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Monetary reform in india-comman targets of reform

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Monetary reform is any movement or theory that proposes a system of supplying money and financing an economy that is different from the current system. Monetary reformers can advocate one of the following, among other proposals:

- Return to the gold standard (or silver standard or bimetallism).
- Elimination of central bank support from the banking system during the crisis period and / or enforcement of a full reserve banking for privately owned banking systems to eliminate the possibility of bank runs, possibly combined with state money issued and controlled by the government or central bank under the direction of the government. [8] There is a related debate within the Austrian School whether free banking or full reserve banking must be advocated but apart from Austrian School economists such as Murray Rothbard supporting ending the central bank bailout ("ending the Fed").
- Issuance of interest-free credit by a government-controlled and fully owned central bank. Loans without interest but can be paid back can be used for public infrastructure and productive private investment. This proposal seeks to avoid debt free money which causes inflation.
- Issuance of social credit - "debt free" or "pure" money issued directly from the Ministry of Finance - rather than fresh sources of money from the central bank in the form of interest-bearing bonds. This direct cash payment will be made to "replenish" or compensate people for the net losses that some monetary reformers believe they suffer in a fractional reserve-based monetary system.

Reserve Requirements

Fractional reserve banking

Banks usually provide loans to customers by crediting new demand deposits to the customer's account. This practice, known as fractional reserve banking, allows the total supply of credit to exceed the bank's liquid legal reserves. This excess amount is expressed as a "reserve ratio" and is limited by government regulators not to exceed the level they consider adequate to ensure the ability of banks to meet their payment obligations. Under this system, which is currently practiced throughout the world, the money supply varies with the amount of legal reserves and the number of bank loans issued.

Some of the main historical examples of financial regulation reforms occurred in the 20th century relating to fractional reserve banking, which were made in response to the Great Depression and many banks experienced setbacks after the fall of 1929. These reforms included the creation of deposit insurance (such as the Federal Deposit Insurance Corporation) to mitigate the danger of bank runs. Countries have also implemented legal reserve requirements that impose minimum reserve requirements on banks. Mainstream economists believe that this monetary reform has made sudden disruptions in the banking system less frequent.

However, some critics of fractional reserve banking argue that this practice inherently artificially lowers real interest rates and leads to a business cycle that is augmented by excessive capital investment and subsequent contractions. A small number of critics, such as Michael Row

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Botham, equate the practice of counterfeiting, because banks are given legal rights to issue new loans while charging interest on the money created. Row Botham argues that this concentrates wealth in the banking sector with a variety of damaging effects

Creation of money by the central bank

Some critics discuss the fact that the government pays interest for the use of money that the central bank creates "out of nothing". These critics claim that this system causes economic activity to depend on the actions of private banks, which are motivated by private interests. rather than with explicit social goals or obligations.

International organizations and developing countries

Some monetary reformers criticize existing global financial institutions such as the World Bank, International Monetary Fund, International Settlement Bank and their policies regarding the supply of money, banks and debt in developing countries, because they consider these writers to "force" an overly indebted debt regime large or unpaid to a weak Third World government that does not have the capacity to pay interest on these loans without greatly affecting the welfare or even survival of the local population. Efforts by weak Third World governments to service foreign debt by selling valuable hard and soft commodities on world markets are seen by some as damaging local culture, destroying local communities and them.
living environment.

Arguments for reform

Proponents of monetary reform find the current system of money creation unfair. The most common arguments for the transition to full reserve or sovereign money banking are listed below:

• Money is created when a loan is made and this money is lost when the loan is repaid. Central banks cannot control the money supply when private banks create credit money. Credit money can be converted into money reserves in various ways so that there are no practical limits to the amount of credit money that can be made by private banks. This increases the risk of economic crisis, unemployment and bank bailouts.

• Less than 6% of the money circulating in the world are coins and paper money, the rest comes from bank loans, with interest. This interest allows banks to get rents from the fact that the money exists. The reformers did not consider it fair if the whole community paid rent to banks just because they had money to circulate.

• The total amount of public and private debt in the world is now between two and three times the amount of money in circulation. This is the result of accumulated compound interest from credit money. This opposite fact makes it almost impossible to pay all debts. The mathematical consequence is that someone must go bankrupt even if they did not make a mistake. It seems unfair that someone will be poor as a result of the money system rather than because of their own careless behavior.

• It is not only individuals and businesses that go bankrupt as a result of the fact that there is more debt than money in circulation. Many states have gone bankrupt and several states have done so many times. The debt problem is very severe for developing countries that have foreign currency debt. The International Monetary Fund and the World Bank have promoted loans to developing countries that are rich in resources for the stated purpose of promoting economic growth in these countries, but these loans are in foreign currencies and most of the money is used to pay transnational entrepreneurs without ever enter the local economy. These countries have been forced to sell national assets to pay debts. Also a number of countries in the European Union

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are affected when most of the money circulating in these countries comes from banks in other member countries. The soaring and unpaid national debt has caused social chaos and even war in some cases.

