A BRIEF STUDY ON BANANA CHIPS MANUFACTURING BUSINESS IN MOKOKCHUNG

Project report submitted to Nagaland University in partial fulfillment for the award of the degree of Bachelor of Commerce

OPANGNUNGLA

Department of Commerce

Kohima college

Kohima, Nagaland

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Department of Commerce
Kohima college, Kohima– 797001
Nagaland

Date:

<u>DECLARATION</u>

I declare that the project report entitled "A Brief Study on Banana Chips Manufacturing Business in Mokokchung" submitted by me for the award of the degree of **Bachelor of Commerce**Nagaland University is my own work. The project report has not been submitted for any other degree of this University or any other university.

OPANGNUNGLA

<u>CERTIFICATE</u>

I forward this project report be placed before the examiners for evaluation.

NGIPLON RACHEL CHOHWANGLIM

(Supervisor)

<u>ACKNOWLEDGEMENT</u>

The success and final outcome of this dissertation was carried out with tremendous help, guidance and supervises from my institutional guide Miss.Ngiplon RachelChohwanglim, Assistant Professor of Commerce for her constant encouragement that she gave me through my project.

My conduct of congenial gratitude goes to all my esteem teachers and professors for their valuable help and knowledge extended to me all throughout my bachelor degree. I owe my friends for their help and support in times of need during the making of this work.

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Chapter – 1: Introduction

1.1 INTRODUCTION :

Banana (*Musa Sapientum L*) is one of the important major fruits crops in Mokokchung, Nagaland. It is available throughout the year. Most people consume it by raw, steamed or boiled. However, Banana is easily ripped and it becomes a huge waste to the food industry. One of the method to process banana is to make banana chips. Usually, the chips are produced from under ripe bananas, of which slice are deep - fried using oil (soybean oil, mustard oil, etc.) which are dry. If ripe, they usually come out oily, so under ripe bananas are the best for making banana chips. Usually, the chips are produced from under ripe bananas, of which slice are deep - fried using oil (soybean oil, mustard oil, etc.) which are dry.

Packaging and storage condition are the most important quality control factors for Chips preservation. Storage stability depends on packaging. Good packaging and storage condition extend the storage duration of chips.

The purpose of the study is to study the overall performance of the manufacturing business and to know the profitably of the enterprise

1.2 <u>Background :</u>

  Banana chips manufacturing business under Mokokchung (Changtongya town), Nagaland owned and managed by Marchiba was set up in 1990s. It is one of the most popular banana chips under this district. Banana chips making business is considered as one of the small manufacturing business from home

1.3 <u>Review of the literature:</u>

- **s. DM INSTITUTE OF TECHNOLOGY**

  UJIRE DK Belthangad yetis report describes the methodology involved in peeling raw bananas used for making banana chips. The methodology has been tried to be framed into a mechanical device which can serve the intended purpose and to see its efficiency when it is practically made to work. The main reason for choosing this project was the creativity involved and the demand for something that would serve the purpose of peeling the raw banana to make chips out of it".

- **Puguh Cahyono** "This research was conducted at UD. Nikilo, BumiajiSubdistrict, Batu City Malang, as one of the banana chips agro-industry business groups under the Integrated Business Service Center (PLUT) of Batu City Malang. This study aims to analyze the feasibility of the banana chips business at CV".

- **Agnes Quartina Pudjiastuti, Nur Ida Iriani, Ana ArifatusSa'diyahf** "Banana chips are one of the traditional foods favored by Indonesian people and are mostly cultivated on a small scale. This study aims to analyze the feasibility and sensitivity of banana chips business. Primary data to compile cash flow in 2017 was obtained from small business of banana chips which was then analyzed feasibility financially. The banana chips business was still feasible even though the total cost increased by 5% and production decreased by 15%".

