

ASSOCHAM BUSINESS BAROMETER

Faculty of a majority of B-schools lack the basic economic awareness

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**Prepared by:
Jyoti Bhutani
ASSOCHAM Research Bureau**

**Faculty of a majority of B-schools lack the basic economic awareness:
ASSOCHAM Survey**

In a shocking revelation, the ASSOCHAM Business Barometer (ABB) survey found that a majority of the teachers of the numerous B-schools in the country (except top 30 b-schools) are not aware of the basic facts about the national and the global economy such as GDP growth rate of India, the amount of exports & imports and the possible recession in the US.

The ABB study on “Faculty Awareness” surveying 258 faculty members of various institutes imparting Masters in Business Administration (MBA) across the country revealed that as many as 89 per cent of the teachers were unable to tell the GDP growth rate scaled by the Indian economy in the financial year 2006-07.

The survey further divulged that hardly 6 per cent of the lecturers surveyed read any business newspaper on regular basis. Moreover, persistent readers of business magazines were negligible.

“As the teachers themselves are ill-informed, even the students remain unaware of the of the real world developments keeping their degrees devoid of the real value as also aggravating the problem of talent crunch”, remarked Mr. Venugopal N Dhoot, President, ASSOCHAM.

A little less than 5 per cent of the teachers could estimate the saving and investment rate recorded during the same fiscal. The proportion of teachers who knew the amount of exports and imports made during 2007-08 was almost nil.

Almost 92 per cent of the lecturers were not conscious of the fact that the foreign exchange reserves of the country have surpassed the USD 300 billion-mark. Most of

them could only recall that the forex reserves have had crossed the USD 100 billion-mark.

As Indian economy is increasingly getting integrated with the rest of the world, the relevance of “International Trade” as a subject has grown manifold. Nonetheless, the survey found that the faculty of the subject remains uninformed about the recent happenings in the global economy.

Not even 10 per cent of the teachers were aware of the existence of financial turmoil in the USA. Out of those who were aware, only one-fifth were able to define it. Furthermore, almost an equal proportion (10 per cent) of them were not conscious of the possible recession in the world’s largest economy that of the United States of America.

When asked about the central bank of the US, close to 79 per cent of the teachers went blank about it. While the approximate exchange rate of Rupee vis-à-vis USD was known to almost 67 per cent of the faculty members, just about 13 per cent and 17 per cent of them knew Pound and Euro rates respectively.

Most of the case studies or examples discussed in the class are outdated, as the books referred by lecturers are old editions stored in the library. A mere 11 per cent of the teachers did ever discuss the recent merger & acquisition deals in the class.

The books recommended for many of the subjects are written by foreign authors, whose text comprises of examples of their respective countries. However, a majority of the teachers of these subjects do not relate the content with the Indian context.

As many as 91 per cent of the lecturers teaching Business Environment did not know how to read budget papers. In fact, only 5 per cent of the respondents could tell the fiscal and revenue deficits of 2007-08.

Week-on-week inflation rate on the other hand were known to a majority of the teachers. Almost 93 per cent of them were able to recall the latest inflation figures though an approximate number (truncating the decimal part).

Only a handful number of teachers comprising about one-tenth of the lecturers were cognizant of the present key rates (Repo Rate, Reverse Repo Rate and Bank Rate). Since the Statutory Liquidity Ratio (SLR) has remained unchanged at 25 per cent for a relatively longer period of time, the response to SLR was far better. Almost 93 per cent of the lecturers could tell the ratio correctly.

“While the top B-schools of India are increasingly getting recognized internationally, the remaining thousands of management institutes in the country have dismal standards of education and faculty”, said the President.

The survey was done by the team of ASSOCHAM Research Bureau to ascertain the practical subject-knowledge and general awareness of the faculty of the various b-schools across the country. The top 30 B-schools were not included.

Findings of Faculty Awareness Survey

Parameter	Aware (in per cent)	Unaware (in per cent)
GDP Growth Rate of India in 2006-07	11	89
Saving rate and investment rate in 2006-07	05	95
Exports & Imports during 2007-08	01	99
Forex reserves crossing USD 300 billion-mark	08	92
Possible recession in the US economy	10	90
Reading of Budget papers	09	91

Data Source: ASSOCHAM Business Barometer Survey