DOMESTIC FINANCIAL MANAGEMENT FOR A BETTER LIFE(A COMPARATIVE STUDY OF URBAN AND RURAL FAMILIES)

DR. RITU SONI

ASSISTANT PROFESSOR

DEPARTMENT OF ACCOUNTING

FACULTY OF COMMERCE

MAHILA PG MAHAVIDYALAYA, JODHPUR

Address for correspondence:

11/ 518, CHOPASANI HOUSHING BOARD

JODHPUR (RAJASTHAN) 342008

sonidrritu@gmail.com

9414849675

Abstract

In the 21st century, every person has a sole dream of earning and beautifying his life and for that he indulges in multiplicity of activities to make a sizeable earning and spend it on himself and family. The process of planning, coordinating and a control over the domestic finance for a better life is simply known as domestic financial management. The main objective of this research is:-to know that Do people manage the domestic finance, if yes then how?, Does domestic financial management helps to a better living standard?, Is there any difference between the domestic financial planning of rural and urban families?

Key Words: Domestic Financial Planning, Domestic Financial Control, Domestic Budget

Introduction

World is a stage where a man gets opportunity for action. As on a stage, the dramatis personal bedeck themselves and strut on the stage. Similarly, man is bedecked with body and senses and acts according to his capabilities. As for a playwright theatre is whole lie and he strives hard to improve his skills to the point of excellence, similarly for each man life is a precious gift of God and he tries hard for amelioration of its quality.Betterment of life involves many aspects, in which one important aspect is “economic factor”. Economic aspect involves financial management. Life can be easy, comfortable and sumptuous by the right use of domestic financial resources. It is well said that- “Living well is the best revenge of life”. The maximum utilization of available financial resources can raise standard of living to dizzy heights and this can be achieved by proper domestic financial management.

Meaning of Domestic Financial Management

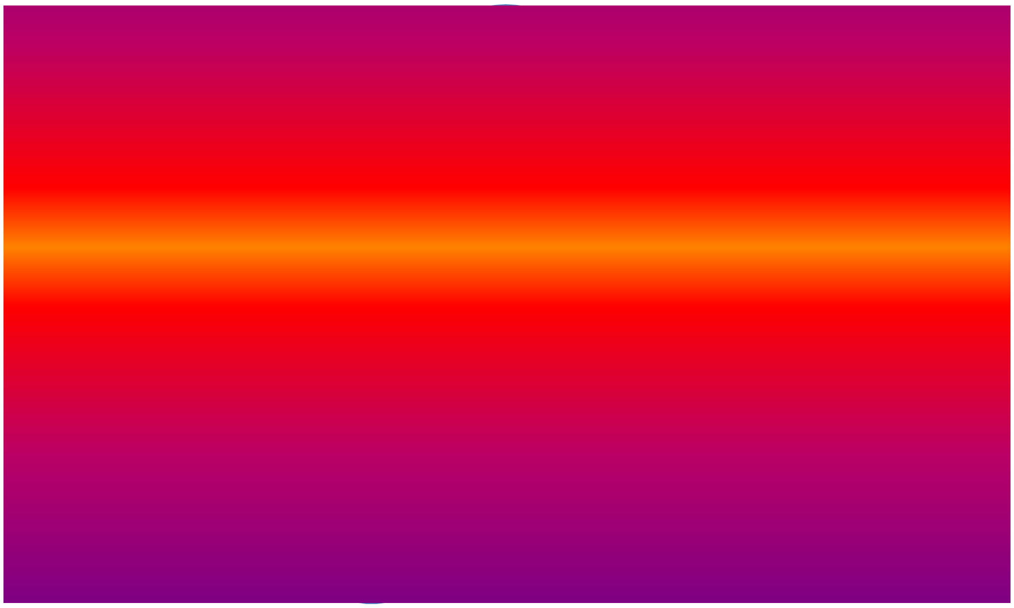
Finance is the blood of business unit. Without proper planning and control over finances, a business cannot run successfully because business decisions can never be thought of without finances. Like-wise, finance also plays a great role in the life of an individual or a family. If a person wants to get a better life, that means he wants to improve his standard of living, he will have to do proper planning and control the domestic finance. The planning and control of domestic finance is simply known as domestic financial management.

Domestic financial management is as integrated part of overall family management. It is also know as family financial management, personal financial management and household financial management. It is concerned with the efficient and effective management of finance of a family in order to achieve the happiness and better standard of living. This involves planning and controlling of the sources of income, the allocation of income among various element of cost of living and finally the control of income and expenses of a family.