1.4 <u>Objective of the study:</u>

❖ To know the financial position and profitability of the business

❖ To study their market demand and supply

❖ To study their manufacturing business

1.5 <u>Scope of the study:</u>

❖ The scope is mainly the coverage of *Changtongya town under Mokokchung District, Nagaland*

❖ The study is intended to know the functioning and performance of the business

❖ The study helps to know the Income earned from manufacturing

1.6 <u>Research Question</u>

1. Is banana manufacturing business a sustainable business in terms of profitability?

2. What are the challenges and problems faced by the business?

1.6 <u>Research Problems:</u>

❖ The study of this project is limited as this project is done in a short span time and hurdle of distance connectivity existed.

❖ The survey is subjected to the bias and prejudices of the respondent. Hence 100% accuracy cannot be assured.

❖ Questionnaires alone cannot extract sufficient information.

1.7 <u>Research Method</u>

This study will be covering both types of data collection, sources, i.e., primary data and secondary data.

❖ *Primary data* was used for collecting the information and various data in the form of questionnaire techniques(directly from the target respondent through structured questionnaires)

❖ *Secondary data* was also used for collecting the various information from internet, magazines , journals and various textbooks.

Chapter – 2 : Detailed Review and Analysis and Interpretation of Data

2.1 Profile of the study

ChangtongyaTown, Mokokchung District, Nagaland, has a banana chips manufacturing industry. Marchiba is in charge of the company's operations. It began in the 1990s, and it has been over 20 (twenty) years since he began the firm. His initial capital commitment was roughly Rs. 50,000 when he started the business. Savings, family, and friends were used as sources of capital. The banana chip manufacturing company employs 6 (six) people, each of whom is paid Rs. 6000 per month. Only manual machines are available.

The average number of packets manufactured per day is between 100 and 150, with each packet costing Rs. 30. The average daily sales are Rs.4,500, and customers and other retailers are satisfied. The most recent annual profit was Rs. 3,16,800 in 2021. The raw materials (banana) are purchased from a farm owned by the company as well as local farmers from near by villages and towns. *(PRIMARY SOURCE)*

During the early days,Marchiba was the first person to start the banana chips manufacturing business in Changtongya town under Mokokchung District but now there are some local people that started to produce banana chips as their small business. Thus, because of this present situation Marchibafaced some of the challenges like reduction in aggregate demand, improvement in customer services, changing the strategy in order to earn more profit, etc.

2.2 <u>Manufacturing process of banana chips</u>

Flow chart of Banana Chips manufacturing process :

Selection of Banana (unripe Banana)

⬇

Cleaning

⬇

Cutting and Slicing

⬇

Blanching (food coloring)

⬇

Drying

⬇

Deep frying

⬇

Banana chips

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2.3 <u>Data Analysis and Interpretation</u>

Data Analysis & interpretations is the process of assigning meaning to the collected information and determining the conclusions, significance and implications of the findings. The steps involved in data analysis are functions of the type of information collected. However, returning to the purpose of the assessment and the assessment questions will provide a structure for the organizations of the data and a focus for the analysis. The assessment purpose and questions can help direct the focus of the organizations.
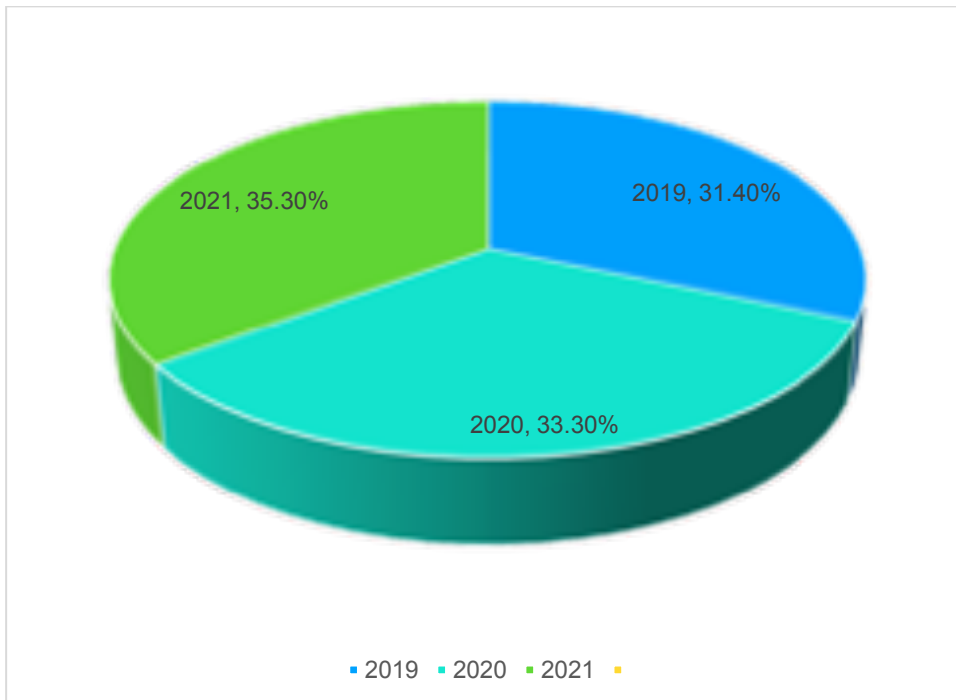
❖ **Approximate Sales made during the last 3 (three) year :**

