

## **A STUDY OF AWARENESS OF BANKING SKILLS AMONG THE DEGREE STUDENTS IN MUMBAI CITY**

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**Abstract :** The banks change their products and levels of services according to the changing environment and needs of socio-economic environment, it justifies a dynamic approach. So many dynamic changes are being seen in banking services and functions. Today banks open their branches in many colleges and University campuses for payment of fees as well as open canopies for promotion in vicinity. Bank statements can be available through net-banking and ATMs. Education loan is given for higher studies. One can open different accounts, transfer funds, make payments of electricity bills, insurance, and avail services on the go on our smart phones. Our students have to be very dynamic in this dynamic world for existence, for this they have to be very knowledgeable and aware of the changing banking world. College students need to be well aware about which account will be more useful to them today, in this world of technology they need to know how to do net banking, etc. By using all the functions and services, banks' time and transaction cost can be saved only and only when they will be aware of the rules and technology in banking

**Key Terms** – Banking Services, Functions and Awareness

### **INTRODUCTION**

Bank is the financial institution, which provides different financial services to customers. It plays vital role in social developments. It collects the finance from different people in the form of deposits and investments and provides this finance to different business man in the form of debts and loans. It plays an important role in economic developments. This is a global and competitive world. And in this Competitive world it is important for every bank to provide modern facility to customers to maintain customer of their bank. Customers are now literate and they want different conveyance services from bank and so every bank started to provide different e-banking services to customers. There are many financial services offered by banks for the customers but we have taken some of them for study.

#### **Deposits**

For investment of surplus funds or to create a fund for future needs like children's' education and marriage, construction of house, business, etc one can find plenty of opportunities to deposit money banks under various deposit schemes. Now a days almost all banks are computerized, core banking/ network banking system is introduced which helps the people to deposit money at their own convenient locations.

#### **Loans**

Banks have variety of schemes under Personal Finance to satisfy varying needs of the banking

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public. Banks provide credit in the form of overdraft or loans. Overdraft facility is generally provided on current account. Overdraft is a service provided by a bank to utilize money even when there is no balance in the customer's account.

### **Investments**

Now a day's bank also participates in the activities of investment at national or international level of investment banks. They help companies and government to raise money by issuing and selling securities in the capital markets. They provide necessary financial guidance to its customers for effective investments in Stock and Mutual Funds.

### **Debit Card**

Banks provide free ATM cum Debit Card to its customers who have deposit account with them. This Card provides online access to savings or current account. They can have access to the widest network of ATMs across the country to withdraw cash, enquire about the account balance etc.

### **Credit Card**

A credit card is a payment card issued to users as a system of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them. The issuer of the card creates a revolving account and grants a line of credit to the consumer.

### **Demat Services**

Demat account is opened for the purpose of buying and selling stocks/shares of companies. Banks in alliance with Securities Limited Organizations introduce a State-of-the-Art online trading platform to cater to every trading need and offer a truly world class experience of online investing- anyplace, anytime.

### **Online Services**

It is done through a computer with internet facilities. They can check account balance, view their account get summary statement, make bill payments and utility payments, request for Cheque book, drafts, Bankers Cheques, stop cheque payment transfer funds, request for third party transfers, invest and renew deposits, issue standing instructions, register mobile number for SMS alerts and many more attractive features.

### **NEFT/RTGS**

NEFT means national electronic fund transfer system and RTGS means Real Time Gross Settlement System which enables an effective service, economical and reliable system of transfer of funds from bank to bank as well as from remitter's account in a particular bank to beneficiary's account in another bank across the country.

### **Money Transfer**

Money can be transferred either through on line or drafts or telegraphically or by wire transfer or Cheques. E-Transfer is completely online, paperless money transfer service which enables the customer to send money directly from one bank account in foreign country to India.

### **ABOUT MUMBAI CITY**

Mumbai is the capital city of the Indian state of Maharashtra. It is the most populous city in India, most populous metropolitan area in India, and the fifth most populous city in the world, with an estimated city population of 18.4 million and metropolitan area population of 20.7 million as of 2011. Mumbai is the financial, commercial and entertainment capital of India. The city houses important financial institutions such as the Reserve Bank of India, the Bombay Stock Exchange, the National Stock Exchange of India, the SEBI and the corporate headquarters of numerous Indian companies and multinational corporations

## **REVIEW OF LITERATURE**

Chen and Volpe conducted a financial literacy survey involving 924 college students from thirteen colleges and that the overall mean percentage of correct scores was just 52.87 percent. The survey examined literacy across four main areas, investigated the relationship between literacy and the student characteristics, and analysed the impact of literacy on student opinions and decisions. They found that those students with a non business major and who were female, in a lower class rank, under the age of 30 and with little work experience had lower levels of knowledge

A study by Prof. Amit P. Wadhe and Prof Shamrao Ghodke showed major banks in India are increasingly providing services through electronic Channels such as ATMs, internet banking, Tele-banking and mobile banking. The research is an attempt to study the consumer awareness on mobile banking and perception about the same.

Bhagvati R. Pipaliya (2012) in his research showed E-Banking refers to electronic banking. E banking involves information based banking under the Informational Technology system. Bank provides a variety of products and services to the customer, the various services offered by the banks can be utilized by the customers only when they are aware of the services.