• The main part of all new credit money made is spent on changing ownership of existing assets rather than creating new assets. This process inflates the price of assets, including real estate, factories, land and intellectual rights. This makes life unnecessary expensive for everyone. This contributes to increasing inequality and it makes the economy unstable because of the creation of asset bubbles.

• Debts that increase exponentially in the community can only be served as long as the rate of economic growth exceeds the interest rate. This creates the necessity for sustainable production and consumption growth. This leads to excessive consumption and over-exploitation of resources. Technological advances in labor-saving technology do not give us as much free time as we expected, because of the growth in consumption that is needed.

• Unpaid debts cause bankruptcy of homeowners and foreclosure of their homes. This allows banks to replace their virtual assets in the form of money made 'out of nothing' with physical assets in the form of real estate. In 1968, a court in Minnesota ruled that this practice was unconstitutional because the process used by banks to make money from nothing was fraudulent (see First National Bank of Montgomery v. Daly). Judge Martin Mahoney who made this decision later died of poisoning and sank under mysterious circumstances.

Arguments against reform

While proponents of monetary reform have produced many books, reports and policy documents that are full of documentation, those who prefer to preserve the current banking system mostly meet with criticism of the generation of money as credit quietly. Opponents of the reforms have voiced their arguments especially in a number of cases where this issue has been raised in parliamentary debates. In Switzerland, this issue has become the subject of a public referendum. (See Wikipedia article on Swiss state money initiatives for details). The main arguments for maintaining the current money creation system based on fractional credit or banking reserves are listed below:

• Switching to an untested banking system that is different from other countries' systems will lead to extreme uncertainty situations.

• A reform will make it difficult for the central bank to implement monetary policies that guarantee price stability.

• The creation of money free from debt will make it difficult for the central bank to reduce the money supply.

• The central bank is likely to experience political pressure to make more money for any purpose high on the political agenda. Giving in to such pressure will cause inflation.

• The financial sector will weaken due to reduced profits.

• Reforms will not offer full protection against financial crises abroad.

• Reform will lead to an unhealthy concentration of power in the central bank. Critics doubt that the central bank can determine the amount of money needed better than what a private bank can do.

• The central bank may have to give credit to commercial banks and accept the accompanying risks.

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• The sovereign money system will stimulate the creation of shadow banking and alternative payment methods.

• In a traditional banking system, the central bank controls the interest rate while the money supply is determined by the market. In the state money system, the central bank controls the money supply while the market controls the interest rate. In the traditional system, the need for investment determines the amount of credit issued. In the state money system, the amount of savings determines investment. This change in influence will produce a new system and is different from its own dynamics and possible instability. Interest rates can fluctuate and liquidity. It is uncertain that the market will find a balance where liquidity is sufficient for real economic needs and full employment.

International monetary reform

Theorists like Robert Mundell (and more radical thinkers like James Robertson) see the role of global monetary reform as part of a global institutional system with the United Nations to provide global ecological management and move towards world peace, with Robert Mundell in particular advocating the reuse of gold as a factor stabilizer in the international financial system. Henry Liu of Asia Times Online believes that monetary reform is an important part of the movement towards a post-autistic economy.

While some mainstream economists support monetary reforms to reduce inflation and currency risk and to increase efficiency in the allocation of financial capital, the idea of comprehensive reforms for green or peace goals is usually supported by those on the left wing of the subject and those related to the anti-globalization movement .

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NEW INDIA AGRICULTURAL PRICING POLICY AND ITS IMPACT

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ABSTRACT
The basic objective of agricultural planning in India is to improve the level of production and productivity in the agricultural sector. Further, it aims at a proper distribution of gains from agriculture among different sections of the society. This paper highlights some silent features and information regarding new agricultural policies in India.

Introduction

Price policy plays a pioneer role in the economic development of a country. It is an important instrument for providing incentives to farmers for motivating them to go in for production oriented investment and technology.

In a developing country like India where majority of the population devotes 2/3 of its expenditure on food alone and where majority of the population is engaged in agricultural sector, prices affect both income and consumption of the cultivators. The Govt. of India announces each year procurement/support prices for major agricultural commodities and organizes purchase operations through public agencies.

Major Categories Of Agricultural Policies In India

Agricultural growth with social, justice has become the-basic objective of agricultural planning in India.Hence, all the policies have been designed to achieve this two-fold objective, Agricultural policies can broadly be divided into three categories e.g. (i) Policies regarding technological reforms, (ii) Policies regarding institutional reforms and (iii) Policies regarding marketing and prices.

Technological Measures:

In order to increase the volume of production and productivity in agricultural sector, the authorities have stressed for technological breakthrough in Indian agriculture. The basic element of new agricultural strategy is a package of programme, containing H.Y.V. seeds, chemical fertilizers, pesticides and insecticides and assured irrigation facilities, introduced in 1966 in selected regions of the country.