- The following shows the sales made during the last 3 (three) years :

Table -1 :Sales made during the last 3 (three) years :

Sl. No	Years	Sales(₹)	Percentage (%)
1	2019	10,55,000	31.4%
2	2020	11,22,000	33.3%
3	2021	11,88,000	35.3%
Total			**100%**

Chart 1:sales made during the last 3(three) years:

- **DATA ANALYSIS AND INTERPRETATION:**

According to the above-mentioned data and pie-chart, approximate sales for the year 2019 were Rs 10,55,000, or 31.4 percent, approximate sales for the year 2020 were Rs 11,22,000, or 33.3 percent, and approximate sales for the year 2021 were Rs 11,88,000, or 35.3 percent. As a result, as the year progresses, so do the sales of banana chips.
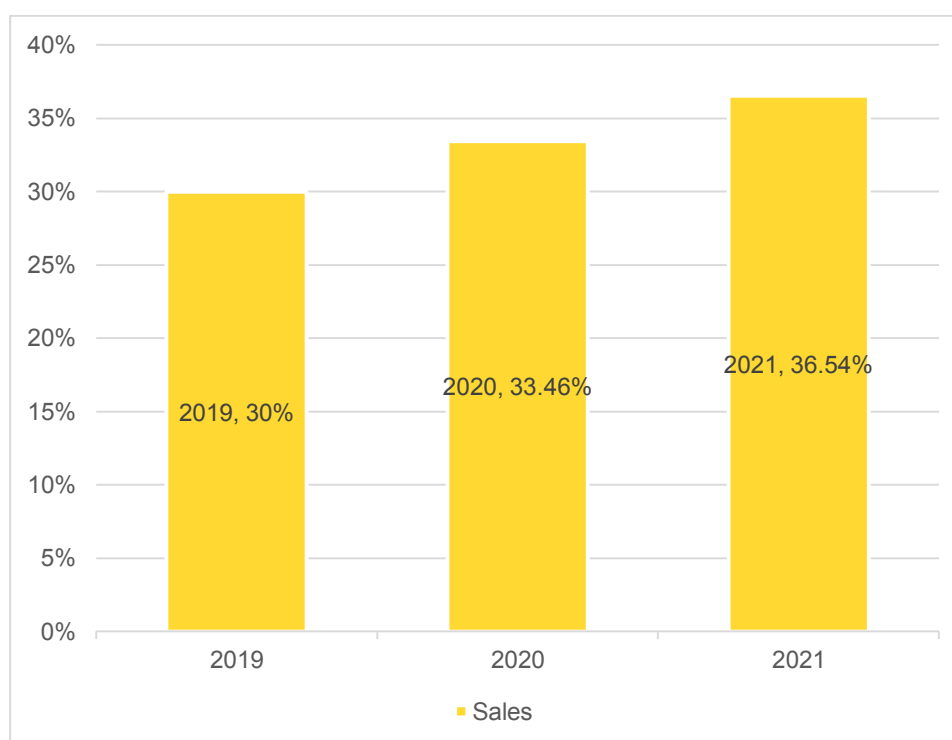
❖ **Approximately profit made during the last 3(three) years:**

