
CHAPTER 4

DATA PRESENTATION AND ANALYSIS

PRESENTATION OF DATA AND ANALYSIS

In this chapter, the data are presented in the following manner.

i) Data for the recent three years, i.e., for 1986-87, 1987-88 and 1988-89 have been collected.

ii) Expenses incurred during each of the above three years (except the item of Building Fund) have been apportioned and allocated to the functional departments. There are two types of functional departments,

- a) Operating and
- b) Non-operating.

iii) Department-wise costs are then calculated and the "Annual Cost Statement" is prepared. Costs of non-operating departments are not allocated to the operating departments.

Basis of allocation of the costs is as follows:

S.No.	Description of Cost	Basis of Allocation
1.	Advertising	10% Deposits + 90% Gen Admin
2.	Audit fees	100% Gen Administration
3.	Depreciation & Repairs	No. of employees in each dept.
4.	Deposit insurance	Only for deposits
5.	Donation	100% Gen Administration
6.	Insurance	20% for deposits, 60% for loans, 20% for Gen Administration
7.	Law charges	40% for loans, 50% for Recovery, 10% for Gen Administration
8.	Light, water charges	No. of employees in each dept

9.	Locker rent	100% Gen Administration
10.	Office Rent	No. of employees in each dept
11.	Postage, telegram charges	25% for Deposits, 40% for loans, 25% for Gen Administration 5% for Borrowings, 5% for Investments.
12.	Printing & Stationery	NO. of employees in each dept
13.	Salaries & Allowances	Actual salary of manager, officers, senior clerks & cashiers and Junior clerks. And remaining: No. of employees in each dept.
14.	Staff Travelling exp.	No. of employees in each dept
15.	Subscriptions	100% Gen Administration
16.	Telephone charges	No. of employees in each dept
17.	Travelling & other Allowances of Board of Directors	100% Board of Directors
18.	Other Expenses	
a.	Pigmy commission	100% Pigmy Deposits.
b.	Annual Gen Meeting expenses	100% Gen Administration
c.	Miscellaneous expenses	No. of employees in each dept
d.	Cermonial expenses	100% Gen Administration.
e.	Newspaper expenses	100% Gen Administratioin.
f.	Vehicle expenditure	95% Recovery & 5% Gen Admin.
g.	Clearing House Charges	100% Gen Administration
h.	Peon Dress	100% Gen Administration
i.	Training & Education exp.	No. of employees in each dept
j.	Education Fund	100% Gen Administration
k.	Court expenses	100% Gen Administration
l.	Loan Recovery exp.	100% for Recovery department
m.	Election expenses	100% Gen Administration
n.	Rebate on Interest	100% Recovery.

The above basis have been decided upon after due observation and discussion with the Manager and Chief Executive Officer of the Bank.

Three Statements, showing apportionment and allocation

Table 4.1: Statement Showing Functional Annual Cost for the Year 1986-87.

(Figures in Rupees)

