

A STUDY OF FAMILY EXPENDITURE ON FOOD ARTICLES AND NON FOOD ARTICLES IN CHANDGAD TALUKA OF KOLHAPUR DISTRICT

Miss-Vrushali Kamalakar Herekar. Research Student, Shivaji University,
Kolhapur.Email-herekar.vrushali@rediffmail.com

Abstract:

The present study is a micro level study. The Comparative study of Family Expenditure on Food Articles and Non –Food Articles in Chandgad Taluka is mainly based on the primary and secondary data. This primary data was collected from questionnaire, observations and Interview method. The primary sources of data were randomly selected families which are from different income groups. Sample size was 45 families in chandgad city belonging to different income groups. Out of these 45 families, 15 families from high income group i.e. families having white ration card, 15 families from middle income groups i.e. families having saffron ration card and 15 families from low income groups i.e. families having yellow ration card families were selected randomly from the total number of families in chandgad taluka. Different questionnaires were prepared and according to them question were asked to selected sample families. The secondary tables were prepared based upon the data obtained from the questionnaires. These families are selected on the basis of income range of the ration cards. To study the consumption expenditure of selected Food Articles and Non –Food Articles of the Chandgad Taluka.

1) Introduction: Consumption expenditure is divided into two major groups i.e. Food Articles and Non-Food Articles. Expenditure on Food Articles includes monthly expenditure on cereals, pulse, milk, edible oil, sugar, tea, vegetables and fruits etc. expenditure on Non-Food Articles includes monthly expenditure on electricity bill, phone bill, gas, traveling, cosmetics, education, cleaning, health and medical etc. consumer more expand on Food and Non-Food Articles because these are basic needs of people. The money value of the minimum quantities of cereals, pulses, vegetables, milk etc. is calculated on the basis of their prevailing price. This would enable us to find out how much money every individual should get to purchase them so as to maintain the minimum level of consumption and minimum efficiency. In general it is observed that increase in income has positive effect i.e. increase in income leads to increase in consumption. But there are some goods where income effect is negative. Sir Robert Giffen, a British statistician in the mid-nine–teenth century observed the consumption pattern of the poor in England. According to him, “An inferior goods in which case the consumer reduces its consumption when its price falls and increases the consumption when its price rises is called a Giffen Paradox.” Thus, the quantity demanded of a Giffen Goods varies directly with price.

The following three conditions are necessary.

1. The goods must be inferior goods with a large negative income effect.

2. The substitution effect must be small.
 3. The proportion of income spent upon the inferior goods must be very large.¹
- Keynes in his “General theory, Published is 1936. Keynes developed a psychological law of consumption. “The amount of aggregate consumption depends mainly on the amount of aggregate consumption depends mainly on the amount of aggregated income. The fundamental psychological law, upon which we are entitled to depend with great confidence both a prior from our knowledge of human nature and from the detailed facts of experience is that men (and women too) are disposed, as a rate and on an average to increase their consumption as their income increases, but not by as much as the increase in their income.”²

2) Objectives of the Study:

1. To make Comparative study of Family Expenditure on Food Articles.
2. To make Comparative study of Family Expenditure on Non- Food Articles.
3. To make Comparison between Family Expenditure on Food Articles and Non –Food Articles.

3) Assumption of the Study:

1. There is difference between Consumption Expenditure on Food Articles and Non–Food Articles.
2. Consumption expenditure on Non- Food Articles is higher than Food Article

4) Scope of the Study:

The Comparative study of Family Expenditure on Food and Non – Food Articles is restricted to the Chandgad Taluka in Kolhapur district. Data collected from 2016-2017.

5) Research Methodology:

The present study is a micro level study. The comparative study of Family Expenditure on Food Articles and Non –Food Articles in Chandgad is mainly based on the primary and secondary data. This primary data was collected from questionnaire method, observations method and Interview method. The primary sources of data were randomly selected families which are from different income groups. Sample size was 45 families in chandgad city belonging to different income groups. Out of these 45 families, 15 families from high income group i.e. families having white ration card, 15 families from middle income groups i.e. families having saffron ration card and 15 families from low income groups i.e. families having yellow ration card families were selected randomly from the total number of families in chandgad taluka. These families are selected on the basis of income range of ration cards.

