
CHAPTER NO. I

METHODOLOGICAL APPROACH OF THE STUDY

CHAPTER-I

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OF THE STUDY

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CHAPTER - I

METHODOLOGICAL APPROACH OF THE STUDY

1.1 INTRODUCTION:

Finance is a scarce resource particularly in a country like india which is characterised by poverty, unemployment and doubledigit inflation. In a wise economy both lending and recovery are considered to be two sides of the same coin. While inadequate and improper allocation of credit endangers the basic socio-economic phylosophy of the country, mounting of overdues of credit endangers the foundation of banking system. Timely recovery of funds lent, is a prerequisite for continuous recycling of funds. Non-repayment of loans by the borrowers lead to blocking up of funds in the hands of few and ultimately the benefits of credit can not be passed on to a large section of people who are in acute need of credit. On the other hand, mounting of overdues weakens the corporate strength of banks. Therefore, deployment of credit and also timely repayment of loan are very important for healthy and effective functioning of bank.

Since nationalisation of banks there has been a fundamental change from class banking to mass banking. The banks have been called up on to protect the interest

of the poor and down-trodden in the society to achieve " Socialistic pattern of Society". As a result banks started opening branches in rural area. The total number of branches¹ in rural area increased from 8231 in July 1969 to 52,936 in March 1986. More significantly the proportion of rural branches has increased from 22% in July 1969 to 55% in March 1986. The organisation selected for the present study is also a rural branch and the study in hand is an attempt to probe into its functioning so far as financing is concerned.

Source :

1. T. Siddaiah "A diagnostic study of overdues in commercial banks" - Indian Banking Towards 21 century Deep and Deep Publications New Delhi (1988) P-122.



1.2 OBJECTIVES OF THE STUDY:

The study in hand is partial fulfillment of the university requirement for the M.Phil Degree Course in Commerce and Management. The study was undertaken with following specific objectives -

1. To study working pattern of Ratnakar Bank Ltd., in a village like Rukadi.
2. To study different deposit schemes introduced by the bank and its performance in Rukadi Village.
3. To study the financing made by the Ratnakar Bank Ltd., Rukadi Branch.
4. To study the utilisation and repayment of the amount advanced by the branch.
5. To give fruitful suggestions based on the observations made.

1.3 METHODOLOGY ADOPTED FOR THE STUDY:

For the purpose of the study in hand survey method is adopted for which questionnaire-schedule was prepared to collect the data from as many as 100 borrowers. The selection of borrowers was made randomly. The borrowers which were available and willing to respond positively were considered for the present study.

1.4 DATA COLLECTION OF THE STUDY:

For the purpose of present study primary as well as secondary data were utilised.

PRIMARY DATA :

A special schedule was developed for data collection and responses of the 100 borrowers were collected. The selection of the respondent were made randomly as mentioned earlier. In addition to this primary data were collected from the officers of the bank working at different levels through personal discussions with them.

SECONDARY DATA :

The secondary data utilised in the present study are collected through annual reports, special bulletins published by the bank and branch reports prepared for submission to Head Office.

Extensive literature review was undertaken which consists of books, periodicals, trade journals, etc., devoted to the topic of dissertation.

1.5 SCOPE AND LIMITATIONS OF THE STUDY:

The scope of the study is limited to Five years from 1983 to 1988. The advances and deposit mobilisation in the period from 1983 to 88 were considered for the purpose of study.

Bank as well as respondents were reluctant to give information as to deposits of individuals in different deposit schemes, repayment by borrowers, information

regarding utilisation of borrowed amount etc. which can into a major limitation of the study.

1.6 ORGANISATION OF THE STUDY:

The study in hand is organised in 5 independent chapters. The CHAPTER ONE entitled Methodological Approach described objectives of the study, methodology adopted for the study, data collection etc., in detail. CHAPTER TWO deals with conceptual framework of the study in which background information of the banking business and its lending function is explained in detail. CHAPTER THREE is devoted for profile of Rukadi Village as well as Rukadi Branch of the Ratnakar Bank Ltd., Here branch office performance of Ratnakar Bank in Rukadi Village is studied in depth. CHAPTER FOUR covers analysis of the data collected through questionnaire and in the CHAPTER FIVE researcher has presented his observations and suggestions.

1.7 DETAILED CHAPTER SCHEME OF THE STUDY:

CHAPTER-1 : METHODOLOGICAL APPROACH OF THE STUDY:

- 1.1 Introduction.
- 1.2 Objectives of the study.
- 1.3 Methodology of the study.
- 1.4 Data Collection of the study.
- 1.5 Scope and Limitations of the Study.
- 1.6 Organisation of the study.
- 1.7 Detailed chapter scheme of the study.

CHAPTER-2: CONCEPTUAL FRAME WORK OF THE STUDY AND
CONCEPTUAL FRAMEWORK OF BANK LENDING:-

- 2.1 Banking Business - Meaning.
- 2.2 Definitions of Banking.
- 2.3 Scope of Indian Banks.
- 2.4 Types of Banks.
- 2.5 Functions of Banks.
- 2.6 Structure of Indian Banking.
- 2.7 Characteristics of Indian Banking.
- 2.8 Nationalisation of Commercial Banks.
- 2.9 Banking Trends in 1988.
- 2.10 Bank Lending - Meaning-Evolution.
- 2.11 Definitions of Lending.
- 2.12 Purpose of Lending.
- 2.13 Principles of Lending.
- 2.14 Techniques of Lending.
- 2.15 Organisation of Lending.
- 2.16 Sources of funds for Lending.
- 2.17 Rural Lending - RBI Guidelines to Banks.

CHAPTER-3A: PROFILE OF RUKADI VILLAGE:-

- 3.1 Introduction.
- 3.2 Location.
- 3.3 Cropping Pattern.
- 3.4 Population.
- 3.5 Live stock & Dairying.

- 3.6 Forests.
- 3.7 Rainfall.
- 3.8 Minerals.
- 3.9 Industries.
- 3.10 Banking.
- 3.11 Educational Facilities.
- 3.12 Medical Facilities.
- 3.13 Trade.
- 3.14 Transport and communication.
- 3.15 Electrification.
- 3.16 Village Administration.
- 3.17 Important features of village.

CHAPTER-3B: PROFILE OF THE RATNAKAR BANK LTD.:-

- 3.18 Historical Background of the Bank.
- 3.19 Organisational Profile of the Bank.
- 3.20 Organisational Chart & functions.
- 3.21 Aims and objectives of the Bank.
- 3.22 Important features of the Bank.

CHAPTER-4: ANALYSIS OF THE DATA:-

- 4.1 Analysis of the data.

CHAPTER-5: OBSERVATIONS AND SUGGESTIONS OF THE STUDY:-

- 5.1 Observations of the study.
- 5.2 Suggestions of the study.

BIBLIOGRAPHY & ANNEXTURES