

Current System of Banking: An Analysis in Reference of Capital Raipur of Chhattisgarh State

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Abstract— The proposed work is based on questionnaire base primary data and its analysis through numerically and linguistically terminology. The resultant is found as banking is an optimized principle known by the public as per essential but not as generalized. This paper proposed a new model of banking for the future prospective. We presented a new function based on economical & transaction application. There are some variants in banking found in the paper. These e variants will be formulated for the future banking is suggested as the resultant.

Keywords—questionnaire, banking, numerically, linguistically.

I. INTRODUCTION

The banker's business is to take the debts of other people to offer his own in exchange & there by create money stated by Crowther[1].

The business of banking is that of an intermediary between the saving & investment units of the economy. It collects the surplus funds of millions of individual savers who are widely scattered and channelized them to the investor. Shekhar et.al.[2] defined banking as “It is a controller of currency; a banker's bank & the lender of the government,a custodian of the nation's metallic reserves etc”.

Sethi et.al[3]established some essential points of banking and its behaviours given as below:

i)Accepting deposits ii)Advancing loans:advances loans in the following ways:a)cash credit b)call loans c)overdraft d)discountng bills of exchange.

iii)Credit creation iv)Financing foreign trade v)Agency services vi)It acts as the custodian of the valuable of its customers by providing them lockers where they can keep their jewellery & valuable documents.It issues various forms of credit instruments,such as cheques drafts,travelers cheques etc which facilitate transactions.

According to Zacharias[4] banking is defined “As the acceptance of deposits of money from the public for the purpose of money from the public for the purpose of lending or investment.

A bank is a financial firm,which offers loan & deposit products on the market & caters to the changing liquidity needs of its borrowers & depositors is defined by Heffernan[5].

A bank is an establishment which makes to individuals such advances of money or other means of payment as may be required & safely made & to which individuals entrust money or means of payment when not required by them for use.” stated by Prof.Kinely[6].

Bank is an establishment for custody of money received from or on behalf of its customers.Its essential duty is to pay their drafts unit.Its profits arise from the use of the money left employed them is presented by Tannan[7].

One who in the ordinary course of his business honours cheques drawn upon him by person from & for whom he receives money on current accounts by by prof.H.L.Hart.[8].

A banking company to accept deposit money from public withdrawable by cheque defined by Banking law and practice[9].

English common law[10] “A banker is defined as a person who carries on the business of banking which is specified as conducting current accounts for his customers,paying cheques drawn on him & collecting cheques for his customers”[10].

Jhingan is reviewed banking and stated as[1]presented the system of banking as below:

- i) Carry out the standing instructions of customers for making payments, including subscriptions, insurance premium, rent, electricity & telephone bills etc.
- ii) Undertake government business like payment of pension, collection of direct tax (e.g. income tax) & indirect tax (like excise duty)
- iii) Collect dividends, cheques, bills of exchange, promissory notes)
- iv) Contract for public & private loans & negotiating, issuing the same)
- v) Deals in debit & credit cards & ATM cards.
- vi) Safe custody services through provision of lockers & safe deposit vaults for safe keeping of documents, cash, jewellery etc.

Steps taken by Government of India to regulate Indian Banking System:

- 1949: Approving Banking Regulation Act.
- 1955: Nationalisation of state bank of India.
- 1959: Nationalisation of SBI subsidiaries.
- 1961: Insurance cover extended to deposits.
- 1969: Nationalisation of 14 Major Banks
- 1971: Creation of credit guarantee Corporation
- 1975: Establishment of Regional rural banks
- 1980: Nationalisation of six banks with deposits over 200 crores.

The major establishment in banking are given in below:

- (a) The Industrial Finance Corporation of India (IFCI)
- (b) the Industrial Development Bank of India (IDBI)
- (c) the Industrial Reconstruction Bank of India (IRBI)
- (d) the National Small Industries Corporation (NSIC)
- (e) the Industrial Credit and Investment Corporation of India (ICICI)

The first four institutions are owned by the state, while the last one (i.e., ICICI) is a private sector institution. All these institutions, excepting the NSIC, cater to the financial and development needs of the large industries, while the NSIC deals with the small-scale industries.

An institution called the National Industrial Development Corporation (NIDC) was established by the Government of India in 1954 for the promotion and development of industries in India. In the beginning, it provided some finance to the jute and cotton textile industries. But primarily being a development agency, today it functions only as consulting agency.

The state-level industrial development banks include; (i) the State Financial Corporation's (SFCs) numbering 18 today, (ii) the State Industrial Development Corporations (SIDCs), and (iii) the State Industrial Investment Corporations (SIICs). At present, there is only one all-India level agricultural development bank called the National Bank of Agriculture

and Rural Development (NABARD). Originally, there was the Agricultural Refinance and Development Corporation (ARDC), established in 1963 to provide medium and long-term finance for the development of agriculture. It was replaced by the NABARD in 1982.

