

A Study on Preference of GAD Friendly Companies Towards Sustainability of Green Products

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Abstract

Growing problems including resource depletion, climate change, and environmental degradation have made environmental sustainability a key global concern. Green Accounting (GA), which incorporates environmental costs and benefits into conventional financial reporting methods, is one of the environmentally conscious practices that businesses are being urged to embrace. Organizations can assess environmental effects, encourage effective resource use, and support sustainable decision-making with the help of green accounting. Concurrently, green products—which are distinguished by recyclable packaging, eco-friendly materials, and lower emissions—have emerged as crucial elements of sustainable living. This study looks at consumers' perceptions of the sustainability of green products and their preferences for businesses that use green accounting. The main goal is to find out if people who support businesses using green accounting procedures also think that eco-friendly products are necessary for sustainable living. Data was gathered from 74 respondents in the Mumbai area using a structured questionnaire and a random probability sample technique. The study has a descriptive and diagnostic approach. SPSS was used for data analysis, and the hypothesis was tested using a Chi-Square test. According to the findings, 97.3% of respondents are in favor of businesses using green accounting. The chi-square test was not statistically significant ($p = 0.708$), despite descriptive results indicating that the majority of supporters concur that green products are crucial. Consequently, at the 5% level of significance, no meaningful correlation between the two variables was discovered. The report shows how customers are becoming more conscious of sustainability and offers guidance to companies looking to match their operations with environmental standards.

Keywords: Green products, green accounting, environmental sustainability, consumer preference

1. Introduction

Resource depletion, climate change, and environmental degradation have grown to be significant worldwide issues in recent years. Businesses are being urged more and more by governments, groups, and customers to implement environmentally friendly practices. The United Nations Sustainable Development Goals, which place a strong emphasis on responsible production and consumption, are one significant strategy that promotes sustainable development. A contemporary accounting method that integrates environmental costs and benefits into conventional financial reporting is called "green accounting," or GA. It assists businesses in assessing how their operations affect the environment, cutting pollution,

effectively managing resources, and making decisions that benefit the environment. Businesses that use green accounting techniques are frequently seen as socially and environmentally sensitive, which can affect customer preference and confidence.

Green items are also becoming a necessary component of sustainable living. Green products use recyclable packaging, eco-friendly materials, lower emissions, and energy efficiency to lessen their influence on the environment. Today's consumers are more conscious of environmental issues and frequently favor businesses that show their dedication to sustainability through practical measures like eco-certification, green accounting, and ethical production. The purpose of this study is to ascertain how consumers view the sustainability of green products and their preference for businesses that practice green accounting. It seeks to determine whether supporters of businesses that use green accounting also think that sustainable living requires green products. The study also investigates if this choice is influenced by demographic variables including age, gender, and occupation. The results of this investigation will assist businesses in comprehending consumer expectations regarding sustainability and will motivate them to implement green accounting practices.

2. Literature Review

Ms. Kodhai P. (2023), the paper states that environmental accounting, often known as green accounting, is a crucial tool that aids corporate organizations in comprehending the environmental costs associated with their financial operations. By adhering to efficient environmental conservation practices, Green Accounting assists the organization in attaining sustainable development and keeping friendly connections with various stakeholders. Environmental accounting creates an environmentally safe workplace culture and mind-set. Both the costs and benefits to the environment are taken into account. In addition to highlighting the various difficulties in environmental accounting and identifying solutions, this research paper concentrated on the idea of "green accounting."

Mr. Argha Mondal (2026), An new paradigm called "green accounting," sometimes referred to as "environmental" or "sustainability" accounting, incorporates environmental costs and benefits into traditional accounting systems in order to support sustainable development. Conventional accounting methods prioritize financial performance, frequently disregarding the harm that economic activity does to the environment and the depletion of natural resources.

By methodically measuring, documenting, and reporting environmental effects in addition to economic results, green accounting fills this gap. By promoting prudent resource use, pollution prevention, and long-term ecological balance while bolstering economic expansion, it functions as an efficient kind of sustainability. Green accounting improves accountability, transparency, and the creation of well-informed policies for stakeholders, businesses, and governments by factoring environmental costs into decision-making procedures.

