

CHAPTER I
INTRODUCTION &
RESEARCH METHODOLOGY

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CHAPTER I

INTRODUCTION & RESEARCH

METHODOLOGY

1.1 INTRODUCTION

Co-operative credit institutions contribute a lion's share in Indian financial sector. In every state of India there is a federal co-operative credit structure constitute three-tire system. At every level, there is different credit institutions are working with intention of providing finance & meeting credit need of industrial sector, agricultural sector, and non-agricultural sector. At state level state co-operative bank or state industrial co-operative bank, at district level district central co-operative bank or at urban or rural level primary non-agricultural co-operative credit societies or primary agricultural co-operative credit societies provide finance. In this structure, urban co-operative credit societies lie at bottom but play a very vital role of providing finance and meeting credit needs of people of urban area.

Banks from private sector and other banks give more attention to the security of their funds and hence they neglect urban middle and lower class people. Due to this strategy of private sector banks and other banks the need for urban co-operative credit institution are increasing rapidly. Today when we analyze the position of urban co-operative credit societies, we can see that there are large number of urban co-operative credit societies working in various cities, towns and talukas. The area of operation of urban co-operative credit societies is usually restricted by its bylaw to a municipal area or a tahasil or in some cases to a district. Urban co-operative credit societies fulfill the credit needs of people residing in their operational area. Urban co-operative credit societies accept deposits of various types and thereby afford facilities for investment to persons of small means. Urban co-operative credit societies also advance loans mostly to the small traders, wage earners, small industrialists and economically weak people.

Urban co-operative credit societies play very important role, which help to development of urban area and ultimately development of country. However, urban co-operative credit societies largely face various problems & difficulties while performing their functions such as administrative problem, low profitability, operational problem etc. This study is carried to study the working of urban co-operative credit societies.

1.2 STATEMENT OF THE PROBLEM

Urban co-operative credit societies do banking business in urban area. Urban co-operative credit societies accept deposits from members and non-members and utilize this money to meet credit needs of various people. This role of urban co-operative credit societies is prominent in development of middle and lower class people. However, while performing their functions urban co-operative credit societies have to face various problems. Under this study the working of selected urban co-operative credit societies are evaluated hence this study is entitled as ***“A STUDY OF SELECTED URBAN CO -OPERATIVE CREDIT SOCIETIES IN WAI CITY.”***

1.3 OBJECTIVES OF THE STUDY

Following objectives are determined in order to carry out the study of selected urban co-operative credit societies.

- I. To study the theoretical framework
- II. To review the literature relating to the subject
- III. To highlight the progress of urban co-operative credit societies
- IV. To study the working of selected urban co-operative credit societies
- V. To analyze the data collected from urban co-operative credit societies
- VI. To make suggestions for improving their performance based on findings and observations

1.4 RESEARCH METHODOLOGY

Under this study, the working of urban co-operative credit societies in Wai city is analyzed. It is estimated that there are more than 60 urban co-operative credit societies in Wai taluka. However, this study is restricted to Wai city and there are only 24 urban co-operative credit societies are working in Wai city. Though it is not possible to study all the urban co-operative credit societies in Wai city, hence 8 urban co-operative credit societies randomly selected for study.

THE UNIVERSE OF THE STUDY

The study is restricted to Wai city, there are only 24 urban co-operative credit societies working in Wai city. These 24 urban co-operative credit societies are the universe for this study. Out of which 8 urban co-operative credit societies are randomly selected for study.

REFERENCE PERIOD

For the study of urban co-operative credit societies the five years data has been taken into account. Those five years are 2002-03, 2003-04, 2004-05, 2005-06, and 2006-2007.

TECHNIQUE OF ANALYSIS

The collected data has been processed and tabulated by the way of tables. The data is presented with the help of charts, graphs and diagrams. For the purpose of analysis various statistical techniques such as percentage, averages, ratios, etc. have been use.

TOOLS USED FOR DATA COLLECTION

The required data for the study is collected through two sources viz, primary sources and secondary sources. Data collected through primary sources is known as primary data while data collected from secondary sources is known as secondary data.

- 1) **PRIMARY DATA** – Primary data is the first hand data collected for study. Following tools were used for collection of primary data.
 - A. Questionnaire – For the purpose of collection of primary data, a detailed and comprehensive questionnaire was prepared based on objectives of the study.
 - B. Discussions and Interviews – Personal discussion and interview were held with the manager, employees and customers of urban co-operative credit societies for collection of data.
- 2) **SECONDARY DATA** – This is the data which is collected through already published reports and various reference books. To collect the secondary data following tools were used.
 - A. Annual reports of urban co-operative credit societies
 - B. Audited statements of urban co-operative credit societies
 - C. Published sources like books, periodicals etc.

1.5 SIGNIFICANCE OF THE STUDY

The study will be helpful for the urban co-operative credit societies in Wai city. This study focuses on the working of urban co-operative credit societies. This study also seeks answer for the problems of urban co-operative credit societies. This study leads to urban co-operative credit societies in self-observation of their working and their results helps in improving their performance. Findings of this study have importance as it is likely to contribute to knowledge. If urban co-operative credit societies follow the findings of this study then they can perform their functions more efficiently.

1.6 SCOPE AND LIMITATION OF STUDY

This study is limited to urban co-operative credit societies in Wai city hence the scope of this study is limited to urban co-operative credit societies in Wai city. As the researcher had to complete work of study within a limited period, it brings time limitations on study. Study is based on data of five years; hence, the limited data is also a major limitation of the study. In this study, sampling method was

adopted so only 8 randomly selected urban co-operative credit societies are taken for study as sample which does not prove sufficient for proper study.

1.7 CHAPTER SCHEME

1. Introduction and Research Methodology :

This chapter presents the general information regarding to present study, which involves statement of the problem, objective of the study, research methodology used for study, importance of the study, scope and limitation of the present study.

2. Theoretical Framework :

This chapter presents the various concepts related to the present study. In this chapter, concepts such as co-operation, banking, co-operative banking and urban co-operative credit societies etc. are discussed in detail.

3. Review of Literature :

This is the third chapter, which presents the review of literature carried by researcher. This chapter is divided into two sections viz, review of committees, study groups and commissions and review of laws relating to banks and co-operative credit societies.

4. History and Development of Urban Co-operative Credit Societies :

This chapter shows the brief history and development of urban co-operative credit societies in the world, in India, In Maharashtra, in Satara district and In Wai taluka.

5. Data Analysis and Interpretation:

This chapter presents the analysis and interpretation of data of selected urban co-operative credit societies in Wai city during the period 2002-03 to 2006-07.

6. Conclusions and Suggestions :

This is the last chapter, which contains the summary of finding and main suggestions.