

Research project Report

**“A STUDY ON THE IMPACT OF COVID-19 ON
BUSINESSES IN INDIAN ECONOMY”**

***FOR THE PARTIAL FULLFILLMENT OF THE REQUIREMENT
FOR THE AWARD OF
BACHELOR OF COMMERCE***

**UNDER THE GUIDANCE OF
Prof. JYOTI DUA**

Submitted by
SHRUTI VATSA
1608101089
B. COM(H) 2016-2020



**School Of Finance And Commerce
Galgotias University
May 2020**

ACKNOWLEDGEMENT

First and foremost I wish to thank my Supervisor **Prof. Jyoti Dua** for her kind support to me. She allowed me the freedom to explore, while at the same time provided me with invaluable sight without which this dissertation would not have been possible.

DECLARATION

I, **SHRUTI VATSA** Enrollment No. 1608101089, Admission No. 16GSFC101050 student of Finance and Commerce, Galgotias University, Greater Noida, hereby declare that the Project report on **“A STUDY ON THE IMPACT OF COVID-19 ON BUSINESSES IN INDIAN ECONOMY”** is an original and authenticated work done by me.

I further declare that it has not been submitted elsewhere by any other person in any of the academic institutes for the award of any degree, diploma or course.

Name and Signature of the student:

SHRUTI VATSA

CERTIFICATE

This is to certify that the project report “**A STUDY ON THE IMPACT OF COVID-19 ON BUSINESSES IN INDIAN ECONOMY**” has been prepared by **SHRUTI VATSA** under my supervisor and guidance. The Project report is submitted towards the partial fulfillment of 3 year, full time **BACHELORE OF COMMERCE**.

Name and Signature of the faculty:

Jyoti Dua

Table of Contents

ACKNOWLEDGEMENT.....	2
DECLARATION.....	3
CERTIFICATE.....	4
ABSTRACTS.....	6
1. Introduction.....	7
2. Data collection.....	7
3. Research objectives.....	8
4. Result Analysis.....	8
4.1 Age group.....	8
4.2 Salary impact on employees of your company.....	9
4.3 Is there new hiring in your company?.....	9
4.3 Work load on your company due to Covid 19.....	10
4.4 Demand of your product in market.....	10
4.5 Impact on prices of raw material in manufacturing of your product.....	11
4.6 On the basis of the revenue generated ,your company is going through profit or loss?.....	11
4.7 Is your company planning and performing financial Reforecasts?.....	12
4.8 Impact of different government interventions (employment and remuneration policies to reduce cost, flex employment models and ensure health and safety requirements) on your company in response to covid-19 crisis	13
4.9 Since January 2020 covid 19 has not only increased human sufferings but also impacted our economy activity. Of course no one can predict future so answers cannot be right or wrong so following questions will be on the basis of your personal view .	
What do you expect the overall economic impact of the corona virus to be over the next 12 months? Please give your best guess. I expect the overall economic impact of the corona virus to be.....	14
4.10 Over the next 12 months do you think that the corona virus will cause inflation to be.....	14
4.11 Have your financial plannings changed due to the outbreak of the corona virus?.....	15
4.12 Due to the economic consequences of the corona virus, do you fear you may lose your job?.....	15
4.13 How many years do you think the corona virus outbreak will last?.....	16
FINDINGS.....	17
SUGGESTIONS.....	18
CONCLUSIONS.....	19
BIBLIOGRAPHY.....	20

ABSTRACTS

Globally corona virus has produced an unstable environment for people. This has spread all over the world and called as pandemic by WHO(World health organization). This has stopped many of economic activities due to contagious disease and has no cure till date to fight with corona. It has produced economic impact on globe and India. It may produce recession in many part of the world.

The Indian economy is facing the situation which is un-imaginable and un-predictable. The businesses are used to accuracy, consistency and predictable planning cycle not the un-clear economic conditions and time horizons. Business should start planning for new normal. They should focus now more now on survival strategics. Business should align on a financial plan and determine the best action could be taken during this crisis.

