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Editorial

I am glad to release the April-June 2022 issue (Volume 51, Number 1) of PRAJNAN, the Journal of Social and Management Sciences. For almost ten years, I have served as an editor of this prestigious journal. My tenure as Editor has come to a close. It has been a wonderful opportunity for me to lead the editorial team for these years and it is now time to move on. I sincerely thank all of you for your continued support and guidance. The journal with the support of reviewers, publication team, editorial advisory board, authors and readers has grown in strength in several aspects and has benefitted immensely from your many contributions.

This journal is a place for exchanging original research based results on banking and finance and other areas of Social & Management Sciences that have relevance in building a new body of knowledge and improvement in practice of banking operations. It has made considerable progress on several counts. PRAJNAN is indexed and abstracted in EBSCO, ProQuest and Indian Citation Index. The journal is listed and included in UGC CARE list of approved academic research journals.

I would like to thank the very competent publication team behind PRAJNAN. My sincere thanks to editorial committee members Dr Dipali Krishnakumar and Dr Kedar nath Mukherjee for their support. Ms Shainaz Baig (Executive Officer, Publications) and Mrs Yvette D'Mello have contributed immensely to the smooth functioning of editorial and publication office. Special thanks to Mr Vincent D'Mello and Mr Dhananjay Gondras for all their support. A big thanks to them for their active support for the journal.

I am also very pleased to introduce the incoming Editor and my colleague Prof Sanjay Basu, faculty of finance area at NIBM. My colleague Dr Gargi Sanati is also joining as editorial committee member. I wish them all the best. I am sure the journal will achieve newer heights under the new editorial committee to be led by Prof Basu.

In this issue we present four full-length research papers and one brief article. The first paper **"Fate of Some Tourism Companies Pre and during Covid 19 – Using Various Machine Learning Models"** is by Asima Sarkar. In this paper, the author has considered the leading multinational tourism companies market data for forecasting their stock prices before and during the Pandemic, using three machine learning algorithms. The tourism sector has been adversely affected due to the Covid 19 pandemic situations due to ban on international travel and lockdown situations. This paper evaluates Long Short Term Memory (LSTM) model approach for two periods for six listed travel booking firms in India. It has defined a Covid period to demonstrate that LSTM models were efficient to predict stock prices. The study finds that investors could understand the downfall of the stock market due to the pandemic and so it influenced a definite trend in the data. The author observes that the machine learning models are efficient in predicting stock price movements even during the Covid period.

The second article **"Interlinkages between Credit and Housing Prices in Emerging Market Economies"** by Priti Mendiratta Arora and Ananya Ghosh Dastidar has brought out empirical evidence of the co-movement of housing prices and credit in a group of emerging market economies. The authors also attempts to identify the nature of causation between the two. It also assesses whether the interaction between credit and housing prices shows similarities or not between developed and developing economies. The findings suggest that causality running from credit to housing price is quite prominent in developing countries. The paper also point to the importance of macro-prudential tools especially for financial regulators and monetary policymakers. The empirical results share an important understanding for recommending policies that can be crucial for studying financial stability.

The medical advancement is progressively impacting on the life-span of the elderly population. Around ten per cent of the country's total population are aged over sixty and it is on an increasing trend. In this context financial planning for retirement has become inevitable part of everyone's life. The third paper **"Psychological, Social and Economic Factors Influencing Financial Planning and Saving Practices in Context of Retirement – A Study of Service Sector Employees in Punjab"** is by Sandeep Kaur and Ritu Lehal. This paper examines the impact of psychological, social and economic factors on financial planning and saving practices with regard to retirement. Respondents belonging to service sector have been interviewed using convenience sampling structured questionnaire to procure primary data from respondents. Results revealed significant influence of psychological and economic variables on retirement planning and saving practices while no significant influence has been found in case of social forces.

The fourth one is a brief article titled **"Pre- and Post-Merger Bank Performance – A Comparative Study"** by Inchara P M Gowda assesses the impact of mergers on various financial parameters of the largest bank in India. It provides a deep insight into the merger scenario pre and post-merger based on several financial parameters gathered from the RBI database. The study makes comparison with other markets and perform various statistical tests on several parameters of five associate banks of the largest entity and BMB. The author concludes that the largest bank has not shown significant improvement in its performance in post-merger period barring few individual parameters like business volumes and scale effects. The author has also recommended to strengthen the credit appraisal, control fresh slippage to NPA category and focusing on early warning signals for troubled assets are essential for performance improvement.

The fifth article **"Indian Business Cycle Chronology – An Update"** by Anurag Bavaria attempts to provide the recent evidence on Indian business cycles using quarterly real GDP time series. The author presents business cycle turning points based on quarterly data for India based on classical approach and growth rate based approach. The study identified three recent recessions in India that were not part of earlier studies; first in late 2008, second in mid-2011 and third one is the most recent pandemic induced recession. The main contribution of the paper is to devise an improvised method to date business cycles diverting away from traditionally used methods despite its shortcomings. The author also identified flaws in conventionally accepted dating methodology and suggested few important modifications. For example, identifying the recovery phase in the dating of classical cycles, measuring amplitude with respect to an average base instead of the previous turning point that curbs the overestimation of expansions and underestimations of contractions, the use of seasonally adjusted quarter on quarter GDP growth rate instead of year on year.