6) Analysis of Research Paper: The information related to expenditure was collected on household basis under the following two sub – sections of the survey schedule. 1) Food 2) Non - Food. Under food expenditure, information is gathered for 30 days with a view to get more accurate data.

a) Expenditure on food: Expenditure on food item includes rice, wheat, pulse, milk, edible oil, sugar, tea, fruit, and vegetable etc. The consumption

expenditure is an important indicator of economic status and standards of living of the households. Individual to purchase food articles to maintained the minimum level of consumption and minimum efficiency. This study tried to examine the consumer behaviour with respect to food articles of the Chandgad Taluka. Table No.1 shows that H3 families lower expand on food articles than H2 and H3 families of this area because of inflation, which hurts most of the poor families of the lower income groups. This paper analyzed consumption expenditure of three broad classes, namely the upper, middle and bottom classes in the taluka.

Chart No.1
Food Articles

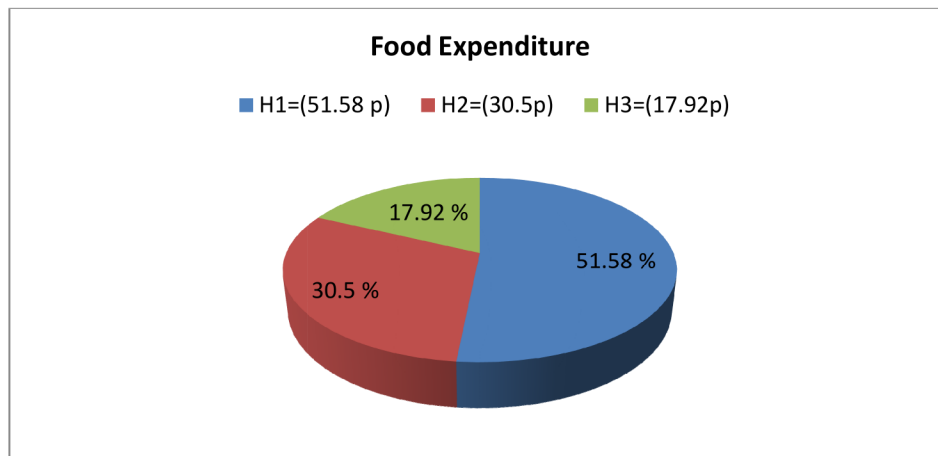


Table -1
Expenditure on Food

(RS.)

Food Items	H1	H2	H3	Total
Cereals	28630(45.47)	21590(34.29)	12740(20.24)	62960(100)
Pulse	25690(57.13)	14600(32.47)	4680(10.40)	44970(100)
Milk	21000(56.00)	10875(29.00)	5625(15.00)	37500(100)
Edible Oil	11295(48.88)	6855(29.66)	4960(21.46)	23110(100)
Sugar	5130(47.08)	3068(28.16)	2698(24.76)	10896(100)
Tea	3450(50.22)	1820(26.49)	1600(23.29)	6870(100)
Fruits	8150(62.26)	2900(22.16)	2040(15.58)	13090(100)
Vegetables	12550(49.56)	6850(27.06)	5920(23.38)	25320(100)
Total	115895(51.58)	68558(30.50)	40263(17.92)	224716(100)
MPCE	1430	856	536	2822

(Source: Computed by the researcher)

Table No -1 shows that, H1 families spend on food items 51.58 percent, and H2 families spend on food items 30.50 percent and H3 families spend on food

17.92 percent to the total.

b) Non-food expenditure: Non food items includes electricity bill, mobile and landline, gas, travelling, cosmetics, education, health and medical and cleaning etc.

Chart No.2
Non –Food Articles

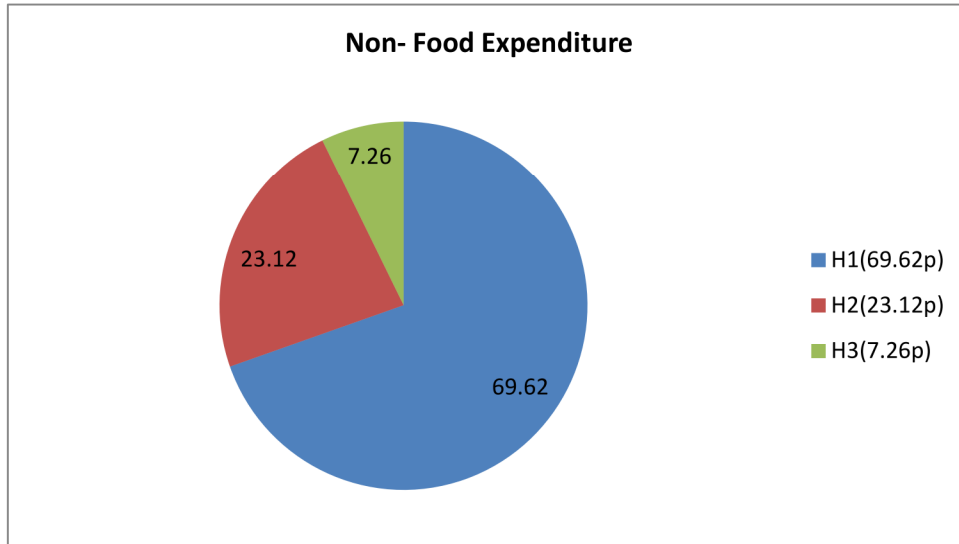


Table No -2 Expenditure On Non- Food

(RS.)