Major steps have been taken to increase irrigation facilities through measure, medium and minor irrigation projects. Further, the policies aimed at expanding area under cultivation through intensive firming. Thus, the technological policies aim at irrigation and green revolution.

Institutional Policies:

In order to bring social justice and increase productivity, the land reform measures were introduced at the initial stage of planning. Land reform measures include:

(i) Abolition of intermediaries (Zamindars, Jagirdars);

(ii) Tenancy reforms e.g. (a) regulated rents paid by tenant to landlords, (b) security provision of tenure to tenants.

(iii) Imposition of ceiling on land holdings and distribution procured land among landless labourers and marginal farmers.

The land reform measures also supported Vonda Movement of Vinova Bhave which aimed at a proper distribution of landed assets through moral persuasion. Thus, the land reform measures were designed to eliminate inter-me diaries and abolish all types of exploitation of tenants, changing the agrarian atmosphere of the economy. Institutional reforms also included provision of rural credit by institutional agencies like co-operatives, commercial banks and regional rural banks.

Pricing Policies:

In order to provide a fair return to the farmers, the Government has adopted a procurement and support price system. The basic philosophy behind support price is to ensure a fair return to the farmers in the years of surplus production. For this, the Government has appointed the Agricultural Prices Commission to determine the support price and to provide incentives to the farmers

To expand production the Government has instituted food Corporation of India to maintain buffer stock and distribute agricultural production through Public Distribution System.

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Objectives Of India Agricultural Price Policy

The objectives of agricultural price policy vary from country to country depending upon the place of agriculture in national economy. Generally, in developed countries, the major objective of price policy is to prevent drastic fall in agricultural income while in developing economies it is to increase the agricultural production.

Need of Indian Agricultural Price Policy

Undoubtedly, violent fluctuations in agricultural prices have harmful results. For instance, a steep decline in the price of particular crop in few years can inflict heavy losses on the growers of that crop. This will not only reduce the income but also dampen the spirit to cultivate the same crop in the coming year. If this happens to be a staple food item of the people, supply will remain below the demand. This will force the Govt. to fill the gap by restoring imports (in case of no buffer stock). If, on the other hand, prices of a particular crop increase rapidly in the particular period, them the consumer will definitely suffer. In case, the prices continuously increase for the particular crop, this can have disastrous effect on the sector of the economy.

(i) To Ensure Relation between Prices of Food-grains and Agricultural Goods:

The foremost objective of agricultural price policy is to ensure the appropriate relationship between the prices of food grains and nonfood grains and between the agricultural commodities so that the terms of trade between these two sectors of the economy do not change sharply against one another.

(ii) To Watch Interests of Producers and Consumers:

To achieve the balance between the interest of producers and consumers, price policy should keep a close eye the fluctuations within maximum and minimum limits.

(iii) Relation Between Prices of Crops:

The price policy should be such which may sustain the relationship between the prices of competing crops in order to fulfill the production targets in respect of different commodities in accordance of its demand.

(iv) To Control Seasonal Fluctuations:

Another object of price policy is to control cyclical and seasonal fluctuations of price rise to the minimum extent.

(v) Integrate the Price:

The agricultural price policy should also aim at to bring the greater integration of price between the various regions in the country so that regular flow of marketable surplus could be maintained and exports of farm products stimulated regularly.

(vi) Stabilise the General Price:

To stabilize the general price level, it should aim at increasing the public outlay to boost economic development in the country.

(vii) Increase in Production:

The agricultural price should aim at to raise the production of various commodities in the country. Therefore, it must keep balance between output and input required by the cultivations.

Features of Agricultural Price Policy

(i) Raising Capital Formation:

The new policy has undertaken a strategy to raise the rate of capital formation in agricultural sector as the same is maintaining a decreasing trend from 18.7 per cent of total gross capital formation in 1978- 79 to only 9.5 per cent in 1993-94.

As the invisible resources are being diverted from agriculture to industry and sectors, the new policy, thus introduces measures to rechnelise available resources for productive investment in the sector. The policy will focus to create a better investment climate for the farmers by introducing a favourable price and trade regime.

(ii) Enhancing Public Investment:

In order to raise the volume of public investment, new agricultural policy will take steps to create public investment for building supportive infrastructure for agriculture. Conservation of water and use of alternative and renewable sources of energy for irrigation and other agricultural works have also been encouraged. Such enhancement of infrastructural investment will reduce the regional imbalances and generates more value added exportable surpluses.

(iii) Raising the Flow of Credit:

The policy will make an attempt to enhance the flow of credit to the agricultural sector. In this connection, the Co-operative credit societies were engaged for such purpose.

(iv) Improving Agricultural Marketing:

An attempt will be made to improve the marketing arrangement of agricultural produce through agro- processing, marketing and storage.