Thus, domestic financial management can be defined as scientific process of decision making of saving and investment, finance and liquidity function of a family to achieve targets and needs of family members within a given framework of financial resources including time.

Domestic Financial Management- A Process

Each and every system has a certain process. As like, Domestic financial management also includes some steps as a process of DFM. The process of DFM include following steps:



The above four steps named as Domestic Financial Planning, next is known as Domestic Financial Control. The concept is simple: once we understand our current domestic income and expenditure, we can define a comfortable monthly or yearly budget and savings.

Identifying monthly household income is a fairly easy step in the domestic financial management process. Income is money we receive for work or from investments. Many people work for hourly wages; others work for an annual salary. Some people have additional income through tips or commissions. Some people work for themselves, which is called self-employment/ income from business and profession. All these types of income are earned income and are subject to income taxes and other taxes.

Identifying our domestic expenses will consume a greater volume of time than the previous step and, in many cases, could result in some added stress. It is critically important that all expenses are identified and documented. The expenses include, but are not limited to: expenses related to food, housing, utility, transportation, communication, medical, education, entertainment, social responsibility, etc.

Establishing a monthly domestic budget is a little more challenging than the previous two steps in the domestic financial management. The degree of difficulty in this step is directly related to the constant change that occurs in the choices we make on a monthly basis, in addition to changes that occur in the economy, which are out of our control. Establishing a budget is more of a science than an art. A budget is simply an income and spending plan. It is simple in theory but challenging in practice.

Once monthly budget has been established, the remaining amount of earning will be **defined as domestic savings**. Having a regular monthly savings contribution is extremely important. If we have not been contributing to our savings, we will be in a vulnerable position with no money at hand. When unexpected or expected expenses come up, we will be forced to put those expenses on credit. Establishing savings is not only a great habit, but it also provides us with peace of mind. Saving the money is not sufficient, but also this amount should be invested in proper manner.

Exercise is to put into practice. Once we have successfully accomplished the first four steps in the domestic financial management process, we will have a process or plan to follow. We will earn income every month, we will pay our monthly expenses, and then we will have the responsibility of exercising our budget and saving every month.

Components of Domestic Financial Management

Two important aspects include in domestic financial management. These are known as key components of domestic financial management.

Domestic Financial Planning

Domestic financial planning is a road map of domestic financial management. Financial planning is necessary because saving, investment, financing and liquidity decisions interact with each other and should not be made separately and independently. Financial planning pertains to the function of finance and includes the determination of the family's financial objectives, formulating policies, promulgating policies and developing financial procedure. Good financial planning and achieving financial stability will also help to prevent financial crisis. The keys to successful financial planning are good record keeping and the consistent implementation of plan.

Domestic Financial Planning includes- income planning, spending planning, insurance planning, investment planning, tax planning, retirement planning, debt planning, etc. A good financial plan helps us to define our short term and long term financial goals and develop appropriate financial programs to achieve them in the most effective ways. In general, it involves six steps;

- **Assessment of current financial position**
- **Define financial goals clearly**
- **Design a plan**
- **Set up a budget for all financial goals**
- **Implement the plan**
- **Monitoring and Reassessment**

Domestic Financial Control:-

Without controlling the planning cannot reach at success. So after the domestic financial planning and implementation, the next significant component of domestic financial management is domestic financial control. There are some techniques, which can help the domestic financial control as follows:-

- Financial Ratio Analysis
- Cash flow analysis
- Budgetary control system

Review of Literature

In an article **"Household Finance"** **by John Y. Campbell**, reveals that the study of household finance is challenging because household behaviour is difficult to measure, and households face constraints not captured by textbook models. This study argues that although many households find adequate solutions to the complex investment problems they face, some households make serious investment mistakes. The article **"Household Financial Management: The Connection between Knowledge and Behaviour" by Marianne A. Hilgeri and Jeanne M. Hogarth,** explores the connection between knowledge and behaviour- what consumers know and what they do- focusing on four financial management activities: cash flow management, credit management, saving and investment. The study "**Household Finance: An Emerging Field" by Luigi Guiso and Paolo Sodini,** reveals that household finance- the normative and positive study of how households use financial markets to achieve their objectives- has gained a lot of attention over the past decade and has become a field with its own identity, style and agenda. This paper reviews its evolution and most recent development. **Robert E. Hall, Frederic S. Mishkin**in the paper **"The Sensitivity of Consumption to Transitory Income: Estimates from Panel Data on Household"** investigate the stochastic relation between income and consumption (specifically, consumption of food) within a panel of about 200 household. The major findings are: consumption responds much more strongly to permanent than to transitory movements of income and the response to transitory income is nonetheless clearly positive. Families respond differently to different sources of income variations. In the paper **"Family Cash- Flow Budgeting" by Ivan F. Beutler and Jerald W. Mason**, the distribution for a formalized budget variable is reported for a representative sample of Iowa families. The distribution is skewed with a disproportional large group of household reporting little, if any, formalized planning.