- The following table and chart represents the profit made during the last 3 (three) years :

Table 2 Profit made during the last 3 (three) years :

Sl. No	Years	Profits(₹)	Percentage (%)
1	2019	2,60,000	30%
2	2020	2,90,000	33.46%
3	2021	3,16,800	36.54%
Total			**100%**

Chart 2: Profit made during the last 3 (three) years:

- **Data Analysis and Interpretation**

According to the above-mentioned statistics and pie-chart, the approximate profit for the year 2019 is Rs 2,60,000 (30%), the approximate profit for the year 2020 is Rs 2,90,000 (33.46%), and the approximate sales for the year 2021 is Rs 11,88,000 (36.54%). As a result, as the year progresses, sales and profit rise.
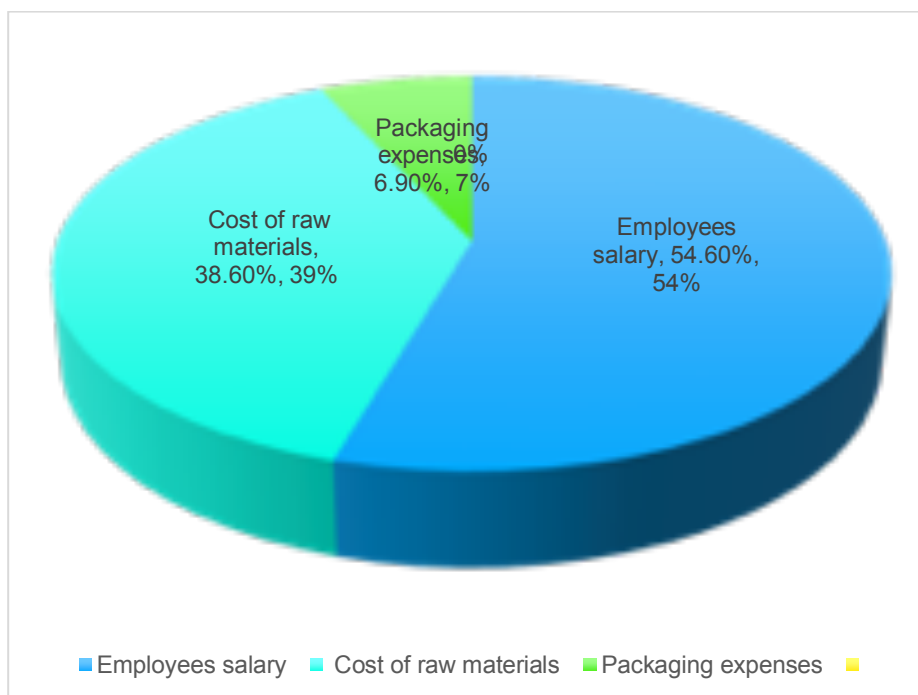
❖ **Approximate total expenditure per year:**

- The following table and shows the total expenditure per year:

Table 3 Total expenditure for 2021 year:

Sl. No	Particular	Amount (₹)	Percentage (%)
1	Employees salary (6 employees)	4,75,200	54.6%
2	Cost of raw materials	3,36,600	38.64%
3	Packaging expenses	59,400	6.8%
Total		8,71,200	**100%**

Chart 3 Total expenditure for 2021 year:

- **Data Analysis and Interpretation :**

From the above table and chart, it shows that the expenditure made for 2021is Rs. 8,71,200,i.e ,Rs.4,75,200 or 54.56% for employees salary ,Rs. 3,36,600 or 38.64% for cost of raw materials and packaging expenses Rs. 59,400 or 6.8% . Therefore, the expenditure on employees salary is more because the works are done manually and no machines are used while manufacturing the process of banana chips.
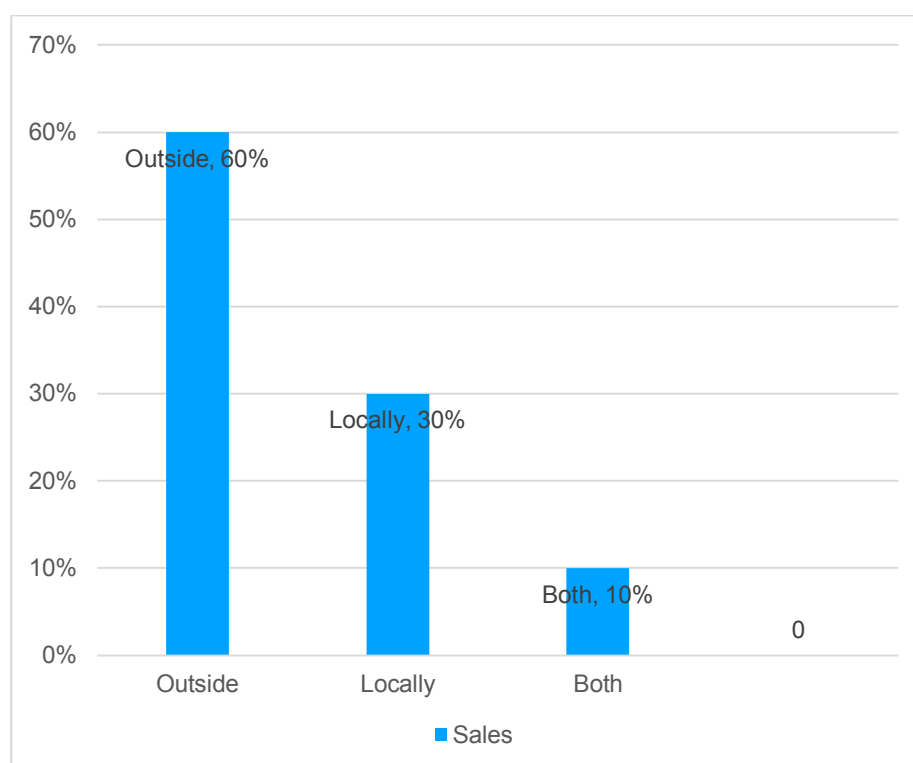
❖ **Location of selling :**

- The following table and chart shows location of selling :

Table 4 Location of selling :

Sl. No	Location	Percentage (%)
1	Outside	60%
2	Locally	30%
3	Both	10%
Total		**100%**

**Chart 2.4 Location of selling:**

• **DATA ANALYSIS AND INTERPRETATION:**

From the above chart, it can see that 60% of sale off their produce is outside and 30% of sale off their produce is locally and 10% of sale off their produce to both the location. Therefore, from the above table and chart we can see that most of the cultivation sales off their produce are outside.

❖ **Main Customer :**

Table 5 Main Customer :

Sl. No	Customer	Percentage (%)
1	Retailers	40%
2	Wholesalers	60%
Total		**100%**

Chart 5 Main Customer
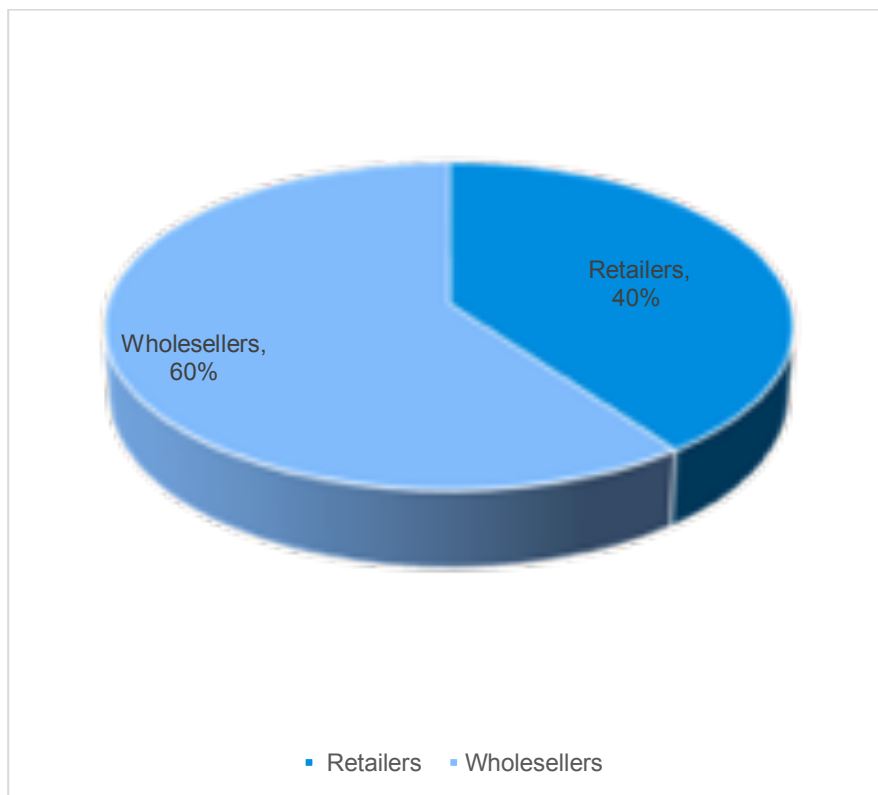
❖ **DATA ANALYSIS AND INTERPRETATAION:**