(v) Ensuring Remunerative Prices:

The new policy has entrusted the Government to undertake responsibility for ensuring remunerative prices of agricultural produce to the farming community by adopting necessary price support policy.

(vi) Raising Agro-Exports:

The new policy has made an attempt for harnessing the comparative natural advantage in agricultural export of the country. The policy has laid special thrust on the exports of fruits, vegetables, flowers, poultry and livestock products so as to raise the share of agricultural exports.

(vii) Land Reforms:

The new policy will make efforts to take land reform measures for the interest of small and marginal farmers and raise agricultural output.

Effects of Agricultural Price Policy

1. Incentive to Increase Production:

Agricultural price policy has been providing necessary incentive to the farmers for raising their agricultural output through modernisation of the sector. The minimum support price is determined effectively by the government which will safeguard the interest of the farmers.

2. Increase in the level of income of Farmers:

The agricultural price policy has provided necessary benefit to the farmers by providing necessary encouragement and incentives to raise their output and also by supporting its prices. All these have resulted in an increase in the level of farmers as well as its living standards.

3. Price Stability:

The agricultural price policy has stabilized the price of agricultural products to a greater extent. It has successfully checked the undue fluctuation of price of agricultural products. This has created a favourable impact on both the consumers and producers of the country.

4. Change in Cropping Pattern:

As a result of agricultural price policy, considerable change in cropping pattern of Indian agriculture is needed. The production of wheat and rice has increased considerably through the adoption of modern techniques by getting necessary support from the Government. But the production of pulses and oilseeds could not achieve any considerable change in the absence of such price support.

5. Benefit to Consumers:

The policy has also resulted in considerable benefit to the consumers by supplying the essential agricultural commodities at reasonable price regularly.

Shortcomings of India Agricultural Price Policy

1. Inadequate Coverage:

Inadequate coverage of procurement facility has rendered the price ineffective. The facility of official procurement reaches only a handful of farmers—of the total food gains production, procurement covers hardly 15 per cent.

2. Remunerative Price:

The remunerative price and/or subsidized inputs have failed to keep pace with the rate of increase in costs. It has had two consequences. The farmer is discouraged from producing the maximum level of output; he tries to balance his output against the level of costs, and settles for a lower level of output.

3. Ineffective Public Distribution System:

The public distribution has not been very effective. A large section of the poor people are outside the purview of the system. Even those who are covered under the system do not necessarily get the benefit of issue prices. The system has absolutely failed to serve the objective. Besides, the burned on the national exchequer is increasing enormously.

4. Difference in Prices:

There is an important issue of wide difference between prices received by the producers and prices paid by the consumers. In this context, issues relating to the network of regulations and costs associated with it, incidence of octroi, increase in transportation costs, over fragmentation of the distribution network etc. require careful study.

5. Unaccompanied by Effective Policy:

The efficacy of the price policy depends on a number of other factors inherent in the system of agricultural operations like land holding patterns, income distribution, general disparities and cropping pattern. But, it is pity to say that the price policy has not been accompanied by any effective policy for a total development of agriculture.

Conclusion

The basic motive behind the Agriculture policy of Government of India is to save the interests of both farmers and consumers. The prices of the food grains should be decided very wisely so that neither farmers nor consumers get suffer.

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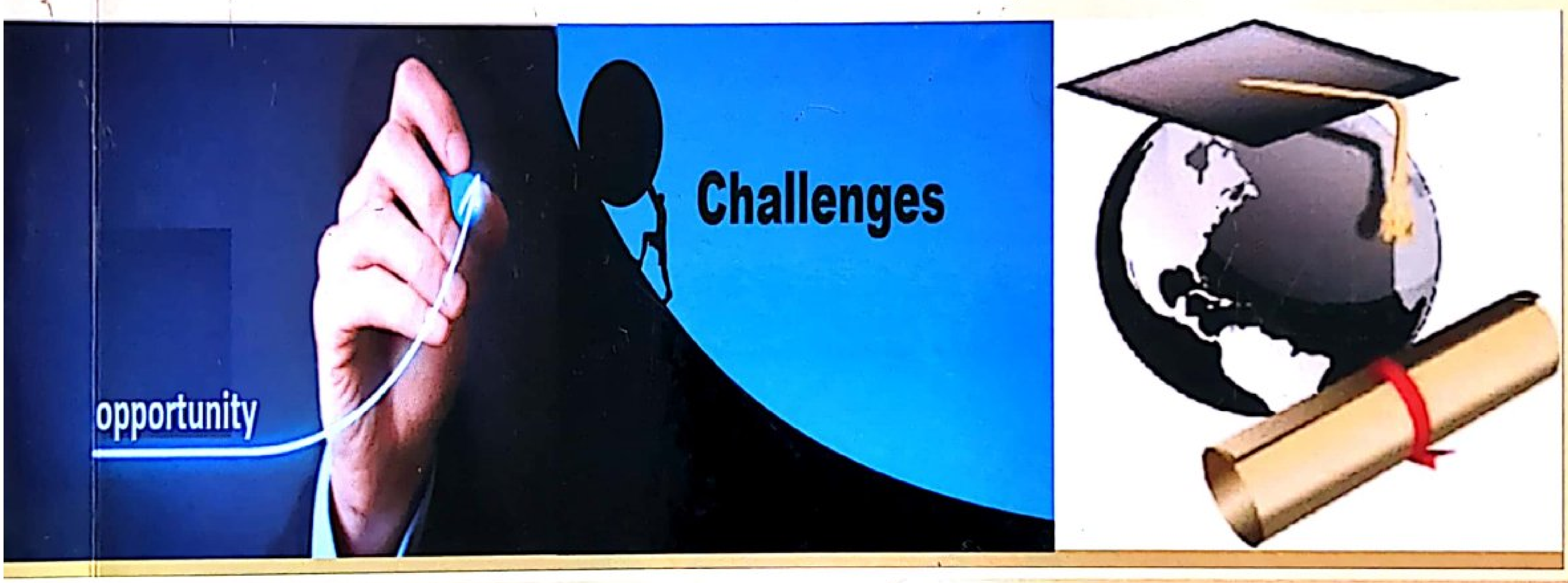