Objectives of the Study

Research can never be thought of without specifying its objectives. Objectives provide the route and direction to a study to achieve its ultimate goal. The main objective of this research is:-

1. To know that do people manage the domestic finance.
2. If yes then how?
3. Does domestic financial management helps to better living standard?
4. To underscore the significance of accounting information in domestic well-being.
5. Is there any difference between the domestic financial planning of rural and urban families?

6. What are the main sources and application (Income and expenditure) of fund in rural and urban families?
7. How to determine the cost of living, income and saving in rural and urban families?

Research Methodology

Scope of the Study

In order to achieve pre-determined objective, it is essential for a researcher to know that what are the basic sources and application of fund. What are the main elements of cost of living etc.? This information about their sources (income) and application (expenditure) will be collected from urban (Jodhpur District) and rural families of Jodhpur district. Following villages are randomly selected in this study: Gantiyala, Tiwari, Sepao, Meghlasiya, Barali, Cheela, Binzvadiya.

Data Collection

Primary data have been taken into consideration under this study. For the purpose of collecting primary data, from 100 respondents from rural and urban areas; direct personal interview technique was to be used with the help of a questionnaire.

The study conducted the pilot survey of 5 respondents from rural and 5 respondents from urban areas to assess the utility and response of that questionnaire. After gaining the experience of pilot survey the final questionnaire was to be prepared for the purpose of final interview. This questionnaire has three sections namely, Personal Profile, Cost of Living and Domestic Financial Management.

Sample Profile

In order to achieve the predetermined objectives of the study, it was decided to select a sample of 50 respondents from rural and same from urban areas. These respondents were selected at random. A gradual watch was applied to see whether the randomly selected respondents satisfy the representation of the several "Strata". The obtained field in question schedules, which completely in all respect were finally selected to be included for the study represented the following profile in rural as well as urban areas:

Table 1: Sample Profile

Rural Area	No. of	Urban Area	No. of Families
An Overview	**50**	**An Overview**	**50**
On the Basis of Occupation		**On the Basis of Occupation**	
Businessman	18	Businessman	19
Employee	8	Employee	19
Farmer	13	Farmer	0
Professional	0	Professional	3
Others	11	Others	9
On the Basis of Income		**On the Basis of Income**	
(Rs.) 50000-150000	16	(Rs.) 200000-500000	14
(Rs.) 150000-300000	9	(Rs.) 500000-1000000	27
(Rs.) 300000-500000	14	(Rs.) 1000000-1500000	6
(Rs.) 500000 and Above	11	(Rs.) 1500000 and Above	3
On the Basis of Nature of the Family		**On the Basis of Nature of the Family**	
Nuclear	8	Nuclear	37
Semi-Joint	24	Semi-Joint	8
Joint	18	Joint	5

Analysis of Data

The information or the tabulated data collected from these samples were analyzed with the help of statistical tools. This study used following statistical tools: Average, Percentage, Correlation, Statistical Parameter Limits, Statistical Significance Test and Graphical Presentations.

Is there any significance difference between cost of living per family per year, income per family per year, cost of consumables per family per year, cost of durables per family per year and saving and investment per family per year of rural and urban families? For finding out an answer of this question this study was used the Large (Z- Test) sampling test.

Hypothesis

The alternative hypothesis was to be used to find out that- is there any significant difference between income, savings, cost of living, cost of consumables and cost of durables of rural and urban families.In order to achieve the predetermined objectives the following statistical hypotheses were framed:

1. The income per family per year of urban families is greater than the income per family per year of rural families.
2. The cost of living per family per year of urban families is greater than the cost of living per family per year of rural families.
3. The cost of consumables per family per year of urban families is greater than the cost of consumables per family per year of rural families.
4. The saving and investment per family per year of urban families is greater than the saving and investment per family per year of rural families.

Survey Results

(A).Related to Domestic Financial Management

For the purpose of domestic financial management, it is necessary for a person to be aware about the following point: there should be maintaining bank account, maintain the records of domestic income and expenses, proper investment of savings, what should be the Sources of fund for long term investments?, there should be proper retirement planning etc.