1. Introduction

Overview of Covid-19 crisis Covid - 19 the Infectious disease caused by the most recently discovered corona virus, has either, directly or indirectly impacted business in India which ultimately led to major change in the Indian economy. People are losing their life. No vaccinations are available, So lockdown was the only immediate solution that government brought into action. Companies are shut down all businesses be it small or large are impacted.

This lockdown has made difference businesses experience different impacted. Some businesses are completely shutdown like daily vendors, shops of garment, restaurants, shops of luxury items. While some businesses are impacted moderately like technical fields, which are completely operating digitally and employees can easily work from their home, where as smaller section of businesses which deals with groceries, daily essential goods have experienced either boost in profit or moderate profit.

This topic is very uncertain because no one can predict the future but is an alarming issues of the hour. It's important for businesses to be prepare for all the scenarios. Companies are not able to work efficiently so they are not able to generate revenue which will impact the salaries of the employee, which ultimately will change the financial investment of the people. Entrepreneurs will have to re-configure their business strategies to reduce variable cost and fixed expenses and focus only on crucial essentials for survival. Marketing cost could also be either scaled up or cut back.

2. Data collection

Data collection methods: The success of any project or market survey depends heavily on the information collection and analysis,. It is necessary that the information collected may be a reliable data so, as to reliable the research objectives. All data sources can be classified into two:

- **Primary Data** - Primary data is gathered from the direct observation or the data that is personally collected. It refers to the data that is personally collected. It refers to the data which is collected for a specific purpose from the field of inquiry and original in nature. For the project primary data were collected mainly through the survey method, using the tool questionnaire (42 individuals).
- **Secondary Data** - Secondary data are those which are already collected by others for selected purpose and are subsequently used for application in several conditions. It is the second user information about an occasional that has not been personally witness by the researchers.

The use of secondary data saves time and money. The purpose is to increase the accuracy of analysis. Here the secondary data was obtained from - various survey sites, Local people, Wikipedia.

3. Research objectives

Objectives

- To analyse effect of covid-19 on individuals.
- To find what people think of the coming future business environment.
- To analyse whether the government intervention and their respective companies strategical are helping there business or not.
- To analyse the financial insecurity the people are experiencing.
- To analyse companies are supporting their employee or not at this difficult time.

Research Design

Research design is that the blue print for inquiry work that guides the researcher during a scientific way towards the achievement of the objectives.

Sample Design: Sample design is imperative in every scientifically study. Hence, decided to collect the data through multistage sampling.

Sample: A Sample of 42 individuals both male and female have duly filled up the questionnaire. Respondents have been taken as the sample size.

Tools for collecting the data: A research tool plays a major role in any worthwhile as it is the sole factor in determining the sound data and in arriving at the perfect conclusion as about the matter of study available, which ultimately, helps in providing suitable remedial major to the issues concerned. In the unprecedented times because of covid-19, data is collected using Google forms.

4. Result Analysis

The result analysis consists of a survey conducted with the help of questionnaire. The questionnaire was filled by 42 individuals of different age group who worked in companies.

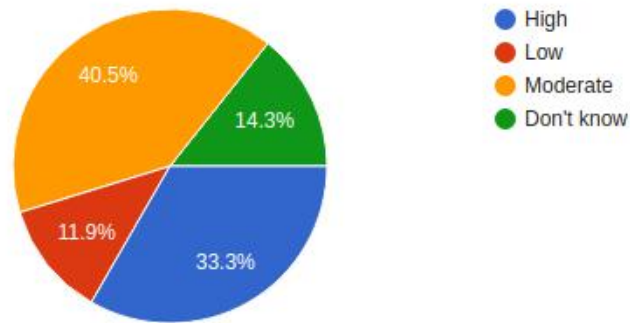
4.1 Age group

The questionnaire was filled by people with ages between (23-50 years). The maximum number of respondents are between the age of 25 to 40.