Mr. Kuldip Parikh et.al. (2025), One of the most important tools for incorporating environmental concerns into business financial reporting is green accounting. The literature on green accounting is thoroughly reviewed in this study, with an emphasis on its development, importance, and difficulties in relation to corporate sustainability initiatives. Key topics included in the analysis include human resource management, economic and environmental policies, accounting and reporting procedures, and regulatory implications. Even while green accounting frameworks like the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) are becoming more widely used, there are still significant obstacles like inconsistent reporting, legal gaps, and a lack of organizational learning.

Mr. Vijayashakaranayaka J R (2021), One of the main facets of corporate social responsibility (CSR) in today's business world is green accounting, a term applied in the accounting industry. Green accounting, also known as environmental accounting, assists organizations in determining how natural resources are used and the associated expenses. Green accounting helps to foster sustainable business development for the future by taking into account and documenting the ecosystem's costs and benefits to a firm that result from environmental protection. In a practical sense for emerging nations like India, maintaining a healthy economy and preserving the environment are two major challenges. At the individual, business, and national levels, green accounting practices are still in their infancy in India. This study article aims to comprehend the idea of green accounting and its legal framework in the Indian setting. Talk about the current stage of execution in India and its difficulties.

Objectives of the study

- To study the concept of green accounting.
- To find whether green products are essential for sustainable living.
- To determine whether people prefer brands or companies who practice green accounting.

Scope of the study

- Detailed financial analysis of companies, international comparisons, or long-term environmental impact measurement can be taken into consideration.
- The purpose of the study is to determine whether consumers' trust, purchasing decisions, and support for sustainable products are affected by environmentally conscious accounting procedures.
- The present study focuses on analyzing consumer preference for companies that practice Green Accounting and their perception of the sustainability of green products.

Limitations of the study

- Questionnaires are used to gather data, and their accuracy and awareness are crucial.
- The survey doesn't look at actual firm financial statistics; it just looks at perception.

Hypothesis

H0 - People who support companies that practice Green Accounting do not think that green products are essential for sustainable living.

H1 - People who support companies that practice Green Accounting think that green products are essential for sustainable living.

Research Methodology

Research design

Descriptive & Diagnostic research design

Data collection

Secondary Data

The secondary data will be collected from various national & International Journals, Government websites & magazines.

Primary Data**Method of Data Collection**

Survey method

Population

General public of Mumbai Region

Sample Size

The estimated sample size is 100 people from the Mumbai region.

Sampling Method

Random Probability Method

Sampling Area/frame

Mumbai Region

Data Analysis & Interpretation

H0 - people who support companies who practice Green Accounting do not think that green products are essential for sustainable living.

H1 - people who support companies who practice Green Accounting think that green products are essential for sustainable living.

Cross tabulation

Support GA	1	2	3	4	5	Total
Yes	2	4	25	15	26	72
No	0	0	1	0	1	2

Chi Square Test

Test	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.148	4	0.708
Likelihood Ratio	2.006	4	0.735
N of Valid Cases	74		

Interpretation

The majority of respondents (97.3%) support companies practicing Green Accounting. Among supporters, most respondents agreed that green products are essential for sustainable living. (Assumption Note: 60% of cells have expected counts less than 5. Therefore, the chi-square assumption is violated and results must be interpreted with caution.). The p-value is 0.708 and the Pearson Chi-Square value is 2.148. Since: $p\text{-value} > 0.05$ (0.708)

We are unable to rule out the null hypothesis. This suggests that there is no statistically significant correlation between the perception that green products are necessary for sustainable living and support for businesses that use green accounting. Descriptively speaking, however, most people who favor green accounting generally concur that green products are crucial.

Recommendation & Suggestion

Adoption of Green Accounting Practices
Consumer Awareness Program
Promotion of green products
Strengthening environmental reporting standards

Conclusion

The chi-square test result was not statistically significant, despite descriptive data indicating that the majority of respondents who support green accounting also think that green products are crucial. Furthermore, the test's inferential strength is weakened by the breach of predicted frequency assumptions. Consequently, it is determined that there is no statistically significant link between the two variables at the 5% level of significance, and the null hypothesis is accepted.

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