

Dissertation Abstract

This research project is primarily designed for two basic purposes - viz. to discuss about the different controversies in this area and secondly to obtain an empirical analysis of the behaviour of depreciation in an accelerated depreciation with growing investment and replacement.

While taking up the controversial area we have paid, amongst others, attention to depreciation and price level changes. The common belief of depreciation deficiency in increasing price level is far from the truth. We have established this theoretically and we have validated the result with empirical evidence. While talking about depreciation deficiency, we have also found that depreciation covers not only replacement but half of it goes to growth investment even after adjustment for tax. Incidentally, we have established empirically, that the growth rate of investment tends to remain constant over

We have found empirically that growth in Indian economy does not really follow a Demar type of assumption of investment. On the other

is related directly by the ratio of accelerated depreciation and gross capital stock.

We have analysed the role of accelerated depreciation like investment rebate, initial depreciation allowance theoretically and

Our analysis is based on Reserve Bank of India data for the periods 1960-65 and 1965-70 with sample size of 1337 and 1507 public limited companies with mainly capital above Rs. 10 lakhs. In other words, data are likely to be biased for sampling and any research, to have analysed on the basis of overall corporate sector and for various sub industries. For the overall corporate sector, we have reported the average analysis but for industry we have reported the average figures for 1960-65 and 1965-70.

Our study has been divided in three parts. Part I has been devoted to the analysis of concepts, theory and controversies in the area of administration. In part II, we have discussed demerolization and growth under

Part II. In part III, we attention is concentrated on the development of the