S NO.	DESCRIPTION	AMOUNT	OPERATING DEPARTMENTS					NON-OPERATING DEPARTMENTS											
			CURRENT DEPOSITS	CALL SAVINGS DEPOSITS	FIXED DEPOSITS	RECURRING DEPOSITS	TOTAL DEPOSITS	BORROWINGS	LOANS	RECOVERY	SHARE CAPITAL	GEN. ASSETS	BOARD OF DIRECTORS & CHAIRMAN	MANAGER	OFFICERS & CASHIERS	ADMINISTRATOR SENIOR CLERKS	CLERKS	INVESTMENT	
1.	Advertising	17,762	163	187	326	992	106	1,776											
2.	Audit fees	10,000																	
3.	Depreciation & repairs	13,860	231	265	466	1,407	151	2,520	630	2,520	630								
4.	Deposit Insurance	6,153	564	648	1,138	3,435	368	6,153											
5.	Donation	1,000																	
6.	Insurance	10,604	194	223	392	1,185	127	2,121		6,362	1,750								
7.	Law charges	3,500								1,400	1,79								
8.	Light, water charges	2,931	66	75	132	399	43	715	179	715	179								
9.	Locker Rent	120																	
10.	Office rent	9,600	160	184	323	974	104	1,745	436	1,745	436								
11.	Postage, telegram charges	8,964	205	236	414	1,251	135	2,241	448	3,586	1,411								
12.	Printing & stationery	31,033	517	594	1,043	3,150	338	5,642	1,411	5,642	1,411								
13.	Salary & allowances	3,62,440	6,123	7,635	12,351	37,303	3,998	66,806	16,701	66,806	16,701								
14.	Staff travelling expenses	5,679	95	109	191	576	52	1,033	258	1,033	258								
15.	Subscriptions	4,630								4,630									
16.	Telephone charges	22,170	369	424	745	2,252	241	4,031	1,008	4,031	1,008								
17.	Travelling & other allowances of Board of Directors	5,232																	
18.	Other Expenses:																		
a)	Pigmy Commission	59,683						59,683											
b)	Annual Gen. Meeting exp.	19,888																	
c)	Miscellaneous exp.	11,964	199	229	402	1,215	130	2,175	544	2,175	544								
d)	Ceremonial Expenses	2,804																	
e)	News paper exp.	1,547																	
f)	Vehicle expenses	2,697																	
g)	Clearing House charges	1,325																	
h)	Training & education exp.	2,250	37	43	76	228	25	409	102	409	102								
i)	Education fund	1,000																	
j)	Court expenses	4																	
k)	Loan recovery exp.	1,415																	
		6,21,261	8,923	10,252	18,001	54,367	65,507	1,57,650	21,717	96,424	26,996	21,269	1,26,958	26,507	37,459	19,578	32,934	32,252	21,714

Source: Compiled from Annual Reports & Other Records of the Bank.

Table 4.2: Statement Showing Functional Annual Cost For

The Year 1987-88.

S.NO.	DESCRIPTION	AMOUNT	OPERATING DEPARTMENTS							NON-OPERATING DEPARTMENTS														
			CURRENT DEPOSITS	CALL DEPOSITS	DEPOSITS		BORROWINGS	LOANS	RECOVERY	SHARE CAPITAL	GEN ADMN	BOARD O. DIRECTORS			ADMINISTRATION									
					SAVINGS DEPOSITS	FIXED DEPOSITS						FIGNI & OTHER DEPOSITS	TOTAL DEPOSITS	CHAIRMAN	MANAGER	OFFICERS & CASHIERS	SENIOR CLERKS	JUNIOR CLERKS	INVESTMENT					
1.	Advertising	16,567	322	179	310	763	83	1,657						14,910										
2.	Audit fees	11,000												11,000										
3.	Depreciation & repairs	32,577	1,151	638	1,110	2,726	299	5,924	1,480	5,924	-1,480			4,443	1,480	-1,480	-2,963	2,963					1,480	
4.	Deposit insurance	9,313	1,809	1,004	1,745	4,286	469	9,313						1,001										
5.	Donations	1,001												3,837										
6.	Insurance	19,183	745	414	719	1,766	193	3,837		11,509				162										
7.	Law Charges	1,621	138	77	131	328	36	710	178	648	811			532	178	178							178	
8.	Light, water charges	3,906								710				120										
9.	Locker Rent	120												873	291	291								291
10.	Office rent	6,400	226	125	218	536	59	1,164	291	1,164	291			4,191									291	
11.	Postage, telephone charges	16,763	614	452	785	1,929	211	4,191	838	6,705				5,546	1,849	1,849	3,698	3,698					838	
12.	Printing & stationery	40,675	1,437	797	1,386	3,403	372	7,395	1,849	7,395	1,849			70,135	35,644	17,923	27,739	26,732					23,378	
13.	Salary & allowances	4,82,093	18,168	10,078	17,523	43,034	4,712	93,515	23,378	93,515	23,378			1,312	438	438	875	875					438	
14.	Staff travelling exp.	9,628	340	189	328	805	88	1,750	438	1,750	438			3,070	1,569	1,569	3,136	3,136					1,569	
15.	Subscriptions	3,070												4,706										
16.	Telephone charges	34,509	1,219	676	1,176	2,887	316	6,274	1,569	6,274	1,569													
17.	Travelling & other allowances of Board of Directors	7,593																						7,593
18.	Other Expenses:																							
a)	Pigmy commission	70,775												70,775										
b)	Annual Gen. Meeting exp.	25,480																						
c)	Miscellaneous expenses	26,147	923	512	891	2,187	240	4,753	1,189	4,753	1,189			25,480	1,189	1,189	2,376	2,376					1,189	
d)	Ceremonial Expenses	1,244												1,244										
e)	News paper expenses	1,219												1,219										
f)	Vehicle expenditure	3,730												1,700										
g)	Clearing house charges	1,700												1,700										
h)	Education fund	1,000												1,000										
i)	Loan recovery expenses	2,488																						
			8,29,802	27,292	15,141	26,322	64,650	77,853	2,11,258	31,210	1,40,347	37,214	30,372	1,60,234	37,965	42,638	24,917	41,722	40,715					31,210