To know that do the respondents fulfil these points or not, some questions were asked through the questionnaire. The results of survey are as follows:

- Out of 50 respondents of urban area, all respondents (100%) have bank a/c, but in rural area this % is only 72%**.**
- Out of 50 respondents of rural and 50 respondents of urban area, only 16% respondents manage the domestic finance in rural area but in urban area this % is 44. Those who manage domestic finance, 80% belong to families headed by employee, 10%, **7%** and 3% families headed by other occupation, businessman and professional.

- From those respondents who manage their domestic finance, all were managing the domestic finance through saving and investment planning. None of the respondent prepare monthly family budget and maintain any systematic accounting system.
- In rural area, families prefer the short term loan as the main sources of fund for long term investment, after that savings and investments but in urban area families prefer savings and investments as the main sources and after that short term loan as sources of fund for long term investment.
- In rural area, families prefer the investment of their savings in the order of jewellery, livestock, land and building and financial assets but in urban area, families prefer the investment of their savings in the order of financial assets, land and building and jewellery.
- The only 15% respondents do retirement planning in rural area, but 57% respondents do retirement planning for future in urban area.
- The 58% respondents prefer to continue to work after retirement in rural area but 78%respondents prefer to continue to work after retirement in urban area.
- Out of 100 respondents, all were provide information related to 5 year's financial planning, but they have no financial planning for 10 and 15 years in rural as well as urban area.

(B). Related to Income per Family per Year

The analysis of income per family per year has been made for each one of the groups separately and also calculated the income per family per year for each group in rural as well as urban area with their statistical limits at 95% of level of confidence.

Table 2: Income per Family per year in Rural Families

	Income Per Family Per Year (Rs.)	Lower Limit (Rs.)	Upper Limit (Rs.)
An Overview	357626.92	275627.1	439626.74
On the Basis of Occupation			
Businessman	456049.40	281105.99	630992.81
Employee	391224.50	206638.54	575810.46
Farmer	300427.70	140724.59	460130.81
Others	239645.50	71433.23	407857.77
On the Basis of Income			
(Rs.) 50000-150000	111950.63	99309.56	124591.7
(Rs.) 150000-300000	214677.78	187266.9	242088.66
(Rs.) 300000-500000	373161.71	332081.69	414241.74
(Rs.) 500000 and Above	812161.09	624765.04	999557.14
On the Basis of Nature of the Family			
Nuclear	226775.00	100466.32	353083.68
Semi-Joint	292990.42	202720.15	383260.68
Joint	501965.33	312568.06	691362.6

The income per family per year in rural area comes out to be approximately Rs. 3.57 lakhs. At 5% level of significance, it can be concluded that the income per family per year is expected to vary between 2.76 lakhs to 4.40 lakhs.

Table 3: Income per Family per Year in Urban Area

	Income Per Family Per Year	Lower Limit	Upper Limit
An Overview	772437.08	644237.82	900636.34
On the Basis of Occupation			
Businessman	958961.60	677094.47	1240828.73
Employee	722894.90	561944..25	883845.55
Professional	940466.70	908103.18	972830.22
Others	427242.20	244160.40	610324.00
On the Basis of Income			
(Rs.) 200000-500000	322085.30	276202.42	367968.18
(Rs.) 500000-1000000	758560.40	704464.54	812656.26
(Rs.) 1000000-1500000	1222213.00	1136386.61	1308039.39
(Rs.) 1500000 and Above	2099417.00	809770.21	3389063.79
On the Basis of Nature of the Family			
Nuclear	726078.50	613273.82	838883.18
Semi-Joint	1029634.00	299616.32	1759651.68
Joint	703976.00	506155.76	901796.24

The income per family per year in urban area comes out to be approximately Rs. 7.72 lakhs. At 5% level of significance, it can be concluded that the income per family per year is expected to vary between 6.44 lakhs to 9.00 lakhs.

(C).Related Cost of Living and Domestic Savings and Investments

The analysis of cost per family per year and cost per person per year has been made for each one of the groups separately at 95% level of confidence in rural area.

Table 4: Parameter Limits of Cost of living per Family and per Person per Year in Rural Area

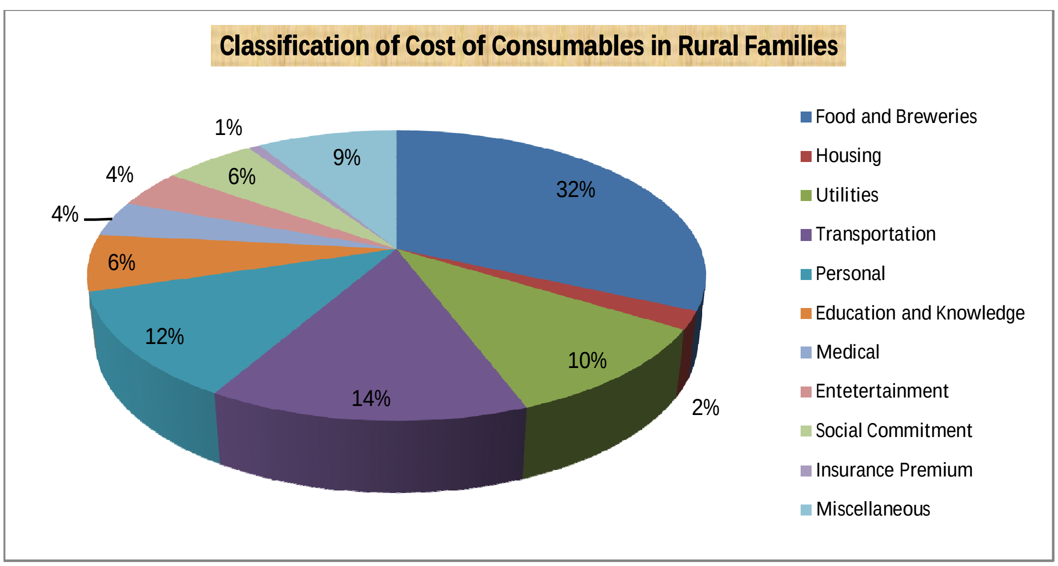
	Cost of Living Per Family Per Year		Cost of Living Per Person Per Year	
	Lower Limit	Upper Limit	**Lower Limit**	**Upper Limit**
An Overview	203415.91	329557.93	24044.4338	38954.83806
On the Basis of Occupation				
Businessman	204844.06	487365.9	21699.5826	51627.74364
Employee	135248.18	410700.82	16139.401	49009.64439
Farmer	110004.37	366235.53	15214.9889	50654.9834
Others	70338.62	259497.68	8403.6583	31003.30705
On the Basis of Income				
(Rs.) 50000-150000	82471.4	105054.86	12327.564	15703.26756
(Rs.) 150000-300000	148674.33	183125.67	16519.37	20347.29667
(Rs.) 300000-500000	224829.62	313350.96	28103.7025	39168.87
(Rs.) 500000 and Above	421299.55	772113.55	37683.3229	69062.03488
On the Basis of Nature of the Family				
Nuclear	98492.6	187557.4	22486.895	42821.3242
Semi-Joint	150516.54	266380.95	22134.7853	39173.66912
Joint	247764.91	549721.31	19821.1928	43977.7048

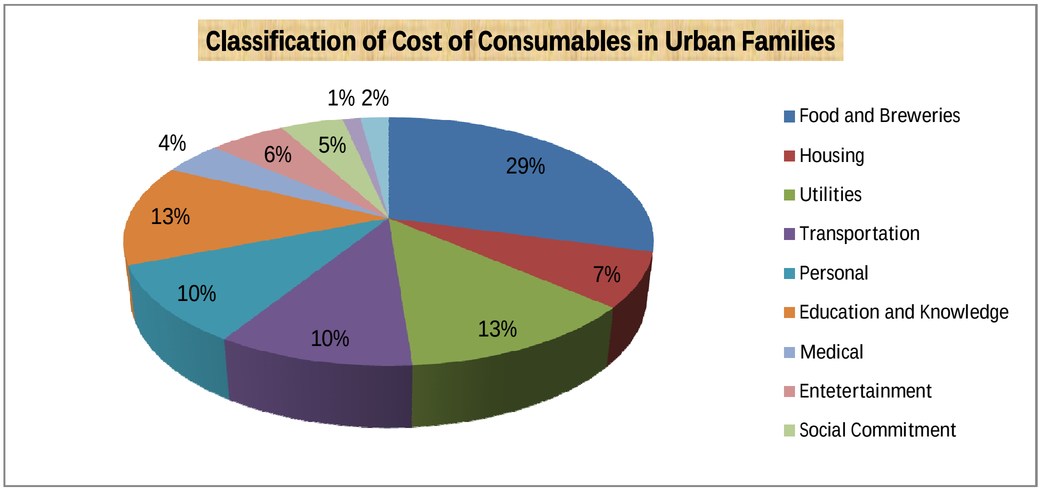
The analysis of cost per family per year and cost per person per year has been made for each one of the groups separately in urban area.

Table 5: Parameter Limits of Cost of living per Family per year and per Person per Year in Urban Area

	Cost of living per family per year		Cost of living per person per year	
	Lower Limit	**Upper Limit**	**Lower Limit**	**Upper Limit**
An Overview	411776.38	515311.54	97117.07075	121535.7406
On the Basis of Occupation				
Businessman	445864.95	609106.65	89172.99	121821.33
Employee	377136.77	556638.83	103894.427	153344.0303
Professional	484341.67	513258.33	121085.4175	128314.5825
Others	167416.62	452072.18	41854.155	113018.045
On the Basis of Income				
(Rs.) 200000-500000	197642.76	282565.44	54297.46154	77627.86813
(Rs.) 500000-1000000	460570.91	539681.69	97166.85865	113856.8966
(Rs.) 1000000-1500000	588944.88	645548.52	160475.4441	175898.7793
(Rs.) 1500000 and Above	761562.52	977670.88	207510.2234	266395.3351
On the Basis of Nature of the Family				
Nuclear	390488.13	500061.47	112857.841	144526.4364
Semi-Joint	267381.53	743611.07	56290.84842	156549.6989
Joint	391292.2	671931.8	42531.76087	73036.06522

The cost of consumables has major share in the cost of living. Therefore, it was decided to analyse cost of consumables and classified into eleven items namely, food and breweries, housing, utilities, transportation, personal, education and knowledge, medical, entertainment, social commitment, insurance premium and miscellaneous.





The above pie chart reveals that each and every item has different share in the total cost of consumables in both rural and urban area. On the basis of aforesaid analysis, it can be concluded that food and breweries has the first rank in both rural as well as urban area but the rank of other items are different in rural and urban area. But the major difference is in the head of education, housing, transportation and miscellaneous. The head of personal expenses is higher in rural families as compare to urban. The reason of this is only expenses of Drugs. If these expenses will be eliminated from list of personal expenses then the rank of this head will reached on 8^{th} in rural area which will be very low than the urban area. In rural area the proportion of miscellaneous expenses is also very high, because in rural area expenses on live stock is included in this head but this type of expenses were not found in urban area.

This research calculates the significant parameter limits of savings and investment at 95% level of confidence in rural area.

Table 6: Parameter Limits of Savings and Investments in Rural Area

	Saving & Investment Per Family Per Year	Lower Limit	Upper Limit
An Overview	91140.00	63185.85	119094.15
On the Basis of Occupation			
Businessman	109944.00	55776.61	164111.38
Employee	118250.00	24339.06	212160.94
Farmer	62308.00	21032.39	103583.61
Others	74727.00	-801.14	150255.14
On the Basis of Income			
(Rs.) 50000-150000	18187.50	10107.44	26267.56
(Rs.) 150000-300000	48777.78	31565.06	65990.5
(Rs.) 300000-500000	104071.40	80221.48	127921.32
(Rs.) 500000 and above	215454.50	121629.84	309279.16
On the Basis of Nature of the Family			
Nuclear	83750.00	-13818.53	181318.53
Semi-Joint	84541.67	46580.72	122502.62
Joint	103222.20	47537.35	158907.05

The aforesaid table shows the savings and investments per family per year and their parameter limits of each and every stratum in rural area. The study reveals that the savings and investment is highest of families headed by employee, after that businessman, other occupation and farmer. As the level of income and size of family's increases, the savings and investments also increase.

This research calculates the significant parameter limits of savings and investment at 95% level of confidence in urban area.

Table 7: Parameter Limits of Savings and Investments in Urban Area

	Saving & Investment Per Family Per Year	Lower Limit	Upper Limit
An Overview	308893.12	222480.98	395305.26
On the Basis of Occupation			
Businessman	431475.80	220505.01	642446.59
Employee	256007.20	172496.95	339517.45
Professional	441666.70	405808.36	4775525
Others	117497.80	55654.29	179341.31
On the Basis of Income			
(Rs.) 200000-500000	81981.14	449519.34	114442.94
(Rs.) 500000-1000000	258434.10	212109.14	304759.06
(Rs.) 1000000-1500000	604966.70	497441.35	712492.05
(Rs.) 1500000 and above	1229800.00	48196.08	2411403.9
On the Basis of Nature of the Family			
Nuclear	726078.50	613273.82	838883.18
Semi-Joint	1029634.00	299616.32	1759651.7
Joint	703976.00	506155..76	901796.24

The aforesaid table shows the savings and investments per family per year and their parameter limits of each and every stratum in urban area. The study reveals that the savings and investment is highest of families headed by professional, after that businessman, employee and other occupation. As the level of income of family's increases, the savings and investments also increase. The savings and investments was comes out to be highest in semi-joint families and after this nuclear and joint families.

(D). Related to Correlation between Domestic Income and Cost of Living and Domestic Income and Saving

This study also determined the correlation between income per family per year and cost of living per family per year and income per family per year and saving and investment per family per year in both rural and urban area. The following table shows the results of correlation:

Table 8: Correlation between income, cost of living and saving and investment

Correlation between two Variables	In Rural Area	In Urban Area
Income per family per year and cost of living per family per year	0.959	0.8775
Income per family per year and saving and investment per family per year	0.7694	0.9578

The aforesaid table shows that there is a high positive correlation between two variables (income and cost of living, and income and saving & investment) in both rural and urban families.

(E). Related to Hypothesis Testing

There are 50 respondents in rural and 50 respondents in urban families, so large sampling method (normal probability distribution) was applied. Alternative hypotheses were used to test that, is there any difference between income, saving and investment and cost of living of rural and urban families.

Hypothesis 1. The income per family per year of urban families is greater than the income per family per year of rural families.

For significance test, at 5% level of significance (one tail test) the critical value is +1.645. The calculated Z value is 5.34. This Z value is greater than the critical value, therefore, difference is to be considered significant and alternative hypothesis is accepted. Hence, it can be concluded that the income per family per year of urban families is greater than the income per family per year of rural families.

Hypothesis 2. The cost of living per family per year of urban families is greater than the cost of living per family per year of rural families.

For significance test, at 5% level of significance (one tail test) the critical value is +1.645. The calculated Z value is 4.73. This Z value is greater than the critical value, therefore, difference is to be considered significant and alternative hypothesis is accepted. Hence, it can be concluded that the cost of living per family per year of urban families is greater than the cost of living per family per year of rural families.

Hypothesis 3. The cost of consumables per family per year of urban families is greater than the cost of consumables per family per year of rural families.

For significance test, at 5% level of significance (one tail test) the critical value is +1.645. The calculated Z value is 3.89. This Z value is greater than the critical value, therefore, difference is to be considered significant and alternative hypothesis is accepted. Hence, it can be concluded that the cost of consumables per family per year of urban families is greater than the cost of consumables per family per year of rural families.

Hypothesis 4. The saving and investment per family per year of urban families is greater than the saving and investment per family per year of rural families.

For significance test, at 5% level of significance (one tail test) the critical value is +1.645. The calculated Z value is 4.70. This Z value is greater than the critical value, therefore, difference is to be considered significant and alternative hypothesis is accepted. Hence, it can be concluded that the saving and investment per family per year of urban families is greater than the saving and investment per family per year of rural families.

Conclusion and Suggestions

During the course of the study the following major facts were observed:

- The average size of the family comes out to be approx. 8 in rural area and 4 in urban area.
- The income per family per year in rural area comes out to be approximately Rs. 3.57 lakhs.
- The income per family per year in urban area comes out to be approximately Rs. 7.72 lakhs.
- The cost of living per family per year comes out to be approx. Rs. 2.66 lakhs in rural area.
- The cost of living per family per year comes out to be approx. Rs. 4.63 lakhs in urban area.
- The 95% of the total cost in rural area and 85% of the total cost in urban are contributed by expenses incurred on consumables.
- In the total cost of consumables, a family spent highest amount on food approx. (32%), after that transportation (14%), personal (12%) and utility (10%) of the total cost of consumables in rural area. These percentages cover the approx. 68% of the total cost of consumables.
- In the total cost of consumables, a family spent highest amount on food approx. (29%), after that education (13%), utility (13%), transportation (10%) and personal (10%) of the total cost of consumables in urban area. These percentages cover the approx. 75% of the total cost of consumables.
- The percentage of saving and investment comes out to be 26% of total income in rural families and 40% in urban families.
- The saving and investment per family per year comes out to be approx. Rs. 91 thousand in rural families and Rs. 3 lakhs in urban families.