From the above table and pie-chart it shows that 40% of the customer's are retailers and 60% of the customer's are wholesalers. Therefore most of the customer's are wholesalers.
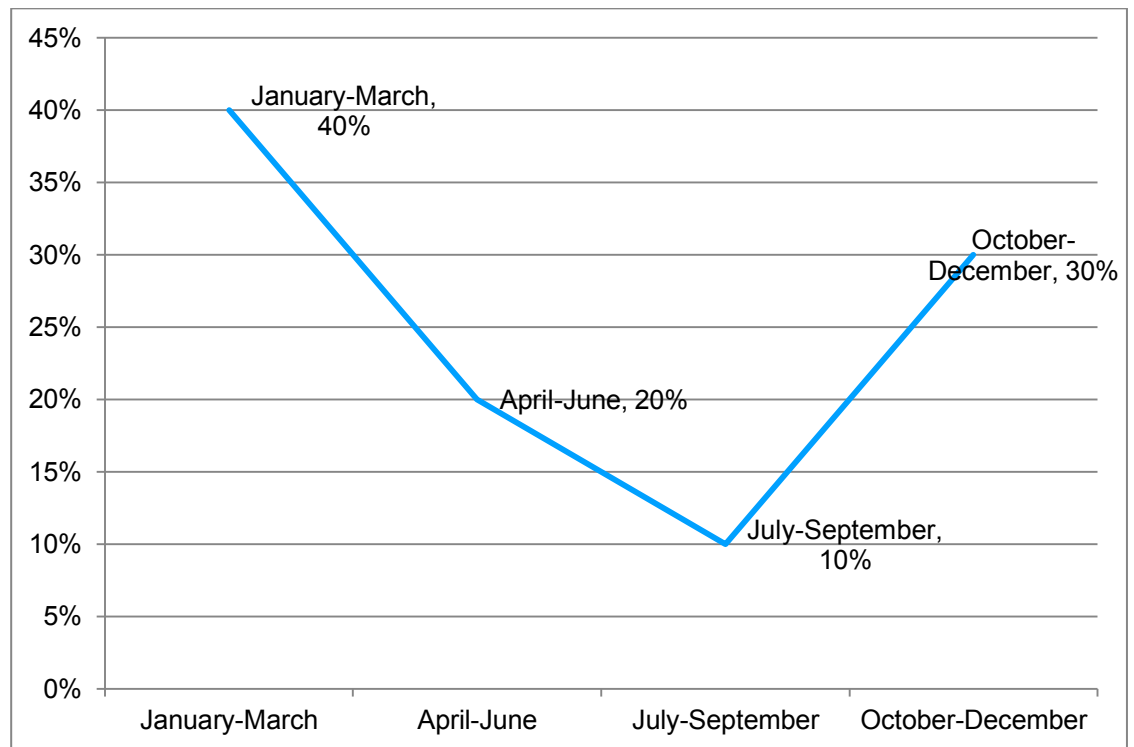
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❖ **Which month is more profitable?**

Table6 Which month is more profitable

Sl. No	Month	Percentage (%)
1	January – March	40%
2	April – June	20%
3	July – September	10%
4	October – December	30%
Total		**100%**

Chart 6 which month is more profitable:

❖ **Data Analysis and Interpretation**

From the above table and chart, it shows that 40% on January - March and 20% on April - June and also 20% on July – September lastly 40% on October – December. Therefore, April – June and July – September its not much profitable month as comparing to January- March and October – December.