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Challenges & Opportunities In Commerce & Management Education

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Commerce education is business education. Commerce education is that area of education which develops the required knowledge, skills and attitudes for the handling of Trade, Commerce and Industry. The recent commerce education has emerged in the form of Chartered Accountant, Cost and works accountant, Company secretary and Business administrator. Commerce education is a totally different from other disciplines. Hence, it must charter new routes to service the aspirations of the nation. To meet the growing needs of the business society, there is greater demand for sound development of commerce education. The relevance of commerce education has become more imperative, this means a marked change in the way commerce and management education is perceived in India. Through teaching, research, and service, the College of Commerce is dedicated to developing tomorrow's leaders, managers, and professionals.

Commerce Education is the area of education which develops the required knowledge, attitudes and skills for successful heading of Trade, Commerce and Industry.

Importance of Commerce Education

Commerce education had developed to support the growing needs of business houses. However, over the years, there has been a fundamental shift in the very approach of commerce education; from a professional to a theoretical education. At this juncture there is a need to redefine the commerce education in the changing scenario and strengthen it further. Globalization and Technological trend have made difficult for organizations to survive in the competitive world. As a result the importance of Commerce education has been increased many folds. The School of commerce should play pivotal role in equipping our future dynamic managers with the emerging trends of Commerce skills to face the challenges of dynamic business world.

Challenges and Opportunities in Commerce Education

Commerce is considered as one of the most popular career options in India. Commerce education is the backbone of the business and serial development of the nation. This education stresses on developing the people and making effective use of available resources.

Challenges

- Global issues in economy, commerce and management.
- Foreign Direct Investment role.
- Reforms in Indian and International Economic Sectors.
- Role of World Bank and IMF.
- Export and Import of Trade, Commerce and Industry.
- National and International strategies for stock market and investors in competitive markets.
- Government policies for mergers and acquisitions.
- Challenges and Strategies in Currency Market in International scenario.

Opportunities

- A graduate in commerce had ample opportunities as he can join any private institute or government organization as a specialist in any of the Commerce stream and they can also pursue professional courses such as Company Secretary, Chartered Accountant, and ICWA.

- A graduate in Commerce can also opt careers in financial services as a Financial Consultants, Stock Brokers, Merchant Bankers, Budget Consultant, Financial Portfolio Manager, Project Formulation Manager, Tax Consultants.
- A graduate in commerce will with specialization in Banking & Finance will have opportunity in Banks and Insurance companies.

Opportunities in Management

Opportunity management (OM) has been defined as "a process to identify business and community development opportunities that could be implemented to sustain or improve the local economy".[1] Opportunity management is a collaborative approach for economic and business development. The process focuses on tangible outcomes.[2] Opportunity management may result in interesting and motivating projects that help improve teamwork.[3] Its three components are

1. generating ideas,
2. recognizing opportunities, and
3. Driving opportunities.[4]

Risk

Risk management can be described as the process of proactively working with stakeholders to minimize the risks and maximize the opportunity associated with project decisions. Risks are about the possibility of an adverse consequence. Good risk management does not have to be expensive or time consuming but relies on adaptability in response to change. Risk management ensures that an organization identifies and understands the risks to which it is exposed. Organizations continuously face environments in which uncertainty is constantly challenging the existing ways of doing business and the way that risk needs to be managed. However, the upside to risk, that is often overlooked, is that the feared uncertain event could have a desired outcome. TAP University's blog notes that this is a positive risk or opportunity and needs to be managed to ensure a good result. Having a clear understanding of all risks allows an organization to measure and prioritize them and take the appropriate actions to reduce losses.