At the state level, there are the State Land Development Banks (SLDBs), formerly known as Central Land Mortgage Banks, for supplying medium and long term credit to agriculture. Further, at the local level, there are primary land development banks and the branches of SLDBs.

For promoting and developing exports and imports, an all-India level institution called Export-import Bank of India (Exim Bank) was established in 1982.

The noteworthy developments during FY06–17, deposits grew at a CAGR of 12.03 per cent and reached 1.54 trillion by FY17 are mentioned as below.

- a. Strong growth in savings amid rising disposable income levels are the major factors influencing deposit growth.
- b. Access to banking system has also improved over the years due to persistent government efforts to promote banking-technology and promote expansion in unbanked and non-metropolitan regions.

At the same time India's banking sector has remained stable despite global upheavals, thereby retaining public confidence over the years.

Deposits under Pradhan Mantri Jan Dhan Yojana (PMJDY), have also increased. As on November 9, 2016, US\$ 6,971.68 million were deposited, while 255.1 million accounts were opened.

Now a days, banking holds the following characteristics:

- a. Paper Checks Will No Longer Be Used
- b. Fintech Companies Will Continue To Change How People Pay
- c. Blockchain Technology May Mean Decentralization
- d. New And Updated Regulations Will Be Passed
- e. Bitcoin Will Disrupt Currencies
- f. Fintech Will Pressure Banks To Become More Consumer-Friendly
- g. Banking services, banks have gradually transformed themselves into universal banks ATMs, internet banking, mobile banking & social banking have made 'anytime anywhere banking'
- h. Non cash payments comprised 91% of total transactions in terms of value & 48% in terms of volume.

II. THE PROPOSED BANKING MODEL FOR THE FUTURE

The banking system carries the followings:

- i) Economical application
- ii) Development by the resultant of one.
- iii) Transaction function

Here, represent a new model of banking based on an overview of adjusted principal of banking over the response of the set questionnaire.

Let, B_1 be an existed system of banking and B_2 be a banking of future. So, there will be a rule say f on the said banking, defined as below.

$$f: B_1 \longrightarrow B_2$$

OR,
$$B_2 = f(B_1)$$

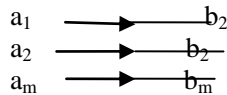
OR,
$$B_1 \xrightarrow{f} B_2$$

Let,
$$B_1 = \{ a_1, a_2, \dots, a_m \}$$

And
$$B_2 = \{ b_1, b_2, \dots, b_m \}$$

Where, a_1, a_2, \dots, a_m

Are the elements or nodes. Of B_1 and b_1, b_2, \dots, b_m are the same but distinct from B_1 . So, the correspondence is required for the old and new elements/nodes.



OR,
$$b_1 = f(a_1)$$

$$b_2 = f(a_2)$$

$$b_m = f(a_m)$$

Either the above will be model for modern banking or not.

If the first option is correct then there is no change in banking system but the problem is set for the second option as the distinct rule will be there. Our analysis supports with the second. The result is obtain in our analysis comprises with the principle of modern banking. This will be the distinct banking

III. METHOD OF STUDY

ANNEXURE

IV. ANALYSIS

Since, we defined a new model of banking which is a function of B_1 , therefore B_1 is studied over the collected data since B_1 is studied over the collected data since B_1 is finite set with n elements which correspond to the number of question of the questionnaire therefore its answer provides the direction towards the objective. The answers represented by n the elements that is a_1, a_2, \dots, a_m . This is referred as a finite set say B_1 . Hence we have the function with 2 sets B_1 & B_2 or independent variables & dependent variables. The independent variables comprises

with the questions so we have the particular objective interacted with these questions. Conversely there are respective answer fulfilled the knowledge of the individual as per the particular information. Thus we need to analyse these proposed function for obtaining the direction to set the proposed model of modern banking.

Every question correspond with the unique answer thus every question itself has the function therefore it requires the distinct analyses. For achieving these objective we set the discrete analyses referred as linguistic & numeric analysis. These is performed in the above sub section.

The sub section 3.4 presented an analysis of the data by numeric & linguistic methods. These analysis is presented in tabular form as per the sequence of the question in the questionnaire. The suggestion & conclusion is given in next section.

CONCLUSION AND FUTURE SCOPE

The result is a study of the current system of banking. The basic methodological review is applied over the same. By the set of questionnaire data is collected by the proposed function of modern banking model data is analysed. The analysis is performed by 2 discrete methodology i.e numerically and linguistically. This analyses is stated the below tool suggestion :

- i) Modern banking will be traced as the whole new banking and these will not be variant of current banking.
- ii) Customers and their level of knowledge will be enhanced & banking system will be controlled by maximum only. These 2 keys interact with two way of analyses presented 2 way of analysis numeric & linguistic.

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