Chapter – 3 :
Findings,   Suggestions
and Conclusions

3.1 **FINDINGS :**

- ➢ It has been found that, only manual machines are available.
- ➢ Amount for labour wage is Rs. 6,000 per month
- ➢ The average number of packets manufactured per day is between 100 and 150, with each packet costing Rs. 30.
- ➢ The most recent annual profit was Rs. 3,16,800 in 2021.
- ➢ Latest expenditure for the year 2021 is Rs. 8,71,200
- ➢ The raw materials (banana) are purchased from a farm owned by the company as well as local farmers from near by villages and towns.
- ➢ 60% of the main customers are wholesalers.
- ➢ Most of the cultivation sales off their produce are outside,i.e, 60%.
- ➢ Most profitability month is January – March ,i.e, 40%.

3.2 SUGGESTIONS :

- ➢ They should introduce machines in the work placein orderto reduce wastage of time.
- ➢ They should try to plant more banana trees in order to enlarge the business
- ➢ They should give training and education to the workers .
- ➢ To increase sales, the outlets should be distributed in other districts or towns or areas
- ➢ To increase the sales advertisement can be done through different forms of media(e.g.: social media which is considered as cost savings)
- ➢ Packaging level should be improved to attract the customers
- ➢ They should increase their suppliers, not only depending on own sources or raw materials but also engage with other suppliers i.e farmers which in turn it will benefit both the parties.

3.3 CONCLUSION :

Banana chips making business is considered as one of the small manufacturing business from home. The profit as a whole describes the scope and viability of the manufacturing of banana chips business and mainly of the financial position and profitability of the business and also its market potential. In the enterprise, it gives employment to 6 (six) person which give them financial help to their livelihood. So in all ways, we can conclude the project is technically and socially viable and commercially sound too.

When we take a close look at the sales, it shows a steady growth in profit throughout the year . Therefore the study reveals that the business runs on profit in the past three year ,i.e, in the year 2019, 2020 and 2021.

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- www.google.com

ANNEXURE

QUESTIONNAIRE

Personal data

Name -

Gender -

Questionnaire [please_tick]

1. When did u start your business ?

    a) 1800's   b) 1900s   c) 2000s

2. What is your initial capital investment?

    a) Less than Rs. 50,000   b) more than Rs. 50,000   c) Rs. 50,000

3. Is your business doing well ?

    a) Yes   b) No

4. How many employees does your business have ?

    a) 6 employees   b) 10 employees   c) less than 5

5. Where do you purchase your goods ?

    a) Own farm   b) local farmers   c) others

6. How do you advertise your product?

    a) Newspaper   b) through retail shop   c) others

7. Do you face any competition in your business?

    a) Yes   b) No

8. Number of units produced daily ?

    a) Less than 100   b) 100 – 150   c) more than150

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9. Is there any price differentiation among your customer ?

    a) Yes   b)   No

10. How much is your price product per packet?

    a) Rs. 20   b)   Rs. 30   c)   Rs. 50

11. Any form of tax to Government?

    a) Yes   b)   No

12. Expenditure:

    a) Employees salary :

    b) Raw materials:

    c) Packaging expenses:

    d) Others, if any :

13. Which month is more profitable?

    a) January- march   b) April – June   c)   July – September

    c) October- December

14. Which location do you sell more?

    a) Outside   b)   Inside   c)   both

15. Are you satisfied with the profit earned ?

a) Yes   b)   No

16. How much is your sales per year (three years) ?
Answer:

17. Approximate profit for the last three years ?
Answer: