PROJECT REPORT ON

"THE RELATIONSHIP BETWEEN GLOBLE COMMODITY PRICES AND INDIAN INFLATION ''

Submitted by

SRIKANTH N

USN: - 4AL22BA106

Submitted to

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfilment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

Dr. VISHNU PRASANNA KN

Professor

PG Department of Business Administration

Alva's Institute of Engineering and technology

Mijar, Moodbidiri

PG DEPARTMENT OF BUSINESS ADMINISTION

Alva Institute of engineering & Technology, Shobhavana campus,

Mijar, Moodbidiri, D.K-574225

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ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation ®,Moodbidri)
Affiliated to Visvesvaraya Technological University, Belagavi
Approved by AICTE, New Delhi & Recognised by Government of Karnataka
Accredited by NBA (CSE & ECE)

Date: 09/09/2024

CERTIFICATE

This is to certify that **Srikanth. N.** bearing **USN 4AL22BA106**, is a bona-fide student of Master of Business Administration course of Alva's Institute of Engineering and Technology, Moodbidri for the batch 2022-2024, affiliated to Visvesvaraya Technological University, Belagavi. The Project report on "**The Relationship between Global Commodity Prices and Indian Inflation**" is prepared by him under the guidance of Dr. Vishnu Prasanna K.N., Professor, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belagavi, Karnataka.

INTERNAL GUIDE **HOD** **PRINCIPAL**

HOD
PG Dept. of Business Administration
Alva's Institute of Engg. & Technology
Mijar - 574225

PRINCIPAL
Alva's Institute of Engg. & Technology,
Mijar. MOODBIDRI - 574 225, D.K

Viva – Voce Examination

Signature of Internal Examiner
(Name & Affiliation)

Signature of External Examiner
(Name & Affiliation)

DECLARATION

I, **Mr. Srikanth. N., (USN: 4AL22BA106)** hereby declare that the project report entitled **"THE RELATIONSHIP BETWEEN GLOBAL COMMODITY PRICES AND INDIAN INFLATION"** is prepared by me under the guidelines of Dr. Vishnu Prasanna K. N., Professor of Finance, PG Departments of Business Administration, Alva's Institute of Engineering and Technology, Mijar, Moodbidri.

I also declare that this project work is towards the partial fulfilment of the university regulations for degree of MASTER OF BUSINESS ADMINISTRATION by Visvesvaraya Technological University, Belagavi.

I have undergone a project for a period of 6 weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University/Institution

Date: 09-09-2024

Place: Moodbidri

Signature of the student

ACKNOWLEDGEMENT

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With regards,

Srikanth N

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EXECUTIVE SUMMARY

This project travel over the relationship between global commodity prices and Indian inflation, pointing on commodities such as copper, wheat, soybean, corn, sugar, crude oil, platinum, gold, and natural gas over the time from 1998 to 2023. The analysis employs various statistical methods to understand this relationship completely. Descriptive analysis will provide a summary of the data, highlighting key trends and patterns. Correlation analysis will compute the strength and direction of the relationship between commodity prices and inflation. Covariance analysis will assess the degree to which these dynamic change together. The Granger causality test will control whether changes in commodity prices can predict future motion in inflation. Lastly, the Unit Root Test, specifically the Augmented Dickey-Fuller Test, will check for stationarity in the time series data, make sure the reliability of the results. Through these analyses, the project aims to identify notable patterns and causal relationships, offering valuable insights for policymakers to manage inflation effectively by comprehension the impact of global commodity price variation on the Indian economy. This understanding approach will help in formulating strategic reaction to maintain economic solidity amidst global market volatility.