Sources: Compiled from Annual Reports & Other Records of the Bank.

Table 4.3 Statement Showing Functional Annual Cost for the Year, 1988 - 89.

(Figures in Rupees)

S. NO.	DESCRIPTION	AMOUNT	OPERATING DEPARTMENTS				NON-OPERATING DEPARTMENTS													
			CURRENT DEPOSITS	SAVINGS DEPOSITS	FIXED DEPOSITS	PIGMY & OTHER DEPOSITS	BOARD OF DIRECTORS & CHAIRMAN	MANAGERS OFFICERS & CASHIERS	ADMINISTRATION STAFF	JUNIOR INVESTMENTS CLERKS										
1.	Advertising	31,619	513	630	1,187	203	3,162													
2.	Audit fees	12,000																		
3.	Depreciation & repairs	16,920	477	587	1,103	189	2,942	736	2,942	736	736	736	1,471	1,471	736					
4.	Deposit insurance	13,593	2,204	2,710	5,102	871	13,593													
5.	Donation	3,552																		
6.	Insurance	20,944	679	835	1,572	269	4,189	12,566												
7.	Law charges	2,500						1,000												
8.	Light, water charges	4,163	117	145	272	46	724	724	181	181	181	362	362	181						
9.	Locker rent	300																		
10.	Office rent	12,800	361	444	835	143	2,225	2,225	557	557	557	1,113	1,113	557						
11.	Postage telegram charges	11,390	462	568	1,068	183	2,848	4,556	2,411	2,411	2,411	4,821	4,821	2,411						
12.	Printing & stationery	55,447	1,563	1,922	3,619	618	9,643	9,643	2,411	2,411	2,411	4,821	4,821	2,411						
13.	Salary & allowances	6,03,522	17,589	21,627	40,718	6,955	1,08,486	1,08,485	27,122	27,122	27,122	54,244	54,244	27,122						
14.	Staff travelling exp	9,843	278	341	643	110	1,712	1,712	428	428	428	856	856	428						
15.	Subscriptions	4,570																		
16.	Telephone charges	52,657	1,485	1,826	3,437	587	9,158	9,158	2,289	2,289	2,289	4,580	4,580	2,289						
17.	Travelling & other allowance of Board of Directors	10,024																		
18.	Other Expenses																			
a)	Pigmy commission	92,725					92,725	92,725												
b)	Annual Gen. Meeting exp	30,479																		
c)	Miscellaneous expenses	33,147	934	1,149	2,164	370	5,765	5,765	1,441	1,441	1,441	2,882	2,882	1,441						
d)	Charterial expenses	2,560																		
e)	Newspaper expenses	1,083																		
f)	Vehicle expenditure	3,669																		
g)	Clearing house charges	1,794																		
h)	Peon dress	1,540																		
i)	Training & education exp	6,175	174	215	403	69	1,075	1,075	268	268	268	537	537	268						
j)	Education fund	1,000																		
k)	Court expenses	28																		
l)	Loan recovery expenses	5,722																		
m)	Election expenses	12,012																		
n)	rebate on interest	459																		
		10,58,237	26,836	32,999	32,951	52,123	1,03,338	2,58,247	36,002	1,59,851	46,350	35,433	2,48,373	45,457	59,755	34,796	55,468	52,303	16,002	

Source: Compiled from Annual Reports and Other Records of the Bank.