Where risk management seeks to understand what might go badly in a project, opportunity management looks for what might go better.

Opportunity management is the process that converts the chance to decisiveness and is increasingly becoming embedded in the culture of organizations as they mature and broaden their understanding of the value that managing uncertainty can bring. For positive risk or opportunity management to be effective in creating or protecting value it must be an integral part of the management processes, be embedded in the culture and practices of the organization, be tailored to the business process of the organization, and comply with the risk management principles outlined in ISO 31000. An opportunity management process has required elements that need to be evaluated before advancing and allocating scarce resources to any project. All organizations have limited resources and it is important that they are used sensibly.

The first step that an organization should take in order to improve decision making and reduce risk is identifying potential opportunities. It is advised that a business takes the necessary time and considers numerous ways of identifying opportunities for initiatives. Organizations could implement processes like "organizational catch ball" which would help them to develop plans and strategies for economic growth in the community. As Conti notes, "the interactive catch ball process from management level to the next is necessary for correct planning and alignment of goals". They could also implement brainstorming activities, hold stakeholder meetings, hold focus group interviews and hold jurisdictional reviews. This would help the organization generate ideas to include in the initiative funnel. The firm should proceed to evaluate and prioritize initiatives to enable more effective courses of action to be taken in the future. This would involve ranking criteria in order of importance to ensure the correct alignment of targets for the projects. It is vital that the firm includes many opportunities in the decision making funnel to be effective. This will allow for a more comprehensive scope of ideas to be included in the decision making funnel.

Funnel

Sample stage-gate decision making system. The number of stages and gates will vary depending on the initiative

An opportunity management funnel is a framework that allows management to evaluate and select opportunities. An opportunity management funnel is a process whereby many opportunities are put in up front and fewer investment decisions coming out at the end of the funnel. The goal of the opportunity management funnel is to eliminate weak ideas before they consume excessive resources while allowing strong ideas to filter through the process. The challenges for the business and project management team are to make choices and decisions that move toward the desired objectives – a task that is made difficult by change.

The funnel approach raises questions pertaining to:

- Who will work to move the idea forward?
- What assessment criteria should be set?
- Who will decide whether the idea should be pursued or dropped?
- How will the decision be made?

The funnel filters the broadest range of opportunities and ensures that all priority sectors are represented. The process must be unbiased and lead to a choice of resources that maximizes return. When selecting which opportunities to filter through the process, users should be aware that initially, there are no bad ideas or limits. The unviable alternatives will be filtered out using the phase–gate model. Rigorous screening must be applied to focus on the initiative. The business can examine the merit of each initiative before deciding to dedicate resources to the project. The business will have the option to implement three decisions at a gate such as advance, rework and kill the project. Perhaps the greatest challenge that users of stage and gate processes face is making the gates work well: as go the gate, so goes the process. This will help prevent the firm from wasting valuable resources and time on ineffective initiatives.

Stage-gate/phase–gate decision making

Main article: Phase–gate model

The stage-gate process was created because the traditional organizational structure is primarily for top-down, centralized control and communications, all of which are not practical for organizations that use project management and horizontal workflow. The stage-gate process evolved into life-cycle phases. Stages are phases of the decision-making process where development work is completed. Phase–gate systems divide the innovation process into a predetermined set of stages composed of a group of "prescribed, related, and often parallel activities." Most Phase–gate systems involve four to seven stages. Since each proceeding stage is more expensive than the previous, it is imperative that a high degree of research-backed discrimination is involved in passing stages. The body of research collected for proposed initiatives should be frequently consulted to adequately support the decision-making processes.

A firm could use certain assessment criteria to help identify opportunities and will ensure resources are not wasted on low value opportunities. There are three types of criteria that a firm could use. These include criteria of inclusion, criteria of exclusion and portfolio level criteria. Using assessment criteria would provide a transparent process that will highlight what initiatives to abandon and which initiatives to pursue. Exclusion criteria could be used by the firm, as it saves time and money. It is a simple method of reducing the number of initiatives to evaluate. "A firm must maintain records to support why a portfolio was assigned to a specific composite, or was excluded from all composites." The firm could also look at inclusive criteria to help to prioritize initiatives. This could include ensuring that it has key stakeholder support, or making the initiative economically feasible.

Portfolio level criteria may also be used to ensure the right mixes of initiatives are used. Ensuring that the initiatives stimulate job creation and have the support of the community are some of the criteria that the firm could include while planning an initiative.

It is imperative that evaluation of each gate should be objective, open-minded, clear on the businesses' strategic goals and done by experienced people. People that are evaluating the project at each gate must have the courage to terminate the project if necessary. This is important as it will prevent any bias from occurring throughout the decision making phase. However, the system that the firm puts in place should not be so rigorous that it omits viable projects or too laid-back that resources are spread finely across multiple projects. "The lack of tough Go/Kill decision points means too many product failures, resources wasted on the wrong projects, and a lack of focus." A level of uncertainty can be positive for evaluating criteria by the firm as too many kills of ideas may discourage stakeholders from forming ideas.

Philosophical understanding

A risk and opportunity management policy is a statement of intent which should communicate an organizations attitude, rational and philosophy towards risk and opportunity management. While opportunity management is considered to be a recent phenomenon resulting from the blending different project management methodologies, business development is well-rooted in philosophy.

Aristotle's *Nicomachean Ethics* clearly differentiates between the outcomes (ends) we aim to achieve and the outputs (means) we use to achieve these outcomes. Careful deliberation is required to select the outputs that are most likely to contribute to the outcomes we desire. Aristotle understands that problems could arise that would necessitate dropping one output in favor of another. Aristotle's theory links the logic-model to the Phase–gate process thereby introducing deliberation and kill points. Aristotle states:

"Rather, we lay down the end, and then examine the ways to and means to achieve it. If it appears that any of several [possible] means will reach it, we examine which of them will reach it most easily and most finely; and if only one [possible] means reaches it, we examine how that means will reach it and how the means itself is reached, until we come to the first cause, the last thing to be discovered. For a deliberator would seem to inquire and analyze in the way described, as though analyzing a diagram...If we encounter an impossible step – for instance, we need money but cannot raise it – we desist; but if it appears possible we undertake it. What is possible is what we achieve through our agency [including what our friend could achieve for us]... Deliberation is about the actions he can do, and actions are for the sake of other things; hence we deliberate about things that promote an end, not about the end.

Kant's *Critique of Judgment* is probably the most important and influential work in Western aesthetic theory. Philosopher Immanuel Kant's aesthetic theory also offers insight into opportunity management as it makes the connection between the imaginative (open end of the funnel) and understanding (application of deliberative thought and criteria). Kant states:

"For, in lawless freedom, imagination, with all its wealth, produces nothing but nonsense; the power of judgment, on the other hand, is the faculty that makes it consonant with understanding. Taste, like judgment in general, is the discipline (or corrective) of genius. ... It introduces a clearness and order into the plenitude of thought, and in so doing, gives stability to the ideas, and qualifies them at once for permanent and universal approval.

There are endless things that can be considered, but only a small portion of these can practically be achieved. If opportunity management does not adequately address both imagination and understanding, the best opportunities will not be pursued. Some individuals and organizations have become so used to thinking of risk management solely in terms of the negative outcomes of uncertainty that they recoil from using the same process to address opportunities. Opportunity management requires originality and rule: Kant notes:

"...genius

(1) Is a talent for producing that for which no definite rule can be given, and not an aptitude in a way of cleverness for what can be learned according to some rule; and that consequently originality must be its primary property?

(2) Since there may be original nonsense, its products must at the same time be models, i.e., be exemplary; and consequently, though not themselves derived from imitation, they must serve that purpose for others, i.e., as a standard or rule of estimating.

(3) It cannot indicate scientifically how it brings about its product, but rather gives the rule as nature. Hence, where an author owes a product to his genius, he does not himself know how the ideas for it have entered into his head, nor has he the power to invent like at pleasure, or methodologically, and communicate the same to others in such precepts as would put them in a position to produce similar products...

(4) Nature prescribes the rule through genius not to science but to art, and this also only in so far as it is to be fine art.

American philosopher Charles S. Pierce notes that new knowledge originates outside of the traditional logic of induction and deduction. He posits a process of abduction through which a mind freed from constraints to arrive at a creative inference. Abduction is a process of conjecture that is capable of creating new knowledge through the positing of a novel hypothesis. It makes no claim to 'what is' but rather to 'what might be.' The content of the idea cannot be tested in advance but where the process of reaching a decision is biased the idea is likely to be flawed. Peirce notes, "But observed facts relate exclusively to the particular circumstances that happen to exist when they were observed. They do not relate to any future occasions upon which we may be in doubt how we ought to act. They, therefore, do not, in themselves contain practical knowledge. Opportunity management entails ongoing assessment of the decision-making process increasing the likelihood of success.

Roger Martin asserts that Pierce's notion of abduction is the basis of what he terms "Design Thinking" which is at the core of "the most powerful formula for competitive advantage in the twenty-first century. Design thinking is about the creation of, as well as the adaptive use of a body-of behaviors and values. Design thinking embeds integrative thinking throughout the entire organization. In his book "The Opposable Mind", Martin states:

" At its core, integrative thinking requires the integration of mastery and originality. Without mastery there won't be a useful salience, causality, or architecture. Without originality, there will be no creative resolution. Without creative resolution, there will be no enhancement of mastery, and when mastery stagnates, so does originality. Mastery is an enabling condition for originality, which in turn, is a generative condition for mastery. The modes are interdependent.

Project management

Project management is the planning, organizing and controlling of a firm's resources to achieve reasonably short-term goals that have been established to complete specific targets and objectives. It is usually management driven and focuses on setting targets, problem solving and obtaining results. The purpose of project management is to act as a change agent, delivering a change to the status quo of a project, and achieving this in a controlled and managed way. In the initiation stage of project management, opportunity management may aid in the determination of the nature and scope of the project. Much like the initiation stage of project management, opportunity management aids in determining the nature and scope of projects. Since the initiation stage is crucial to the overall performance of the project management cycle, opportunity management may be used by project managers to determine which projects are worth pursuing. Project management is an attempt to manage uncertainty, since it is seen as a structured approach to produce managed change in a changing environment.

Most notably, opportunity management may aid in defining the business needs/requirements of the organization through the filtration of various alternatives and budgeting requirements. In the process of planning, projects should be properly defined and divided into logical, progressive steps. The screening and assessment criteria offered by opportunity management allow project managers to establish the business case for the project. Opportunity management determines which projects are worth pursuing before dedicating excessive resources. As the project progresses from the initiation stage to the planning and design phase, the screening and assessment criteria will act as a continuous gauge to determine the viability of the project. This ongoing determination of the viability of the project also aids in portfolio management since project managers employ opportunity management to determine which projects are worth pursuing and the prioritization of projects. Furthermore, project managers should be able to identify and engage the appropriate stakeholders throughout the entire project life cycle and determine who must be involved in each phase and who merely needs to be kept informed of the progress made.

Opportunity management determines the payback of the project within the initiation stage. Although the payback period is defined by Kerzner as the least precise of all capital budgeting methods because the calculations are in dollars and cannot adjusted for the time value of money. By establishing the payback period within the opportunity management process, project managers may continually assess the project expenditures and re-evaluate the payback period on an ongoing basis.

Project management is the planning, delegating, monitoring and controlling of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope benefits and risks. The monitoring and control phase of project management mirrors fairly closely stage gate decision making, although stage gate decision making addresses potential problems earlier in the project management cycle. Like the monitoring and control phase, the logic model employed in opportunity management observes and monitors the project performance on an ongoing basis. The logic model helps a firm to outline the sequence of events related to the project. In a nutshell, a logic model is a valuable tool that produces a basic program "picture" that shows how the organization's program is intended to do work. If the project is determined to be unable to meet the criteria outlined in the opportunity management process, the project or opportunity managers will take measures to correct the problems and put the project back on track.

Community Capacity Building

Capacity building is designed to promote change. Capacity building may be defined as anything that increases the ability and/or desire of groups, businesses, municipalities, not-for-profit organizations to effectively engage in community economic development. Stakeholders such as Governments can contribute to environmental community capacity building not only through the provision of practical support in terms of resource provision and throughout the opening up of information and communication channels for communities, but also ensuring that there is meaningful collaboration with communities.

Capacity building is an approach to economic development that focuses on understanding the difficulties that prevent people, governments, organizations form recognizing their developmental goals while enhancing the abilities that will allow them to achieve measurable and sustainable results. It involves training and development activities that get the community actively involved in the development of their locality. Put simply, capacity building is any initiative that increases the desire or ability of individuals, groups and organizations to effectively participate in economic development activities. Community capacity building assists groups by enhancing skills essential to regional economic planning, development and implementation. Capacity building cannot be seen or undertaken in isolation as it is deeply embedded in the social, economic and political environment. It is about strengthening people's capacity to determine their own values and priorities and to act on

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these, which gives us the basis of development. In examining community capacity building and local economic development, it is essential to recognize the importance of building links between social economy organizations and the private sector as well as governments in order to address the complex social and economic problems which all communities confront.

Along with "empowerment, "participation", and "gender equality", capacity building is seen as an essential element if development is to be sustainable and centered in people. Developing opportunity management systems is an important part of opportunity management since the model since it allows organizations to identify the most effective allocation of resources. Since communities have fixed resources, opportunity management is a useful tool to identify the most utilitarian allocation of resources to achieve the maximum benefit. The essential criteria for all initiatives should be included and must not be wasted as all organizations face limited resources. Community capacity building has the potential to reach into social and economic life and contribute to building stronger, more cohesive and resilient communities.

Conclusion

The traditional Commerce education has become irrelevant in the new era of globalization. There is an urgent need to overhaul the existing business education system to cope up with the dynamic world With trade and commerce assuming innovative dimensions in the context of growing international business, the curricula for Commerce faculty should be adapted and re-structured to meet the future challenges of the economic, manufacturing and service sectors. Keeping in mind the significance of modern commerce education, the Indian government has liberalized the commerce and business education market since 1990s, resulting in an unprecedented growth in the number of commerce and management institutions mostly through private participants.

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