We have also published one book review in this issue. Dr V S Kaveri, former Professor, National Institute of Bank Management, has reviewed the book titled *"India's External Commercial Borrowing – Features, Trends, Policy and Issues"*, by Shri Ashutosh Raravikar.

We are inviting original research based papers and brief articles in the subject areas but not limited to: *(a)* Digital Banking and Financial Inclusion, *(b)* Profitability & Performance Analysis of Banks and FIs, *(c)* Development in Global Financial Markets, *(d)* Recent Developments in Risk Management Techniques, and *(e)* Effective Leadership and Organizational Management.

Dr Arindam Bandyopadhyay
Editor (PRAJNAN), Associate Professor, Finance, Dean Education & Principal, Associate Dean (Consultancy), NIBM.

Fate of Some Tourism Companies Pre and during Covid 19 – Using Various Machine Learning Models

Asima Sarkar

Covid 19 is a new face of death and suffering in the world nowadays. When it started in the year 2019, it came with a lot of risks and uncertainties. World Health Organization (WHO) had no clue about the treatment and measures for this disease and so people got puzzled and started locking down themselves to avoid getting infected. Inter-state and inter-country travelling got seized and the worst affected sector in this pandemic became the tourism industry. In this paper, the stock prices six multi-national tourism companies that operate in India, have been forecasted using some online learning algorithm Long Short Term Memory (LSTM), Recurrent Neural Network (RNN), Convolutional Neural Network (CNN), Least absolute Shrinkage and Selection Operator (LASSO), Gated Recurrent Unit (GRU) and Random Forest (RF). As we know that predicting stock prices is difficult due to its randomness, it requires extensive study of the stock market and intervention of statistical and machine learning models. This research attempts to examine whether the forecasting before the pandemic is better than during the pandemic for each of the six leading multi-national tourism companies.

Interlinkages between Credit and Housing Prices in Emerging Market Economies

Priti Mendiratta Arora
Ananya Ghosh Dastidar

There is significant evidence of co-movement between cycles in credit and housing prices in both industrialized countries as well as in Emerging Market Economies (EMEs). However, it is unclear whether the trigger of causation is coming from the real estate market or the loan market. Yet, the direction of causation has important economic implications. This paper examines empirical evidence on the co-movement of housing prices and credit in a group of emerging market economies and tries to identify the nature of causation between the two. This is important as rapid expansion in mortgage loans may trigger financial instability as illustrated during the global financial crisis of 2008. It also tries to assess whether the interaction between credit and housing prices shows striking similarities or marked differences between developed and developing economies. The paper adds to the literature by providing evidence on the nature of causation between the real estate market and credit market from a set of EMEs, an important research issue which has not yet been fully explored in a multi-country framework. The findings indicate, inter alia, that causality running from credit to housing price is quite prominent in developing countries, suggesting the existence of binding credit constraints despite significant financial development.

Psychological, Social and Economic Factors Influencing Financial Planning and Saving Practices in Context of Retirement – A Study of Service Sector Employees in Punjab

Sandeep Kaur
Ritu Lehal

In the present era, financial planning for retirement has become an inevitable part of everyone's life. Financial planning for retirement has been always painstaking as an objective that can be always postponed over present needs. The main objective of the present research is to study the impact of psychological, social and economic factors on financial planning and saving practices about retirement. Respondents are Service Sector employees from the state of Punjab from four sectors namely Banking, Insurance, Education and Health. A structured questionnaire is used to procure primary data from respondents. Participants are accessed using convenience sampling. Collected data is analyzed using SPSS. The Structural Equation Modeling (SEM) technique is used to analyze the data. Research results revealed a significant influence of psychological, social and economic variables on retirement planning and saving practices.

A Brief Article

Pre- and Post-Merger Bank Performance – A Comparative Study

Inchara P M Gowda

Merger of five associate banks of State Bank of India and Bharatiya Mahila Bank with the SBI is a mammoth merger in the recent years. After the merger, three years are completed. In this backdrop, this paper makes an attempt to compare the performance of SBI during post-merger period with that of the Group in the pre-merger period. For this purpose, the relevant data for a period of six years – three years prior to merger and three years after the merger are used and analysed with the help of ratios and descriptive statistics besides 't' test for testing the hypothesis.

The study finds significant improvement in the performance during the post-merger period from the point of view of volume of business (deposits and gross advances). However, improvement in the asset quality (Gross Non-performing Assets, Gross NPA Ratio, Net NPAs and Net NPA Ratio), profit and profitability (Net Profit, RoE and RoA) and capital adequacy (CAR) is not significant during the post-merger period compared to pre-merger period.

Indian Business Cycle Chronology – An Update

Anurag Bavaria

This paper presents an update on the business cycle and growth rate cycle chronology of the Indian economy by identifying the peaks and troughs in the quarterly released real GDP time series. The results reveal that the Indian economy witnessed three classical contractions and nine growth rate deceleration phases between April 1996 and March 2021. Other business cycle features, viz., duration, amplitude and sharpness are also derived. The results confirmed the existence of long expansions and short contractions as per the classical approach. The growth rate cycle of India, however, displays symmetric nature with similar duration, amplitude and sharpness being observed in acceleration as well as deceleration phases. Further, this study makes an attempt to contribute to the dating methodology by highlighting the defects in them and thereby proposing modifications to rectify the defects.