4.2 Salary impact on employees of your company

Salary impact on employees of your company

42 responses

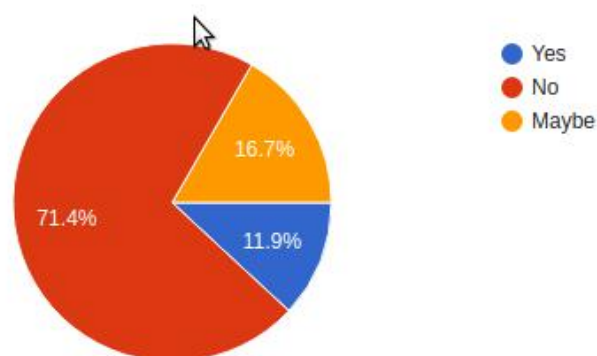


As the diagram shows 40.5% of the respondents say their salary has been impacted moderately. And 33.3% of the people's salary has been impacted highly.

4.3 Is there new hiring in your company?

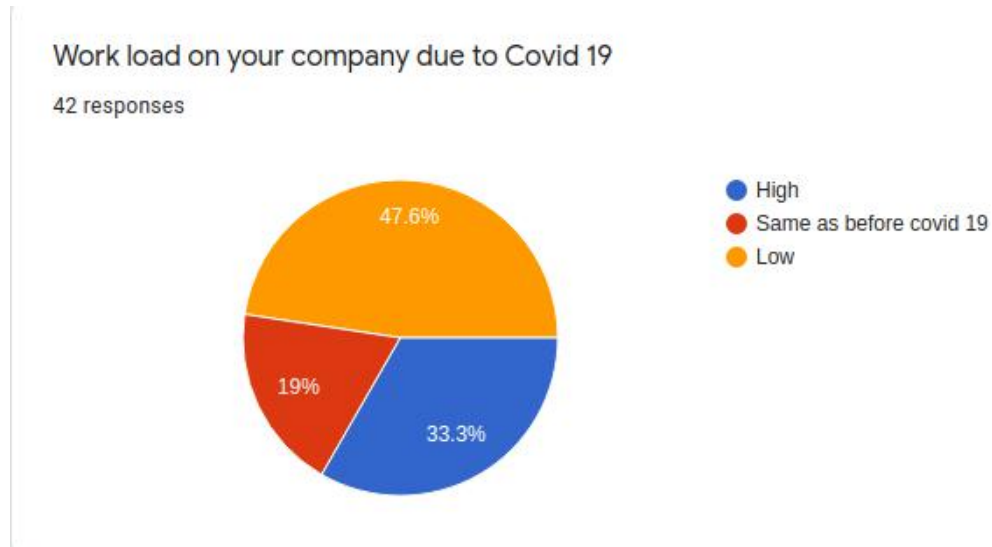
Is there new hiring in your company?

42 responses



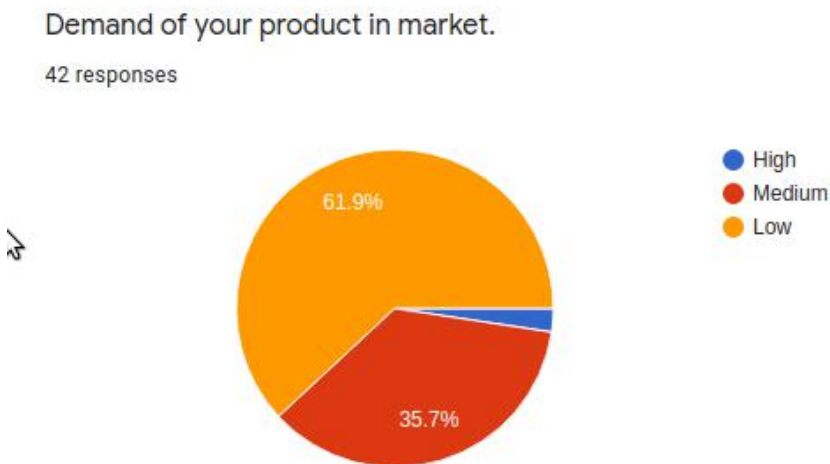
Majority of respondents say there is no hiring in their company which means there will be no jobs in market in upcoming days.

4.3 Work load on your company due to Covid 19



47.6% of the majority say there is very low work load in their company.

4.4 Demand of your product in market.

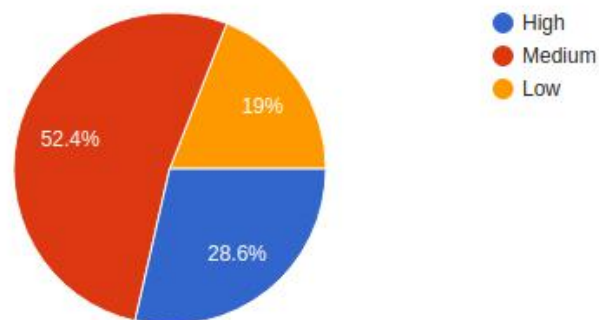


As the diagram shows there is major setback in the demand of the product in market

4.5 Impact on prices of raw material in manufacturing of your product

impact on prices of raw material in manufacturing of your product

42 responses

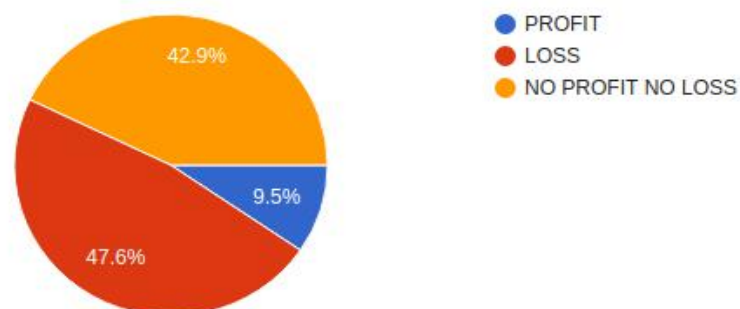


52.4% of the people say there is medium impact on prices of raw material

4.6 On the basis of the revenue generated ,your company is going through profit or loss?

On the basis of the revenue generated ,your company is going through profit or loss?

42 responses

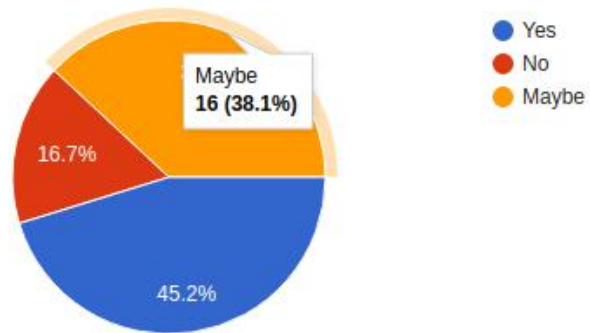


Companies are majorly going through loss which means there is no revenue generated in the company .

4.7 Is your company planning and performing financial Reforecasts?

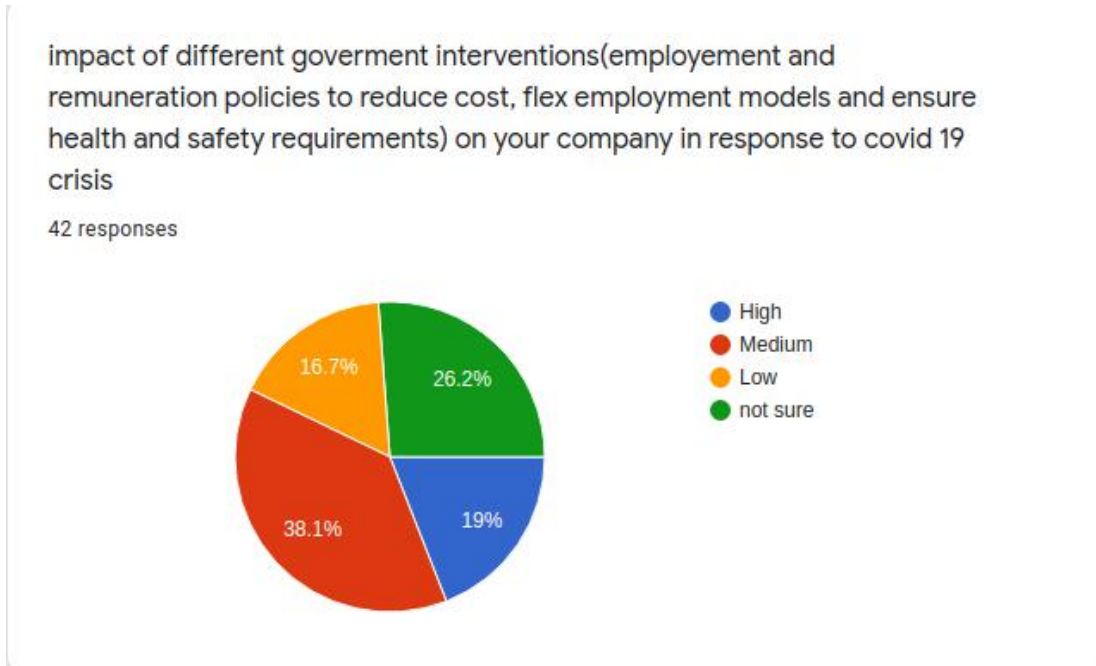
Is your company planning and performing financial Reforecasts?

42 responses



45.2% of the people say their companies are planning and performing financial re-forecasts which is a good thing as all companies need to be prepared for the upcoming scenarios.

4.8 Impact of different government interventions(employment and remuneration policies to reduce cost, flex employment models and ensure health and safety requirements) on your company in response to covid-19 crisis



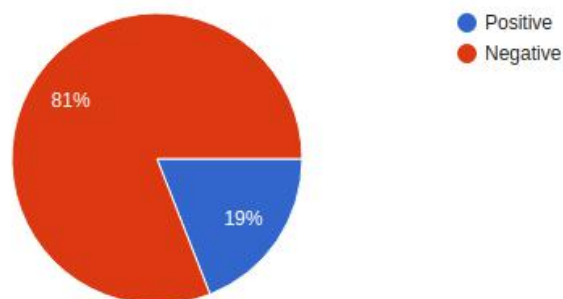
38.1% of the people feel government interventions are impacting their company , the employment and remuneration policies to reduce cost, flex employment models and ensure health and safety requirements are positively impacting their companies

4.9 Since January 2020 covid 19 has not only increased human sufferings but also impacted our economy activity. Of course no one can predict future so answers cannot be right or wrong so following questions will be on the basis of your personal view .

What do you expect the overall economic impact of the corona virus to be over the next 12 months? Please give your best guess. I expect the overall economic impact of the corona virus to be

Since January 2020 covid 19 has not only increased human sufferings but also impacted our economy activity. Of course no one can predict future so answers cannot be right or wrong so following questions will be on the basis of your personal view . What do you expect the overall economic impact of the corona virus to be over the next 12 months? Please give your best guess. I expect the overall economic impact of the corona virus to be

42 responses

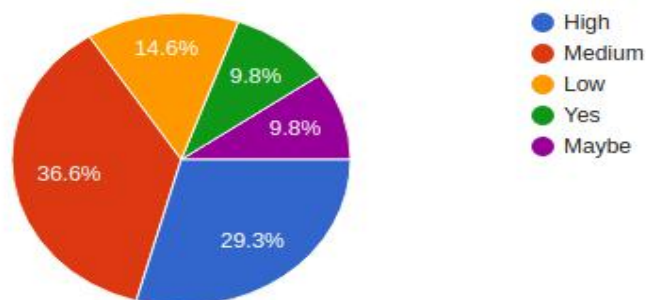


On this hypothetical basis people showed their expectations with the COVID-19 crisis they feel its going to impact us negatively.

4.10 Over the next 12 months do you think that the corona virus will cause inflation to be

Over the next 12 months do you think that the corona virus will cause inflation to be

41 responses

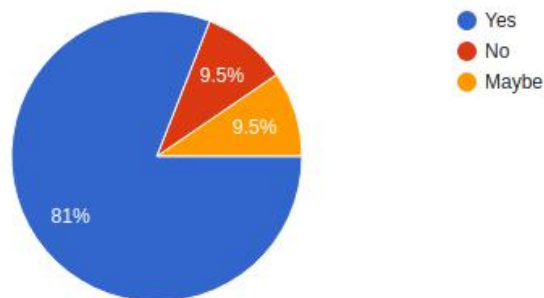


Since economy will be effected by this crisis so the expected inflation are expected to increase.

4.11 Have your financial plannings changed due to the outbreak of the corona virus?

Have your financial plannings changed due to the outbreak of the corona virus?

42 responses

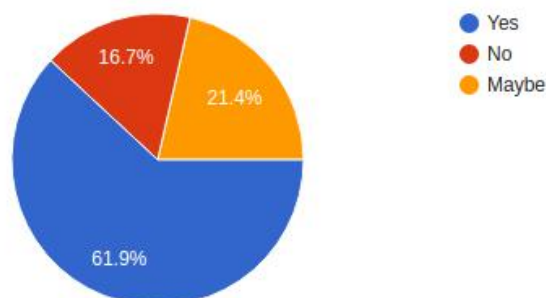


This diagram shows people are preparing themselves for the upcoming crisis they have started changing their financial plannings.

4.12 Due to the economic consequences of the corona virus, do you fear you may lose your job?

Due to the economic consequences of the corona virus, do you fear you may lose your job?

42 responses

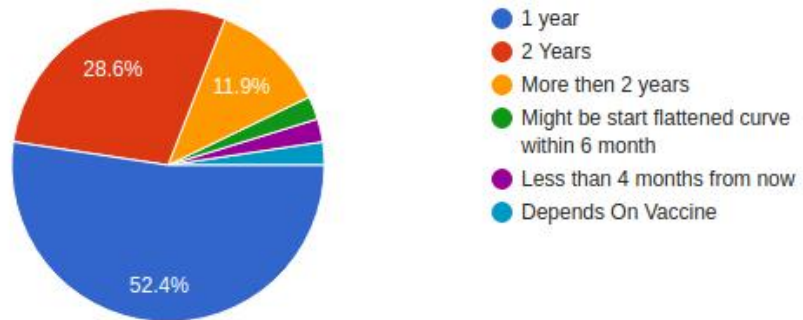


People are very insecure about their jobs , the upcoming crisis is going to demand allot from all of us.

4.13 How many years do you think the corona virus outbreak will last?

How many years do you think the corona virus outbreak will last?

42 responses



52.4% of the people think this outbreak is going to last for more than a year and this is only coming to an end once the vaccinations are found for this.

FINDINGS

Using the primary and secondary data ,the following outcome has been derived :

1. People are aware how grave the situations are they have started changing their financial planning.
2. They are insecure about their jobs in the coming future
3. This crisis has not only caused human sufferings but financial unsuitability
4. Certain companies are taking actions against this situation to prepare themselves for upcoming crisis , they are planning and performing financial re-forecasts .
5. Companies are mostly going through no profit no loss
6. Demand of most of the product of the companies are low and cost of raw materials have also been effected.
7. Companies are not able to generate revenue , which is ultimately effecting the salaries of employees
8. People are aware upcoming years there will major recession , there will be no jobs in market

According to the study it was found COVID-19 has impacted businesses which has ultimately led to impact Indian economy. All the companies be it small or large have got impacted , just the level of impacts are different . there is no demand in the market ,which leading to no revenue and salaries of the employees are effected but the good part is they have affected moderately as major respondents data says which means companies are supporting . government interventions are also being helpful for the companies but major of them are unaware of the situation .

On the basis of the hypothetical questions that were asked people believe COVID-19 is not leaving us soon until unless we find vaccinations for this deadly virus. They believe it is going to last for more than a year we will have to start adapting new way of living are lives.

So the condition where we are landed are unimaginable and it will take lot of time for economy to recuperate

SUGGESTIONS

Based on the findings of the study the following suggestions are made here for the impact that COVID-19 has created on businesses

1. **Clear communications:** companies need to be more connected with their employees , be more transparent with the survival strategies they are planning in this crisis , they need to discuss with the employees for the trust and make them feel less secure about future.

2. **New financial plannings:** companies require new systematic approach, to alert the company quickly through finance team .

3. **Prepare a team:** a new team should be assigned who will plan ahead and guide the organizations through the worst crisis. It will guide the company how overall planning process may need to change in the next normal.

4. **Develop range of scenarios:** financial planning team should be quickly able to lay out three or four scenarios for how the pandemic might play out within its industry, each scenarios can be analyzed through depth of the decline, how long the decline is going to be , and time required to ramp backup.

5. **Reducing costs:** now the company should start planning out their expenses where they should reduce the variable costs and fixed costs and focus on more crucial and essential expenses . they should see if they can cut back marketing cost or can raise it. Companies need to be a lot more alert and careful than before.

6. **Promote Telecommuting or homeworking:** during this crisis when people are losing their lives due the outbreak of the deadly disease its not safe to ask the employees to come to the office . companies should start operating digitally and allow employees to work from home.

Both companies and the employees need to understand the situation is grave no one was prepared for this everyone has got impacted . we are landed in an unimaginable situation where one cannot predict what is going to happen we just need to be prepared for the whatsoever worse may come. It is no ones fault we will have to stand united and support each other during this difficult time.

CONCLUSIONS

COVID-19 , the deadly disease that came to India in January 2020 has not only caused human sufferings but also impacted the financial stability .the serious implications for people's health , COVID-19 is significantly impacting businesses and the economy. To help them mobilize, stabilize and return to work. This pandemic continues to evolve now the focus must be on the efforts that support companies for upcoming days. The world is turning from "resilience" to "return" . companies should be more re-silent towards the crisis and adjustive for new normal . in short period of time companies should take steps to protect employees , customers and business continuity. Financial professionals are used to accuracy , consistency and predictable planning cycles not the unclear economic conditions and time horizons. So they need to be prepared for the NEW NORMAL.

This crisis has already demanded a lot from us in every way possible and no one being at fault it is high time for companies to be more connected, transparent and supportive towards their employees for their trust and make them feel less insecure and turn situation favourable for the business is all that matters and also that's the only way to sail the business smoothly. Like all the difficult times, THIS SHALL PASS TOO!!!!!!

BIBLIOGRAPHY

1. Research Methodology: Methods and Techniques by C.R. Kothari
2. Wikipedia: https://en.wikipedia.org/wiki/Coronavirus_disease_2019
3. Consumer and Covid-19: A Real-Time Survey (Reference)
<https://www.clevelandfed.org/>
4. Google docs for survey:
https://docs.google.com/forms/d/e/1FAIpQLSe9PGQy5nHJY1IgSOep5NE2LecW2HnFJqvVvgs5hTwhzy5U6g/viewform?usp=sf_link
5. <https://www.mckinsey.com/>