4. Three Statements, showing opporportionment and allocation of the cost items (as done on the basis shown in (3) above) department-wise, prepared for the years 1986-87, 1987-88 and 1988-89 are presented below.

ANALYSIS:

Data presented above reveals the following about the Bank's cost structure:

A) Salaries and allowances is the major expense item for all the three years of this study. The percentage of salaries and allowances to the total expenditure during the three years of the study was as follows:

1986-87	58.35%
1987-88	58.10%
1988-89	57.03%

The trend shows that the percentage is coming down marginally.

B) Pigmy commission, Telephone charges and Printing & Stationery are the expenses large enough to rceive attention. Percentage of these expenses to the total expenditure for the three years was as follows:

	Pigmy Commission	Telephone Charges	Printing & Stationery
1986-87	9.61%	3.57%	5.00%
1987-88	8.53%	4.16%	4.90%
1988-89	8.76%	4.98%	5.24%

Thus the range for pigmy commission was 8.53% to 9.61%, that for Telephone charges 3.57% to 4.98% and that for Printing and Stationery 4.90% to 5.24% for the three years under study.

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C) Annual General Meeting Expenses, Miscellaneous Expenses and Depreciation and Repairs are the next three items of expenses to receive attention. The percentage of these expenses to the total expenditure for the three years was as follows:

	AGM Expenses	Misc. Exp.	Depreciation & Repairs
1986-87	3.20%	1.93%	2.23%
1987-88	3.07%	3.15%	3.93%
1988-89	2.88%	3.13%	1.60%

D) The other Material expenses for all these three years were:

	1986-87	1987-88	1988-89
Advertising	2.86%	2.00%	2.98%
Audit Fees	1.61%	1.33%	1.13%
Insurance	1.71%	2.31%	1.97%
Office Rent	1.55%	0.77%	1-20%
Deposit Insurance	1.00%	1.12%	1.28%
Postage & Telegram	1.44%	2.00%	1.07%
Election expenses (only for the year - 1988-89)	-	-	1.13%

E) Costs of Operating Departments:

Costs of Operating Departments for the three years under study may be analysed by taking their percentage to total cost every year and comparing these percentages for all the three years taken together.

	Deposits	Borrowings	Loans	Recovery	Total
1986-87	25.28%	3.50%	15.52%	4.34%	48.64%
1987-88	25.45%	3.76%	16.91%	4.48%	50.60%
1988-89	24.40%	3.40%	15.10%	4.38%	47.28%

The Youth Bank incurs a little less than 50% costs on operating departments. Deposits department requires the maximum cost followed by Loans department.

Deposit cost may be further analysed as follows:

Deposits	Current	Call	Savings	Fixed	Pigmy & other	Total
<u>Years</u>						
1986-87	1.44%	1.65%	2.90%	8.75%	10.54%	25.28%
1987-88	3.29%	1.82%	3.17%	7.79%	9.38%	25.45%
1988-89	2.54%	3.12%	3.11%	5.87%	9.76%	24.40%

F) Costs of Non-operating Departments:

	1986-87	1987-88	1988-89
Share Capital	3.42%	3.66%	3.34%
General Administration	20.44%	19.30%	22.58%
Board of Directors	4.27%	4.57%	4.29%
Manager	6.02%	5.18%	5.64%
Officer	3.22%	3.00%	3.29%
Senior Clerks & Cashier	5.30%	5.03%	5.24%
Junior Clerks	5.19%	4.90%	4.94%
Investments	3.50%	3.76%	3.40%

From the above figures it is clear that the Youth Bank incurs a little more than 50% of the total costs on

Non-operating departments. General Administration department requires the maximum amount of cost followed by the manager and the Senior Clerks. That means there departments should be closely controlled as for as incurrence of costs for them is concerned.