## **OBJECTIVES OF THE STUDY**

- 1.To know various services offered by banks in modern times to its customers.
- 2.To know awareness of various banking services in Third Years students of Degree colleges in Mumbai City.
- 3.To know the awareness and use of ATM and NEFT services by Third Year students of Degree colleges in Mumbai City

## **LOCALE OF THE STUDY**

The present study intends to focus on Third Year students of different colleges in Mumbai City only.

## **HYPOTHESIS**

There is awareness of Banking Services but there is a need to develop Banking Skills among the students to exploit the same.

## **NULL HYPOTHESIS**

- H0 There is no association between having Bank account and awareness and use of cheques.  
H0 There is no association between having Bank account and awareness and use of ATM.  
H0 There is no association between having Bank account and awareness and use of NEFT.

## **LIMITATIONS OF THE STUDY**

- 1.Research is based on the information provided by the students.
- 2.Research is limited for the students in Mumbai City.
- 3.It has a limitation of time.

## **RESEARCH METHODOLOGY**

### **Nature of study**

This study will be descriptive and analytical in nature.

### **Population and sampling**

#### **Population**

The population of the study consists of the students of Degree College in Mumbai City.

#### **Sampling**

As the study is proposed to be indicative in nature, the sample size is 300. The sampling method is random sampling.

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### Data collection

Research involves getting primary and secondary data. The primary data is collected from sample of total population for the purpose of study with the help of a questionnaire from the respondents belonging to Mumbai City.

Secondary data required for the study is collected from journals, reports, books, records, magazines and internet.

### Data Analysis

A statistical method of Chi-square Test is applied to achieve the objectives of the study to find out the relevance of Hypothesis and to arrive at conclusions of the study.

### Data Interpretation

The process of interpretation will involve taking the results of analysis, making inferences relevant to the research relationships studied and drawing managerially useful conclusions about these relationships.

### DATA ANALYSIS AND INTERPRETATION

H<sub>0</sub> There is no association between having a Bank account and awareness and use of cheques facilities.

**Chi -Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi -Square	1.143	1	.285		
Continuity Correction <sup>b</sup>	.887	1	.346		
Likelihood Ratio	1.136	1	.287		
Fisher's Exact Test				.310	.173
Linear -by-Linear Association	1.139	1	.286		
N of Valid Cases	300				

Calculated value is more than table value, hence Null Hypothesis stands rejected, hence alternate hypothesis is accepted that there is association between having a Bank account and awareness and use of cheques facilities.

**Chi -Square Tests**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi -Square	14.115	1	.000		
Continuity Correction <sup>b</sup>	13.130	1	.000		
Likelihood Ratio	15.134	1	.000		
Fisher's Exact Test				.000	.000
Linear -by-Linear Association	14.068	1	.000		
N of Valid Cases	300				

Calculated value is less than Table value, hence Null Hypothesis stands accepted. So there is no association between having a Bank account and awareness and use of ATM.

H<sub>0</sub> There is no association between having Bank account and awareness and use of NEFT.

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Chi - Square Tests					
	Value	df	Asymp. Sig. (2 -sided)	Exact Sig. (2 -sided)	Exact Sig. (1 - sided)
Pearson Chi -Square	4.687	1	.030		
Continuity Correction	4.015	1	.045		
Likelihood Ratio	4.498	1	.034		
Fisher's Exact Test				.036	.024
Linear -by -Linear Association	4.671	1	.031		
N of Valid Cases	300				

Calculated value is less than Table value, hence Null Hypothesis stands accepted. So there is no association between having a Bank account and awareness and use of NEFT.

### FINDINGS

- 1.64% of the total respondents had bank accounts which they were actively operating.
- 2.38% of the respondents know how to use cheques and demand drafts for financial transactions.
- 3.76% of the respondents know how to use ATM services.
- 4.31% of the total respondents are aware and know how NEFT service can be used.
- 5.18% of the respondents actually use NEFT service offered by banks for carrying out financial transactions.

### SUGGESTIONS

- 1.Students themselves need to be aware and increase their knowledge by reading newspapers, magazines, etc for updating.
- 2.This is also the responsibilities of parents to open the accounts of their children in banks, show them various banking services available for different purposes.
- 3.With theory, practical approach also be should also be added in the syllabus, meaning how to do online transactions, visit to banks, how to use A.T.M. and what precautions to take while using an A.T.M., how to fill cheques.
- 4.Time to time conferences and seminars are to be held in colleges regarding amendments in rules & regulations of banks.
- 5.Various banks also shall take up certain initiatives and promotional programmes to encourage students about various banking transactions.

### CONCLUSION

There is a positive and significant relation between students possessing a bank account and use of modern means of financial transactions, namely, use of ATM, awareness regarding NEFT services offered by the banks and that of its actual use. College students need to be well aware about which account will be more useful to them today, in this world of technology they need to know how to do net banking, etc. By using all the functions and services, banks' time and transaction cost can be saved only and only when they will be aware of the rules and technology in banking. Hence, the hypothesis stands that there is awareness of Banking Services but there is a need to develop Banking Skills among the students to exploit the same.

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