Non-Food Expenditure	H1	H2	H3	Total
Electricity bill	7550(48.68)	4380(29.00)	3370(22.32)	15100(100)
Mobile nd landline	13100(70.24)	3650(19.58)	1900(10.18)	18650(100)
Gas	8330(42.49)	7934(40.44)	3350(17.07)	19614(100)
Traveling	32000(68.28)	11550(24.64)	3310(7.08)	46860(100)
Cosmetics	15600(74.34)	3520(16.76)	1870(8.90)	20990(100)
Education	53000(79.19)	12350(18.45)	1570(2.36)	66920(100)
Health nd Medical	33000(62.74)	17100(32.52)	2490(4.74)	52590(100)
Cleaning	30000(84.32)	3400(9.56)	2180(6.12)	35580(100)
Total	192380(69.62)	63884(23.12)	20040(7.26)	276304(100)
MPCE	2375	798	267	3440

(Source: Computed by the researcher)

H1 families spent on non- food items 69.62 percent to the total. H2 families spent on non- food items 23.12 percent and H3 families spent on non- food items 7.26 percent to the total expenditure.

c) Comparison between Family Expenditure on total Food Articles and total Non –Food Articles.

It is observed from the Table No. 3 that family expenditure on Non-Food Articles is higher than Food Articles.

Table No.3
Comparison between Family Expenditure on total
Food and total Non –Food Articles MPCE

(RS.)

Sr.No.	Ration Card	Total Expenditure on Food Articles	Total Expenditure on Non-Food Articles
1	White (H1)	1430	2375
2	Saffron (H2)	856	798
3	Yellow (H3)	536	267
4	Total	2822	3440

(Source: Computed by the researcher)

It is revealed from Table No.3 that Total Monthly Per Capita Expenditure of food items 2822 Rs and Total Monthly Per Capita Expenditure of non-food items is 3440 Rs. Table No.3 indicate that consumption expenditure on food articles is lower than non- food articles.

d) Size of population:

Table No.4
Size of Population

Population	H1	H2	H3	Total
Male	38(46.92)	37(46.25)	40(53.34)	115(100)
Female	43(53.08)	43(53.75)	35(46.66)	121(100)
Total	81(34.34)	80(33.89)	75(31.77)	236(100)

(Source: Computed by the researcher)

The survey revealed that a sizable percent of population (81percent) in H1 families, (80 percent) in H2 families and (75 percent) in H3 families.

Table No.4 shows that, the survey revealed that sizable percent of population. In 45 household, there was a population of (236), which constituted (115) males and (121) females.

7) Findings:

a) Food and non- food expenditure shows that there is significant difference between food and non- food expenditure. Total household spend on food items 44.86 percent and 55.14 percent spend on non food items. The share of non-food items higher in total expenditure.

b) There is difference between Consumption Expenditure on Food Articles and Non–Food Articles.

c) Consumption expenditure on Non- Food Articles is higher than Food Articles.

d) High income group families more than half of the Expenditure was spent on

education and health and medical.

e) Consumption expenditure of the lowest H3 expenditure class is food oriented. Consumption expenditure for lower income class does not reveal a situation of misery.

f) MPCE of H1 sample households of food articles is Rs.1430 whereas in H2 sample households is Rs.856 and H3 sample households is Rs.536.

g) MPCE of H1 sample households of non-food articles is Rs.2375 whereas in H2 sample households is Rs.798 and H3 sample households is Rs.267.

h) Expenditure on food articles and non –food articles for the H3 lower expenditure class is relatively less due to high prices of these items in relation to their income.

8) Conclusion:

There is lot of difference between food and non food expenditure. Total household spend on food items 44.86 percent and 55.14 percent spend on non food items. The share of non- food items higher in total expenditure. The families expand more and more on non food items. H1 families expand higher on all food and non food items than H3 and H2 families. MPCE of food and non- food items is 2122.96.

9) Suggestion:

This research paper indicate that, H3 yellow ration card families consumption expenditure is lower and not consume nutritious foods also. They expand lower portion of their income on fruits it is adversely affected on health. There is required to formulate proper policy at taluka level related to the food and education for H2 and H3 families because these families expand lower on education and food than H1 families.

10) References:

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