On the basis of aforesaid findings and survey experience, we have identified certain significant areas and suggestions, which need the attention of the relevant agencies, namely: the Government, Professional Accountant, family and an individual and the researchers of this field. The significant areas and suggestions to overcome the same are as follows:

- The survey result reveals that, cost of living per person per year is minimum in joint family as compared to semi-joint and nuclear. So that, it is suggested that, if a person wants to minimize his cost of living, he should live in joint family.
- This study suggested that woman education should be increased, especially in rural area, so that they can help to maintain records of domestic transaction of a family.
- The cost of consumables covers the major share in total cost of living i.e. approx. 95 % in rural area and 85% in urban area. A person should give more attention towards rational spending on consumables, because cost of consumables is the vital area. There should be proper planning, budgeting and control over the cost of consumables.
- This study suggested that at the time of preparation of budgets, a person should give more attention on cost of food, transportation, personal and utility and also should try to do better forecasting for cost of these items because the survey results reveal that the total consumable cost includes eleven items of consumables. Out of eleven, the sum of the percentage of the cost of four items covers the major share in the total cost of consumables i.e. approx. 68 %.
- It is suggested that an individual who accepts financial responsibility for a domestic household should carefully forecast in his early years of professional career financial needs 5 years ahead, 10 years ahead, 15 years ahead, 20 years ahead and so on till the age of his superannuation giving such need and effect of inflation which is likely to be there in coming years and thus should plan his saving in appropriate combination of liquid debt and equity to enable him to match his future needs at appropriate rest period of his planning. For this an individual can use sinking fund method approach and annuity method approach.
- It is suggested that an individual also plans for the domestic expenditure after attaining his age of superannuation/ retirement for at least 20 more years of his living with the same standard of living for each of the 20 years (taking into account growing medical expenses) and use discounted cash flow approach to find the present value of futuristic needs of family through an appropriate technique provision be done during his active earning period to generate this fund.
- It is suggested that a separate study be undertaken to find the systematic domestic financial planning regarding nuclear, semi-joint and joint family.
- It is suggested that a further study be undertaken for a select appropriate investment strategy for domestic well-being.
- it is suggested that a further study can be undertaken for domestic well-being through debt i.e. loan and its implementation and its tax benefits i.e. an optimum time frame to enter into debt to support domestic need.

References

Andrea, Beth D. "*20 Questions on Personal Financial Planning*", Beth D'Andrea, Financial Planner, LLC, Malvern.

Banerjee, Bhabatosh. "*Cost Accounting*". New Delhi, Prentice Hall of Indian Private Limited, 2006.

Beutler F. Ivan and Jerald W. Mason, "Family Cash-Flow Budgeting**",** Family and Consumer Science Journal-Wiley Online Library

Bill and Mary Staton. "*Worry-Free Family Finances"*. McGraw-Hill, New York, 2003.

Brigham, Eugene F. **and Michael C. Ehrhardt,** "*Financial Management*". Cengage Learning India Private Limited, Delhi, India.

Burkett, Larry. "*The Family Financial Workbook"*, Moody Publishers, Chicago, 2000

Campbell John Y., "Household Finance**", The Journal of Finance,** Wiley Online Library

Cory, Peter D. "Household Financial Management" USA. ISBN I463786344

Damazio, Frank and Rich Brott. *"Family Finance Handbook*". City Bible Publishing, 9200 NE Fremont, Portland, Oregon.

Dhingra, I.C. "*Managerial Economics*". Sultan Chand and Sons (P) Ltd., Education Publisher, 2006.

Elhance, D.N.; VeenaElhance and B.M. Aggarwal. "*Fundamentals of Statistics*". Allahabad, Kitab Mahal Agencies, First Edition 1956, Revised and Update Edition 1996.

Encyclopedia.

"*Cost of Living*". Britannica Concise Encyclopedia.

"*Cost of Living Index*". US History Encyclopedia,.

Goode, Wllian J.; and Paul K. Hatt. "*Methods in Social Research*". Mcgraw-HillInternation Book Company, 1983.

Gosh, B.N. "*Scientific Method & Social Research*". New Delhi, Sterling Publisher Pvt. Ltd.

Lim, Paul J. "*Financial Planning Demustified*". McGraw Hill, New York.

Mishra, K. **C. and Steward Doss**. *"Basics of Personal Financial Planning*". Cengage Learning India Pvt. Ltd Delhi, 2013

Nicholson, J. **LEE.***"Cost Accounting Theory and Practice*". The Ronald Press Company, New York

Nickel, Paulena and Jean Muir Dorsey. "*Management in Family Living*". CBS Publishers, New Delhi. Fourth Edition.

Norris, Richard. "*The Smart & Easy Guide to Personal Finance & Family Budgeting*". USA.

Passmore, John M. "*Accounting for a Better Life*". U.K., Troubador Publishing Ltd. Under the Matador Leicester.

Peterhans, Patrick. "*Secret of Financial Planning*". Focused Financial Planning, Inc. Boulder, Colorado 80302.

Ryan, Joan S "*Personal Financial Literacy*". South-Western Cengage Learning, USA.