013030	0.9908
D(EX(-2))	0.001752	0.001250	1.400908	0.2962

D(EX(-3))	-0.001688	0.000925	-1.824514	0.2096
CointEq(-1)	-3.766594	0.659070	-5.715011	0.0293
21				
Cointeq = GDP - (0.0744*FDI + 0.5816*FPI -0.1930*CPI -0.0002*EX +8.5659)				
Long Run Coefficients				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
FDI	0.074403	0.023003	3.234537	0.0837
FPI	0.581640	0.088695	6.557724	0.0225
CPI	-0.192999	0.035706	-5.405301	0.0326
EX	-0.000246	0.000015	-16.709813	0.0036
C	8.565864	0.331694	25.824596	0.0015

Source: Author's calculation

Table 7 estimates the result of the coefficient of long-run relationship among variables by applying ARDL Methodology. A high level of GDP is a strong indication of market opportunities. Therefore, the growth rate is a good indicator of growing market potential as well as the economic prosperity of a country. The result shows that foreign investments like Foreign Direct Investment (FDI), and Foreign Portfolio Investment (FPI) have a positive effect on the real economic growth rate or the economic performance of the host country. But inflation rate and exchange rate have a significant negative effect on economic growth. Inflation is closely related to interest rates, which can influence exchange rates. Most countries try to balance interest rates and inflation, but the interplay is complex and difficult to control. Low-interest rates boost consumer spending, economic growth, and currency value. Inflation may occur if consumer spending rises to the point that demand exceeds supply. But low-interest rates rarely entice international investors. Higher interest rates tend to attract international investment, increasing currency demand. The ECT value of 3.76 indicates that 376 per cent of the correction in disequilibrium occurs annually. The Error Correction Term coefficient is extremely significant with a predicted sign, confirming the bound test for co-integration.

Table 8: Variance Decomposition of Gross Domestic Product of Indonesia

Variance Decomposition of GDP:						
Period	S.E.	GDP	FDI	FPI	CPI	EX
1	3.253722	100.0000	0.000000	0.000000	0.000000	0.000000
2	4.772880	58.98954	0.805774	20.13635	17.50071	2.567625
3	5.215264	52.34718	5.919034	22.83334	14.66405	4.236385
4	5.716110	45.17892	8.890543	25.00301	17.32473	3.602798
5	5.779791	44.27121	9.146839	24.56169	17.30182	4.718444
6	5.884946	42.70461	9.419514	26.31924	17.00483	4.551807
7	5.913330	42.58147	9.505543	26.06922	17.29640	4.547365
8	5.934204	42.51366	9.446776	26.17214	17.34821	4.519209
9	5.942946	42.47453	9.422190	26.09703	17.47059	4.535669
10	5.961460	42.28892	9.569149	25.98261	17.64910	4.510215

Source: Author's calculation

The Variance Decomposition Analysis is a method for assessing the effects of shocks on dependent variables. It assesses how much of the forecast error variation is explained by changes to each explanatory variable over time. Shocks usually explain the majority of error variance, though they can affect other variables as well. It exhibits that in the long run (after a period of 10 years) 42 percent of fluctuation economic growth (GDP) by itself and 58 percent are determined by other macroeconomic indicators. i.e. 10% by foreign direct investment, 26% by foreign portfolio investment, 18% by consumer price index, and 5% by exchange rate. In short, FPI and CPI are the main factors which are responsible for the fluctuation of growth rate in Indonesia in the coming years.

CONCLUSION

A number of macroeconomic variables influence a country's economic growth. The impact of these economic variables varies between industrialised and developing countries. The study's main goal is to evaluate significant macroeconomic factors affecting Indonesia's real GDP growth from 1990 to 2020 using ARDL models and annual data. After implementing a free market system that promotes economic progress, Indonesia is heavily reliant on global trade. The empirical finding demonstrates that all model variables tested impacted economic growth. The study found that foreign direct investment, foreign portfolio investment, inflation, and the currency rate all affect long-run economic growth in Indonesia. Foreign investments like foreign direct investment, and foreign portfolio investments have a positive effect on the real economic growth rate. However, it should be considered that policies to attract foreign investment need to be constructed with a long-term view to maximize the positive effects of foreign investment on the country's economy. But inflation rate and exchange rate have a significant negative effect on economic growth. That means inflation and exchange rate volatility are harmful to the economic growth of Indonesia. Thus, this study suggests and proposes that the Government ensure stable macroeconomic policies to attract more foreign investment into Indonesia. The error correction term is negative and significant, indicating that the model's variables are in the long-run equilibrium. The government should continue to provide direct and indirect foreign aid to countries that develop public capital, as this increases mass productivity and hence increases long-term growth in Indonesia.

Policy Implications

The result shows that there is a significant positive impact of FDI on the economic growth of Indonesia. Therefore, this research study recommends that FDI facilitate economic growth, so the government has to exert much effort in order to attract more FDI into the country. Foreign portfolio investments indirectly boost Indonesia's economic growth, the government should implement policies to foster long-term capital market and economic growth. This will help attract long-term funds for constructive objectives.

This study revealed that inflation has hampered Indonesia's economic progress. Thus, limiting inflation is a prerequisite for boosting economic growth, both for domestic policymakers and international investors. Thus, policymakers should aim to keep inflation low (single digit). Inflation rate stability is vital for the country's economic progress. Attempts should be made to keep inflation below 1%.

This study's findings suggest that exchange rate volatility harms Indonesia's economy. A strong exchange rate reduces production costs and controls inflation by lowering the cost of foreign goods and services. Thus, the study advises policymakers to keep the exchange rate high to enhance Indonesia's economy.

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Microfinance Banks Credit Administration and Entrepreneurship Development: Experience from Nigeria Small Business Owners.

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ABSTRACT

Entrepreneurship has been acknowledged as a catalyst for general economic wellbeing, skills acquisition, and employment generation. In Nigeria, microfinance banks (MFBs) are mandated by the regulator to provide credit facilities to entrepreneurs to enable them to develop their businesses successfully. This has not been quite so, as small businesses continue to fail. Issues surrounding the failures of small businesses, despite the increasing number of MFBs, are worthy of exploration. Thus, the study assesses the effect of MFBs' credit administration on entrepreneurship development (ED) in the Oyo State. Stratified sampling techniques were used to select three MFBs from senatorial districts of the state for the study. A structured questionnaire was administered to the three selected MFBs using five staff members, and 50 entrepreneurs from each of the MFBs were selected randomly. Data collected was analysed using descriptive statistics and inferential statistics, such as Pearson Product-Moment Correlation (PPMC) and regression analysis. The study concluded that MFB credit administration has a significant positive effect on entrepreneurship development. The study, therefore, recommended that stringent conditions attached to the collateral security to access credit from MFBs should be reviewed by stakeholders.

Key Words: *: Microfinance credit facility, Business Performance, Microfinance bank, Entrepreneurship Development*

INTRODUCTION

The concept of entrepreneurship forms a dynamic impetus and catalyst for general economic wellbeing, the acquisition of required skills, and the creation of employment. According to Ajibefun (2006), entrepreneurship was a product of the failings of the old and conventional educational system, which placed emphasis on schooling and white-collar jobs and had no regard for skill acquisition and wealth creation. Based on this, several nations in the world have instituted entrepreneurial support schemes and structures to fuel the development of this concept. Literature shows that no nation breaks away from unemployment and a high level of poverty without a push from the emerging field of entrepreneurship. The world economy, as it affects individual nations, sees entrepreneurship and small business owners as the key to the survival of any economy. It is seen as the engine room for economic growth and development. Wang (2013) stated that over 60% of China's total Gross Domestic Product (GDP) was because of the rise in small business activities. Babajide (2011) stated that micro, small, and medium enterprises (MSMEs) represent 87% of all firms operating in Nigeria. In countries such as Indonesia, Thailand, and India, MSMEs contribute about 40% of the GDP (International Finance Corporation, 2002). Small businesses are the backbone of economic development as they contribute to job creation, a reduction in income disparity, and the production of goods and services as a basis

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for skill acquisition. It serves as an engine room for technological innovation and development (Ofoegbu, Akanbi, and Joseph 2013).

Past studies (Akande 2012) revealed that Nigeria has many small businesses that employ a large percentage of the working population both in rural and urban areas, most of which are mostly engaged by women who no longer stay home as full-time housewives. Evidence from literature reveals that small businesses contribute to better living standards, encourage local capital formation, and achieve a high level of productivity (Olowe, Moradeyo, and Babalola, 2013). The necessity of entrepreneurial development cannot be undermined in Nigeria; the contributions are quite obvious and visible in the economic transformations. This has been evidenced by the growing number of entrepreneurs specializing in the conduct of small businesses. Small and medium-scale enterprises have greatly contributed to the creation of jobs, innovation, and economic growth, which has been given global acknowledgement and recognition. Akande and Ojokuku (2008)

The Nigerian government realized the relevance of entrepreneurs in small and medium businesses toward economic development and established an agency in 2003 known as the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) to promote and coordinate the growth of entrepreneurs. However, the critical issue that limits entrepreneurs' development in the small and medium business section is financing. ADB (2012) referred to Schiffer and Weder (2001) that the ability to generate required finance is a greater obstacle for small businesses than for larger firms, especially in developing countries. In the Nigerian environment, Olowe, Moradeyo, and Babalola (2013) stated that access to funds limits small businesses' ability to muster the required collateral to access credit facilities. In essence, the bottlenecks created by the collateral demanded by commercial banks have an adverse effect on entrepreneurial development.

STATEMENT OF PROBLEM

The limited access to financing from conventional deposit money banks was seen as a setback to the entrepreneurs in the small business section. Despite the good features of microfinance and its existence, the great majority of small business owners' success in Nigeria is uncertain due to capital inadequacy. In recent times, financial institutions have undergone some structural transformation in most developing countries, including Nigeria, and their efforts towards promoting support for entrepreneurship need to be more explored. In Nigeria, MFBs are mandated by the regulator to provide credit facilities to entrepreneurs to develop their businesses and succeed. This has not been quite so, as small businesses continue to fail. Issues surrounding the failures of small businesses, despite the increasing number of MFBs, have not been adequately investigated. The report on the related studies in Nigeria shows diverse results and, in some instances, contradictory or mixed results. Babajide (2011) opined that microfinance does not engender the growth of micro and small enterprises. Whereas, Akande and Yinus (2015) assessed the influence of microfinance banks on entrepreneurship development in Nigeria and found that microfinance banks' efficiency has a positive influence on entrepreneurship development. The identified contradictions in existing results of studies are evidence that further research work is needed to provide more information for the benefit of business owners and policymakers. Thus, this study is set to assess the determinant factors of MFB Credit Administration and its effect on entrepreneurship development in Oyo State, Nigeria.

Research Hypotheses

Two hypotheses were formulated for this study and stated in the null form as follows:
Ho1: There is no significant difference in determinant factors of MFB credit administration to entrepreneurs in Oyo State.

Ho2: The MFB credit administration has no significant effect on entrepreneurship development.

LITERATURE REVIEW AND CONCEPTUAL UNDERPINNING

Entrepreneurship Development Concept

Entrepreneurship deals with the process through which an individual or entity identifies opportunities, allocates resources, and create value. This creation of value is often through the identification of unmet needs or the identification of opportunities for change. It is the act of being an entrepreneur who is seen as "one who undertakes innovations with finance and business acumen to transform innovations into economic goods. Hence, Entrepreneurs perceive "problems" as "opportunities", and then take action to identify the solutions to those problems and the customers who will pay to have those problems solved (Okafor, 2005). More so, entrepreneurial success is simply a function of the ability of an entrepreneur to see opportunities in the marketplace, initiate changes (or take advantage of change), and create value through solutions. Entrepreneurship development focuses more on progressive potential innovation.

Small Business Enterprises in Nigeria

Small-scale industry orientation is part and parcel of Nigeria. Evidence abounds in our respective communities of what successes our great grandparents made of their respective trading concerns, yam barns, iron smelting, farming, cottage industries, and the likes. So the secret behind the success of a self-reliant strategy does not lie in any particular political philosophy, so much as in the people's attitude to enterprise and in the way by which the right incentive is adequate to make risk worth taking are provided. Economic history is well stocked with enough insights into the humble beginnings of present-day grand corporations. Back home in Nigeria, the respective government policies accorded and gave priority to the country's small-scale enterprises. In 2001, the government intervention toward enhancement of the capacity of SMEs through direct policy gives an avenue to the establishment of more SMEs, promotion of technological development institutions, credit lending institutions, and the provisioning of infrastructures such as industrial estate, nationalization of foreign firms and provision of incentives and subsidies for the promotion of small business companies (Alawe, 2004). The establishment of anti-corruption bodies such as the Economic and Financial Crime Commission (EFCC) and Independent Corrupt Practices Commission (ICPC), investment in power generation, road maintenance, and construction, and enactment of pension funds were additional efforts geared towards improving the SMEs sector. (Onugu, 2005).

In both developed and developing countries, the traditional sector has served and continues to serve as the springboard for launching into a vibrant modern sector. Another economic role of the SMEs is their ability to mobilize financial resources, which would otherwise be idle or untapped by the formal financial sector (Iornem 2000). It is pertinent to highlight the contributions of SMEs to the economics of some countries and also that of Nigeria.

Concept of Microfinance Banks

According to CBN, microfinance is a tool used to create access for the economically active poor to financial services at a sustainably affordable price. Microfinance renders financial and non-Financial services to the poor who are traditionally not served by conventional financial institutions. Accessing financial services by the poor enables them to have control over factors of production, be more self-reliant, generate employment, enhance household income, and create wealth. There are certain features that make microfinance differ from other financial sectors these include: short loans advanced, no asset-based collateral, and simplicity of the operation. The Progress of microfinance institutions over the last few decades has shown that microfinance is a major stimulus for combating poverty. Therefore, microfinance as an approach to economic development should target small and medium business owners (Entrepreneurs) given its multiplier effect on production and marginal propensity to consume. Access to credit by this group of people accelerates their income and influences the economy of the nation.

Concept of Credit Facilities

According to Alshwahdi (2003), Credit is the confidence of the bank to its customer to give him a certain amount, to be used for a particular purpose for a certain period and payment is made under a specific condition, and provide a guarantee for the bank to recover the loan. Again, credit is a contractual agreement in which a borrower receives something of value now and agrees to repay the lender on a specific date in the future, generally, with an interest (Onwuka, 2014). Evidence from the literature shows that adequate credit aids entrepreneurship performance (Peter,2004; Kuzilwa,2005). Arising from the facts stated above, microcredit and its impact on the performance of entrepreneurs cannot be underestimated (Akande, 2012). Evidence from literature (Neumann, 2020: Duru, 2012) revealed the importance of finance toward entrepreneurship development as a driven mechanism for economic growth. The extent of which can be well explored by the stakeholders needs proper establishment.

Empirical Review

Alalade, Amusa, and Adekunle (2013) conducted research work on "Microfinance Bank as a Catalyst for entrepreneurship improvement in Nigeria from the perspective of entrepreneurs Ogun State" to assess the relationship and casualty between Microfinance bank operation and entrepreneurship development in Ogun State. The finding of the research also indicated that most entrepreneurs do not have access to loans and advances in Microfinance banks because of a lack of collateral. He stated further that the majority of small business owners rely on personal savings and financial assistance from families and friends to fund their businesses. The study advised the government to create avenues and awareness for entrepreneurs on how they could benefit from loans from Microfinance banks. Babajide (2012) examines the effect of Microfinancing on Micro and Small Enterprises Growth in Nigeria. The main objective of the study was to examine the effect of loan administration practices on small business growth criteria. The study used panel data and multiple regression analyses to interpret data. The survey was conducted on 502 randomly selected businesses financed by Microfinance banks. The research work found out that access to Microfinance does not affect the growth of SMEs in Nigeria. Akande and Yinus (2015) assessed Microfinance banks' impact on entrepreneurship development in Nigeria. A survey design was employed. Finding reveals that the effectiveness of Microfinance bank positively influences entrepreneurship development.

Perspective of Current study on Microfinance Banks Credit Administration and Entrepreneurship Development

Having looked at different literature on the related study, credit accessibility appears to have a significant influence on entrepreneurs' activities, which serve as facilitation toward entrepreneurship development. Based on the review, the most related study focused on the effect of microfinance on business performance and poverty reduction in Nigeria. Whereas this study set to make an expression of the perception of entrepreneurs (small business owners) toward microfinance credit administration and its effect on entrepreneurship development. The construct of this study is based on credit access and development theory, financial intermediation theory, and finance-led growth theory. Credit access and development theory were embraced because the financial institutions are willing to lend but could not control the actions of the borrowers, it will formulate the terms of loan contracts in a way to induce and attract low-risk borrowers. The adoption of financial intermediation theory is based on the fact that the basic reason for the existence of MFBs is to perform the role of financial intermediary between those that need the financial resources to grow their ventures and those who do not have an immediate need for their fund but rather safe it in the custody of MFB. More so finance-led growth theory was embraced on the fact that the activities of all financial institutions serve as a useful tool for increasing the productive capacity of the economy.

METHODOLOGY

The Sequential Transformative design method was employed. Primary data was gathered through the use of the questionnaire, and secondary data was gathered through the report of the selected microfinance bank in Oyo state, Nigeria. The population of the study comprises all aggregated registered entrepreneurs who are active micro and small business operators in Oyo State. These people had, at one time or the other, benefited from the loan facility and other business support services from the selected microfinance bank in Oyo state. Three (3) microfinance banks were selected purposefully across the regions using stratified random sampling. The purposeful choice of these three banks is a result of their active involvement in the disbursement of micro facilities to promote entrepreneurship. Samples of MFBs officials were drawn through the simple random sampling procedure from each stratum. A total of 165 questionnaires were administered to all the sampled respondents (15 officials and 150 beneficiaries). Data collected were analysed with the aid of descriptive analysis and inferential statistics. Descriptive analysis such as tabulations, charts, and mean rankings were used to summarize the determinant factors influencing ED and MFB credit administration variables such as Microfinance Bank Loan Disbursement (MLD), Accessibility of Microfinance Bank Loans (AMBL), Efficient Service Delivery (ESD), Awareness of Available Services (AAS), Moderate Interest Charge (MIC), and Collateral Security (CS). Inferential statistics like Pearson Product Moment Correlation (PPMC) were used to determine the relationship between MFB credit administration and ED, while Ordinary Least Square (OLS) regression was used to determine how MFB credit administration influenced ED at a 95% confidence level.

Result and Discussion

Analysis of Determinant Factors Influencing Entrepreneurship Development

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
MLD	150	1	5	4.21	.102	1.251
AMBL	150	1	5	3.75	.087	1.068
ESD	150	1	5	3.87	.113	1.389
AAS	150	1	5	3.67	.086	1.052
MIC	150	1	5	3.73	.112	1.369
CS	149	1	5	1.81	.090	1.095
Valid N (listwise)	149					

Source: Researcher's Compilation 2021

Microfinance Loan Disbursement
Respondents were required to indicate their level of agreement with the disbursement of Microfinance Loan on entrepreneurship development in Oyo State, Nigeria. The results show that the majority of the respondents agreed that microfinance loan disbursement had helped microenterprises venturing into business (4.21) to a great extent, as presented in table 1.

Accessibility of Microfinance Bank Loans
Result (Means of 3.75 and standard deviations of between 1.068) revealed that the majority of the respondents agreed that they have easy access to Microfinance bank loans. The study findings, therefore, revealed that the majority of the respondents agreed that they have easy access to Microfinance bank loans.

Efficient Service Delivery

Respondents were required to indicate their level of agreement with the efficiency of various Microfinance Service Delivery towards entrepreneurship development in Oyo State. Means of 3.87 and standard deviations of between 1.389 were registered. The study findings, therefore, revealed that the majority of the respondents are satisfied with the services that microfinance banks provided to entrepreneurs. Equally, the research findings revealed that the majority of the respondents believed that microfinance service delivery had helped entrepreneurs with appropriate remedies for transaction problems.

Awareness of Available Services

Respondents were required to indicate their level of agreement with the awareness of available services of microfinance by entrepreneurs in Oyo State. Means of 3.67 and standard deviations of 1.052 were registered. The study findings, therefore, revealed that the majority of the respondents agreed that entrepreneurs are aware of the available services of microfinance banks, which had helped entrepreneurs to have access to different types of services.

Moderate Interest Charge

Respondents were required to indicate their level of agreement with interest charges by microfinance banks on loans and other services rendered to entrepreneurs. Means of 3.73 and standard deviations of between 1.369 were registered. The study findings, therefore, revealed that the majority of the respondents agreed that moderate interest charged by microfinance banks had provided entrepreneurs with the opportunity to borrow loans. The findings are as presented in row 5 Table 1.

Collateral Security

Respondents were required to indicate their level of agreement as to whether the Collateral Security requirements of MFB to secure loans are achievable by entrepreneurs. Findings revealed that the majority of the respondents disagreed that collateral demanded by microfinance banks had helped entrepreneurs to have access to capital for the expansion of their businesses.

From the above descriptive statistics, it is revealed that all identified influencing variables such as MLD, AMBL, ESD, AAS, MIC, and CS have a mean of 4.21, 3.75, 3.87, 3.67, 3.78, and 1.81, respectively. Hence, we accept the alternative hypothesis that there is a significant difference in the determinant factors of MFB credit administration on entrepreneurship development.

Analysis of Correlation between Microfinance Bank Credit Administration and Entrepreneurship Development

Table 2: Correlation Analysis

		ED	MLD	AMBL	ESD	AAS	MIC	CS
ED	Pearson Correlation	1	.856**	.867**	.835**	.844**	.885**	.661**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	150	150	150	150	150	150	149
MLD	Pearson Correlation	.856**	1	.899**	.924**	.895**	.919**	.468**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	150	150	150	150	150	150	149
AMBL	Pearson Correlation	.867**	.899**	1	.869**	.961**	.910**	.594**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	150	150	150	150	150	150	149

ESD	Pearson Correlation	.835**	.924**	.869**	1	.884**	.941**	.608**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	150	150	150	150	150	150	149
AAS	Pearson Correlation	.844**	.895**	.961**	.884**	1	.917**	.601**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	150	150	150	150	150	150	149
MIC	Pearson Correlation	.885**	.919**	.910**	.941**	.917**	1	.644**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	150	150	150	150	150	150	149
CS	Pearson Correlation	.661**	.468**	.594**	.608**	.601**	.644**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	149	149	149	149	149	149	149

**. Correlation is significant at the 0.01 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher's Compilation 2021

The results from Table 2 show the absolute value of the Pearson correlation, which indicates the strength with the absolute value showing the weakness or stronger relationship or strength of the variables. However, the absolute value of the correlation between Entrepreneurship Development (ED) and Microfinance Banks Loan Disbursement (MLD) is 0.856, with a significant value of 0.000 which indicates that the two variables are positively and significantly correlated. The findings reveal there is a significant relationship between microfinance bank loan disbursement and entrepreneurship development in Oyo State. Also, the result showed a positive correlation between Entrepreneurship Development (ED) and Accessibility of Microfinance Banks Loans (AMBL) with an absolute value of 0.867 and a significant value of 0.000 respectively. This is an indication of a positive significant relationship between entrepreneurship development and microfinance banks' loan accessibility. Efficient service delivery (ESD) by microfinance banks, Awareness of Available Services (AAS), Moderate Interest Charge (MIC), and Collateral Security(CS) also have a positive significant correlation with entrepreneurship development with an absolute value of 0.835, 0.844, 0.885, 0.661 and 0.000 significant value respectively. Therefore, there is a significant relationship between microfinance bank credit administration and entrepreneurship development in Oyo State.

Assessment of Microfinance Bank Credit Administration Influence on Entrepreneurship Development

Table 3: Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.924[a]	.853	.846	.338

a. Predictors: (Constant), MLD, AMBL, ESD, AAS, MIC, CS

Source: Researcher's Computation 2021

Table 3a: Regression ANOVA

Model	Sum of Square	Df	Mean Square	F	Sig.
Regression	93.371	7	13.339	116.877	000[a]
Residual	16.092	141	114		
Total	109.463	148			

Source: Researcher's Compilation 2021

Table 3b: Coefficients of Regression Analysis						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.839	.117		15.718	.000
	MLD	.473	.100	.587	4.737	.000
	AMBL	.392	.076	.649	5.169	.000
	ESD	-.051	.071	-.082	-.718	.474
	AAS	-.068	.109	-.083	-.628	.531
	MIC	.054	.106	.086	.508	.612
	CS	-.099	.055	-.125	-1.805	.073
a. Dependent Variable: ED						

Source: Researcher's Compilation 2021

Furthermore, based on an analysis conducted to examine how the MFB Credit Administration influences entrepreneurship development, the model constant gives a positive value of 1.839 as the value for the intercept of the model is significant at 1% and 5% levels as the prob. value is 0.00. Furthermore, the coefficients of Microfinance Banks Loan Disbursement (MLD), Accessibility of Microfinance Bank Loan (AMBL) and Moderate Interest Charged (MIC) by microfinance banks are 0.587, 0.649, and 0.086 respectively, as presented in Table 3b. This implies that MLD, AMBL, and MIC have a positive effect on entrepreneurship development in Oyo State. They are also statistically significant at 5% level as their probability values (0.00) are less than 0.05 except for MIC which has probability values of 0.612.

Due to the overall results, all formulated null hypotheses are hereby rejected and the alternative hypothesis is accepted that there is a significant relationship between MFB credit administration and entrepreneurship development and MFB credit administration variables like (MLD, AMBL, and MIC), positively influence entrepreneurship development

DISCUSSION OF FINDINGS

The result of the analysis revealed that specific factors of credit administration in microfinance, such as accessibility to microfinance bank loans and moderate interest charges, positively influenced entrepreneurial development. The result agreed with the findings of Nahamya, Ajanga, Omeke, Nabinyama, and Tumwine (2013) conducted in Uganda, which stated that microfinance institutions had a significant impact in linking SMEs and poor people to sources of credit and contributed to their growth. Findings from the study reveal that there is a significant relationship between MFB credit administration variables like Microfinance Loan Disbursement (MFBLD), Accessibility of Microfinance Banks' Loans (AMFBL), Efficient Service Delivery (ESD) by microfinance banks, awareness of available services (AAS), Moderate Interest Charge (MIC), Collateral Security (CS), and Entrepreneurship Development.

The result is corroborated by the work of Sule (2018), which revealed that there exists a relationship between MFB and small and medium-scale enterprises and that, with a favourable relationship between them, there will be tremendous development. The analysis revealed that MFB credit administration variables, such as microfinance loan disbursement and accessibility to microfinance bank loans, are significantly related to entrepreneurship development and positively influence it. This finding is consistent with the findings of Imoisi (2014), Boateng, Boateng, and Bampoe (2015), and Neumann (2020) on the determinants of entrepreneurial development and their impact on a nation's economic growth. This study contributes to the body of knowledge through the formation of the basis for further research in the areas of microcredit delivery and entrepreneurship development in Nigeria and other developing nations. It will also serve as a basis for appreciating the challenges entrepreneurs face in gaining access to the facility to reduce the bottlenecks.

CONCLUSION AND RECOMMENDATIONS

Based on the results of the tested hypotheses, the study concluded that there is a correlation between MFBs' credit administration and entrepreneurial development. It was further established that MFB credit administration variables, such as microfinance loan disbursement and accessibility to microfinance bank loans, are significantly related to entrepreneurship development and positively influence it. Given the above finding, the following recommendation is made:

i. Microfinance banks should reduce the stringent conditions attached to collateral security.

ii. Microfinance banks should carry out continuous awareness programs on all services available through the MFBs, as we believe this will significantly reduce the scepticism of entrepreneurs towards the patronage of MFB services.

The implication of the Study

i. It is expected to form a basis for policy formation toward promoting entrepreneurship development.

ii. It will also serve as a guide and provide insight for future research work on the related field for academics and policy makers who are willing to improve on it

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How can a government promote FDI?

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ABSTRACT

Foreign Direct Investment plays a crucial role in the overall economic development and growth of any country. FDIs hold great importance in the integration of world economies. FDI helps the economies in modernization by implementing advanced technologies, know-how, etc. The purpose of the paper is to identify how the government promotes its FDI. The paper highlights the policies of the host country to attract foreign investors to invest in their country and also the benefits of the foreign investments to the host country.

Keywords: *FDI, IPA, PR, ROI*

INTRODUCTION

For developing countries like India, FDI is very important for accelerating economic development, employment and innovation. Today, FDI is considered as an important factor for accelerating the growth of any country. It is believed that greater FDI brings greater benefits to the host country, so attracting FDI has become increasingly important. For countries like India, which is at a developing stage and wants to enter the world economy but has finite resources, FDI is a way to achieve the objective. But for that, it is important to understand FDI in its true sense and formulate policies to attract foreign investments.

Meaning of FDI: foreign direct investment is the kind of cross-border investment in which a party from one country makes an investment in another country with an intention of earning a lasting interest. FDI can be done with an interest in expanding one's business into a foreign country. FDI is an important medium by which countries can transfer their technologies. FDI is an important tool for the development of any nation.

Meaning of investment: investment may be defined as any kind of asset or money that is invested for some long period of time to earn an adequate amount of return on it. Investment is always done with the intention to make a profit from it.

Meaning of investment promotion: it is generally done by the government agencies whose main aim is to attract investors from outside the country. Both domestic as well as foreign country is targeted by investment promotion. Investment promotion helps in increasing productivity, innovation and wages in the country.

Meaning of investment strategies: this is the set of roles, procedures, behavior that is mainly designed to guide investors in designing their investment portfolio. Investment strategies guide investors' decisions based on their objectives and risk profile. It helps investors, as per their expected return, to choose where and how to invest.

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OBJECTIVES

The purpose of the study is to:

- Identify the policies implemented by the countries to attract FDI
- Highlight the benefits of attracting FDI to the host country
- Understand FDI in Marketing and Banking
- Understand the FDI marketing plan
- Analyze creating an FDI brand

RESEARCH METHODOLOGY

The paper analyzes the secondary data from different sources, like research papers, books, journals and articles.

How does investment promotion work?

Investment promotion means basically those efforts which are undertaken by the national or regional government which offer various benefits like incremental wealth and employment. The main aim of investment promotion is to generate private sector investment as its priority. There must be a relationship between the host country's government and its IPA and it also includes a number of variables. The IPA of any country should not be so close as to be part of the country's civil services. By this, it dilutes the possibility of dealing effectively with investors by having a sufficient business focus. It is very important that an IPA must exercise a degree of autonomy in order to take fast decisions that will be supported by the government.

The most important factors to attract FDI and determining an IPA's success are:

- Political visibility with direct links to the highest government officials in terms of IPA
- Good investment climate of the host country
- Private sectors participation who supervises the agencies in the board
- The proactivity's degree in targeted markets

The Importance of making a focus on strong business

- The factors attracting FDI into the host country
- Size of Market
- Resources requirement (natural resources and personnel)
- Infrastructure (transportation, building and communication network)
- Political stability
- Stable and transparent policy towards FDI
- Fiscal and monetary incentives (tax concessions)
- Creating and FDI investment promotion strategies

To make an FDI, it demands a clear investment strategy. Investment strategies are those sets of rules and procedures which are created to guide the investment in designing their investment portfolio. To promote any kind of investment, requires a variety of skills like international marketing, banking, investor targeting market, investment generating, investment management and investment appraisal ideas. To promote any kind of investment, the key actions must be undertaken to achieve success are listed below.

- Creating investment promotion strategies
- Marketing and branding
- Investor targeting position
- Facilitation of investment
- Investment generating
- Investment management and appraisal ideas

It is very important to create realistic and flexible promotion strategies for an IPA. An investment promotion strategy should address the key questions.

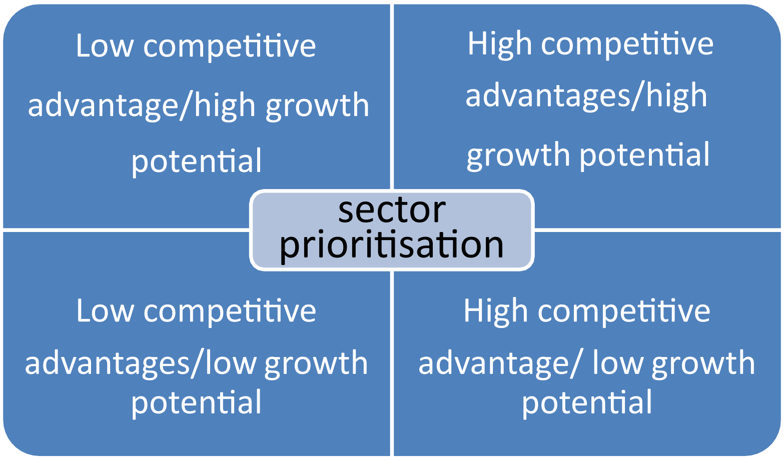
Which sector should be most prioritised?

Which geographical markets should be most prioritised?

Prioritisation of the sector: It includes main factors like competitive advantage and growth potential. The country must first focus on those sectors in which it has a competitive advantage in terms of expertise, existing resources or skills or other elements of investment which attract more potential investors.

The key factor is top-prioritised sectors which offer a significant potential for growth

Sector prioritisation matrix



Competitive advantages

Market prioritization: the factors must be considered by the host country in the prioritization of the marketer:

- Market offers a significant opportunity within the given sector.
- Physical proximity to the host country
- Concentration of potential investors in the priorities sector
- Language and cultural compatibility
- Ability to effectively target within the given budget

FDI marketing and branding: In it, we will discuss about the key element in markets, for example, the product place and price and the very first step the IPA must consider in gathering information on how potential investors perceive it as a location for investment in regional markets and global markets.

Marketing the product: many IPAs tend to view marketing principally in terms of activity promotional. But this initial focus should be always on the investment product. This varies from sector to sector and from project to project but hugely depends on specific investor needs. The investment product often determines the factors like flow, speed and quality of the internal and external investment.

The key product elements are discussed below;

- Risk
- Labour market
- Operating cost
- Infrastructure
- Political factors
- Business environment
- Taxation
- Investment incentives

Marketing place: This includes the geographical market and prioritized the market factors like the markets offering a significant opportunity within this given sector and this is the market in which IPA can realistically target given its likely resources.

Marketing price: these include the cost of various factors such as tax incentives and operating costs. This is the most important focus of the FDI investors because from this only investors can determine the ROI for the investment.

FDI marketing plan: It is very essential that an IPA develops a marketing plan to measure the promotional activity. There are basically two tools that will be used for promotional activity. These are direct marketing tools and indirect marketing tools, which are discussed below.

Direct marketing tools: As its name suggests, these are those tools which are sent directly to the investors, rather than distributed to a market .these tools can be widely used to build awareness and to provide specific information to investors. Some examples of direct marketing tools are as follows.

Newsletter: A regular newspaper can keep investors informed about the profile of the IPA's country and its developments.

Sector studies: The main purpose of sector study is to provide detailed information to potential investors about their location differentiate from competitors.

Fact sheets: It is generally the 2-4 pages sheets which cover the essential pieces of information related to the interest of the investor. It highlights those areas where the competitive advantage may exist.

Brochures are essential and effective promotional tools which contain the important information related to investors.

Market wild tools: These includes;

Advertising: This is the most expensive marketing tool so it must be clearly decided that which publication should be used and which audience should be target advertisement should focus on business media targeting sector and trade media. Advertisement target those audiences which are most important in the initial stages of attracting an investment project.

Seminar conference business events and exhibition: to communicate the IPA marketing messaging and to target specific investors or groups of investors these tools are used. These events must be focused and planned. Public and media relation: sometimes the investors have a negative perception and low level of awareness about the IPA's country so to address them properly and effective PR strategies must be used.

An IPA must develop a plan related to marketing communication so that it can properly coordinate all marketing methods of its target markets and to make ensure that all elements will work together, with each other and are consistent.

Creating an FDI brand: the most important concept of marketing in FDI is to make an investment brand which is not marked as optional. The main objective of branding is to communicate about its uniqueness and benefits to the potential investors. There must be a brand for all investment projects even it if is not engaged in branding activity. The branding is most important tool by which the customers can see the products.to maintain the country brand name requires a constant input resources. The procedure of branding must be conducted under the supervision of an experienced branding consultant.

CONCLUSION:

FDI helps the country to bring economic development with the help of, FDI a country can raise its standard of living the government of every country try to attract more FDI in their nation. A country's investment climate is an important determinant which attracts more FDIs. Investment promotion strategies help the investor to find a suitable country where they can invest effectively. The government does all the efforts of investment promotion. The government provides fiscal and monetary incentives like tax concessions to attract more investors. FDI also helps to create more job opportunities in a nation. Government follows a policy of encouraging investment through FDI which will be allowed in a sector that helps create jobs and assets. Government creates a policy environment which is predictable, transparent and flexible. The government also encourages the domestic industry to innovate and collaborate internationally.

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Use of Social Media as a Marketing Tool

Tushar Jain *
Hayri Uygun**
Rashmi Gujrati***

ABSTRACT

Online marketing refers to promoting or we can say creating awareness about a particular brand with a group of devices connected to each other over a network. Some examples of social media platforms where online branding can be performed are LinkedIn, Facebook, and YouTube, etc.

On the other hand, offline marketing is mostly done through meeting people face-to-face or in-person to give him/her knowledge about the brand. It can also be done through advertisements in newspapers, magazines, telephone, etc. Basically, it can also be termed as a traditional method of marketing.

This paper begins with an explanation of the term social media marketing, accompanied by its power values and features. Also tells how this online marketing is different from traditional marketing and its impact on customers.

KEYWORDS: *Social media, online and traditional branding, impact on consumers*

INTRODUCTION

In this digital era, where the world is guided by technology, social networking sites have become an avenue where retailers/sellers can expand the reach of their brand to a wider range of customers. The technique of reaching potential market/customer has changed so much with the introduction of social media platforms; therefore, business firms must acquire the knowledge for using social media platforms in such a way that is consistent with their business plans. These social media platforms are very economic and save the cost of operation, are easy to handle and bring great benefit to those having consistent business plans. Primarily these social media platforms, with respect to marketing, were considered all about sharing content and publishing about a product on digital media to captivate as many customers as it can. But in today's scenario, it is much more than that.

This literature review looks into the existing gap within social media research and also tells why future studies are needed to explore the benefits added by promoting and marketing products on social media platforms, especially for small businesses.

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OBJECTIVE

The main objective of this paper is to know about social media platforms as a marketing tool. The supportive objectives are the following:

- To know about various social media platforms
- To know the basic difference between online and traditional marketing
- To know the impact of social media marketing on consumers

RESEARCH METHODOLOGY

The study has been done on secondary and primary data. The Primary data was procured through questionnaire, interview and the secondary one was taken from journal, magazine, newspaper and books.

Hypothesis: Null
HO: Social media is a bad tool for marketing and creates a negative image of the brand
HA: Social media is a good tool for marketing and creates a positive image of the brand

LITERATURE REVIEW:

Defining Social Media

Haenlein and Kaplan (2010) stated social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of user-generated content." They said that web 2.0 is a stage where all the operators alter the information in association with each other. Faulds and Mangold (2009) described social media as the set of online word-of-mouth forums which includes discussion boards, forums, and blogs to name a few.

Social media is an electronic or we can say internet-based platform which facilitates one to share his/her thoughts, ideas, and innovations etc. with the virtual community. Examples of social media include facebook, LinkedIn, WhatsApp and many more. These social media platforms can be accessed through computer, mobile, or tablet via web-based software or application. These social media platforms have a wide reach and can be used as a good source to spread awareness about a brand that too in less time and with a small amount of money.

The Power and Value of Social Networks

Networks are a collection of devices, network servers connected to each other over any network, say the internet, to share any kind of data. Or we can say that networks are relationships built between two or more devices. Therefore, a social media platform is required for the interaction between an online marketer and the customers and to build a relationship on B2C [business to consumer] level. Business firms go online to cut existing costs, increase sales, reach as many people as they can to build brand image and for various other reasons. Whatever the reason being, the role and value of networks is primarily important to be captured.

Following are the 3 value-governance laws that are applicable to social networking and communities. It is important to have enormous complex 26 patterns on a relationship is drawn by these laws. Originally, Metcalfe's law and Sarnoff's law weren't made by the inventors, particularly for the social media networks, but they have been given equal importance like others due to their appearance they bear with the social media networking structure.

Sarnoff’s Law

Sarnoff's law was invented to relate the worth of any radio station to the number of listeners. From Sarnoff's point of view, the worth of the radio network is directly proportional to the number of its listeners. As the number of listeners increases, the worth of the radio network will also increase. So a radio network with 1000 members will be considered 100 times more worthy when compared to a radio network having only 100 members. In context with the social network, this law equally implies that a brand's effect depends on how many members are associated with a brand through social networking. The more people connected, the more the effect. Following is the proof of how Sarnoff's law applies to a network of individuals.

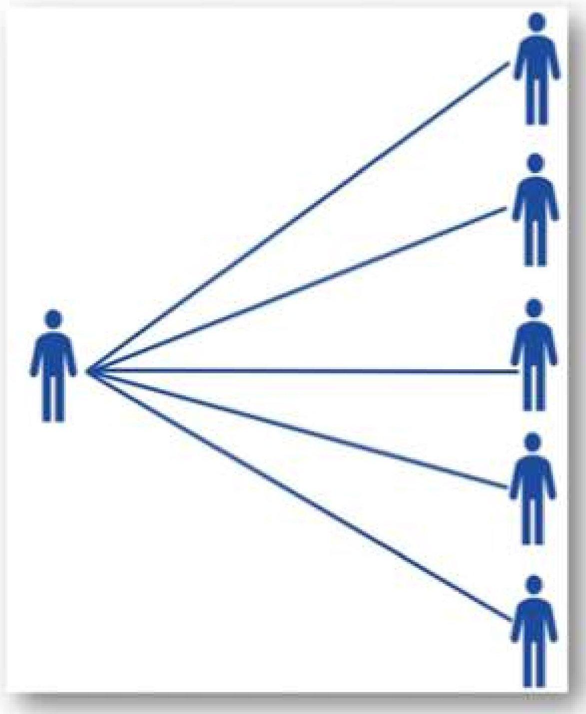

Figure 1: **Sarnoff's Law** (Source- socialmediaonline.com)

Metcalfe's Law

Metcalfe's law states that higher the number of users of the service, the more trustworthy the service becomes. If we talk in context with the social network, then this law may denote that a user's profile becomes more valuable with every newly added member on the social networking site in terms of the law. People feel connected towards the things from which they get any kind of value and the things they love; they talk about the things they enjoy to their colleagues and friends. Sharing expands the further connectivity with others and thus it can be done on social networks too and hence the chain of connectivity can be increased further. The following picture represents this law; the expanded chain of connectivity impacts how far is the reach of the message.

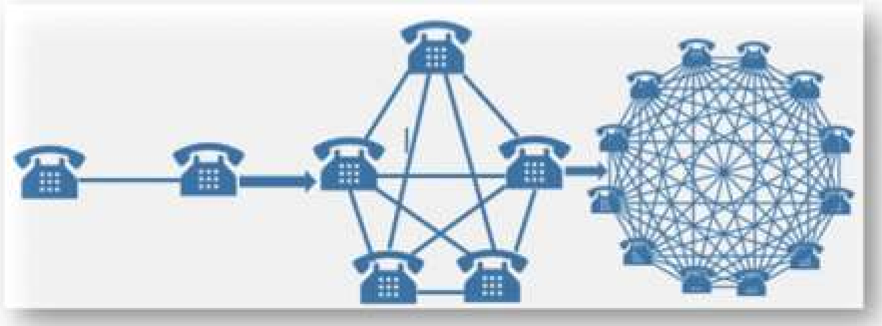

Figure 2: Metcalfe's Law (Source- mshare.net)

Reed's Law

Reed's law states that with the size of the network, the function of a large network can increase. Reed's law relates to the currently used social networks. The law emphasises the impact on network value by supporting all kinds of members of the group. In a perfectly connected network, communication flow and strong subgroups are formed that focus on suitable or, we can say, relevant information within the networks. The supporting groups of the members can be built by creating opportunities for each person added to the network to be in a position to connect with each other. New connections are expanded when a new person is added and thus more subgroups are formed. Following is the picture representing this law:

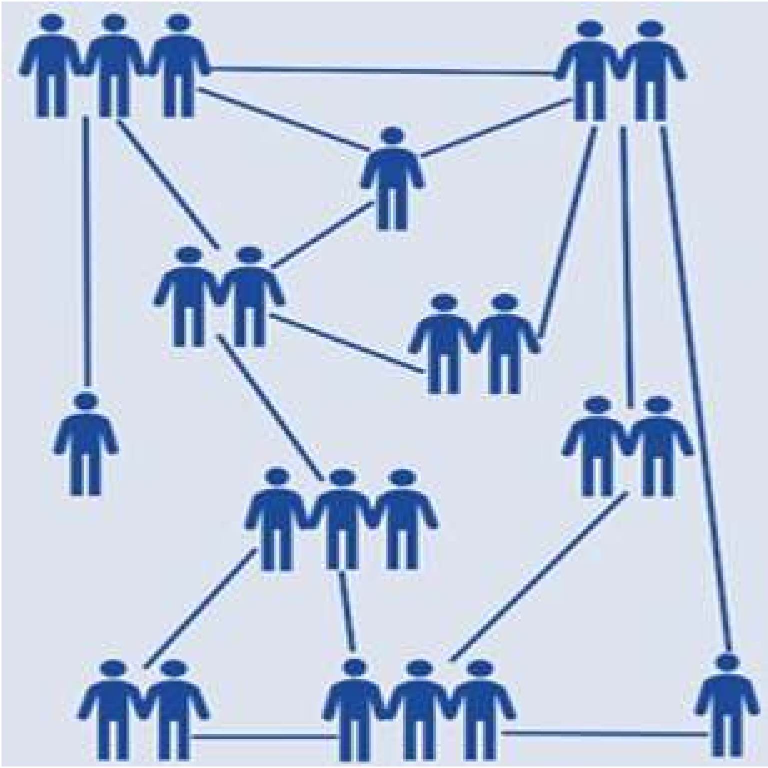

Figure 3: Reed's Law (Source-socialmediaonline.com)

Online Versus Offline Marketing

Online marketing refers to promoting, or we can say creating awareness about, a particular brand with a group of devices connected to each other over a network. Social media platforms, such as Facebook, LinkedIn, YouTube, emails, etc. are some examples where online branding can be performed.

On the other hand, offline marketing is mostly done through meeting people face-to-face or in person to give him/her knowledge about the brand. It can also be done through advertisements in newspapers, magazines, telephone, etc. Basically, it can also be termed as a traditional method of marketing.

Though offline marketing has a more personal approach and higher credibility as people are able to see physical aspects of your business, but at the same time one can promote a brand to only a limited number of people at a time. Also, it is a very expensive source of marketing and requires a lot of labour to perform marketing functions.

Online marketing, on the other hand, can reach the masses through social media networks or over any other networks very easily to promote a brand. It is a very cheap source of marketing as compared to offline marketing and requires very little labour to manage online marketing. Also, it not only focuses on reaching new customers, but existing customers can also communicate through online platforms.

The Rise of Social MediA

Today, most of the companies want to operate from social media as a survey suggests that around 70% of the population spend their time on social media platforms. The company's promotion and marketing trend has now shifted to platforms like YouTube, Emails, Facebook etc. Nowadays, companies use social media to give knowledge about upcoming products, interact with customers, market and sell products, etc. Hence, it can be said that if a company isn't using social media platforms, then it is already operating 10 years behind from the current world.

Strategies on Social Media Marketing

Business firms should include online marketing as a part of their functions and set their business goals high in order to be successful. In social media marketing, trust is very important in any kind of communication on social media and to earn that trust, business firms are required to have transparency and authenticity in their communication. Social media marketers are needed to do hard work in order to establish credibility in the social media space. Innovative strategies are required to be introduced and implemented so that a firm can add to its business value and also those strategies should help in retaining customers.

To perform social media marketing and promote a product/brand on social media platforms, a business firm needs to work strategically. It is required to design strategies to perform social media marketing. Selecting the best suitable social media platform for marketing among various options available [Facebook, LinkedIn, YouTube etc.], and appointing people who have good knowledge of handling social media and can handle the firm's social media accounts effectively and efficiently are some strategies which a business needs to focus on. Handling social media strategically can help a business firm in marketing and reach the masses easily.

Impact of Social Media Marketing on Consumers

Customers have to deal with the end numbers of decision-making every day to cope with information overload. They, therefore, have adopted certain patterns which are nothing else but an easy way of making decision to cope with this information overload. When a consumer makes a decision to buy a product or service, that process includes several steps to make a decision of purchasing a product.

A business firm while performing social media marketing should keep in mind that how it will impact the consumer behaviour. Social media platforms advertise thousands of advertisements which create an overload in the minds of the consumers. Thus, a firm needs to advertise or use social media platforms for marketing in such a way that it becomes easy for a consumer to identify his/her preferable product advertisement. A consumer minds react according to what it sees. It is therefore required that companies advertise on social media platforms in such a way that it gives all the necessary information about the product a consumer should know so that it can attract potential consumers and can create a positive impact about the product.

CONCLUSION

This research concludes that to reach the masses or we can say to spread awareness about the brand to the masses, business firms need to be creative as much as they can while engaging customers on social media platforms. Business firms should not see social media platforms as a means for advertising only because they offer much more than that. They need to find innovative ways to use these platforms.

Unlike traditional means like newspapers, magazines etc., which provide only a one-way communication with customers and involve huge costs and time, social media platforms provide two-way communication with customers and that too in less time and money. Customers can directly communicate with business firms. Social media platforms provide all the necessary information to both business firms and customers. To customers, it transparently provides all the information about the product and to business firms. These platforms provide data about the taste and preferences of the customers so that firms can know their target customers easily. Social media platforms (like Facebook, and Instagram) are far better than any other platforms of advertising as if they store all the information of their users, which facilitates a retailer to target a specific market. Social media platforms are very good platforms for retailers to gain experience and also retailers can make use of data of users available on social media platforms to make the experience of the user better with their brand.

Social media platforms need to be used strategically by business firms for marketing. Business firms should choose the social media platform strategically among various options available and hire people who can handle the company's account on social media effectively and efficiently. Customers no more show interest in receiving marketing messages, instead, they directly give their opinion, both negative and positive, on social media platforms like Facebook, YouTube, LinkedIn, etc. These reviews should be considered by the business firms and work on it to achieve the trust of customers and built a good image of the brand.

Most of the studies examine social media as a tool for marketing in terms of suggesting for how to do business on these social media platforms, how to deal with customers and their responses. It is important that further research addresses which strategies work. Previous research does not clearly state whether this type of marketing which is done on social media platforms is valuable to business firms in terms of return on investment.

Moreover, research related to small retailers is limited. Whether they are able to utilize it properly or not? Will using social media as a tool for marketing will increase their sales, and customer reach? Social media platforms open up a whole new world for small retailers as it provides the infinite potential to interact with customers, which is the main reason that there is a need to increase the studies examining the impact of using these social media as a tool for marketing on small retailers.

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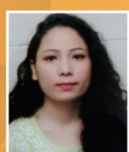

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From a humble beginning in 1996 with three courses, as Institute of Foreign Trade and Management, the Universityhas now blossomed into a multi-disciplinary centre for learning that offers quality education in more than 70 programs of Diploma, Undergraduate, Postgraduate and Doctoral level in Engineering, Business Management, Commerce, Hotel Management, Travel & Tourism Management, Pharmacy, Biotechnology, Microbiology, Arts, Sciences, Law, Education, Journalism and Mass Communication, Social Science, Computer Application, etc.

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