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Chapter II

Research Methodology

2.1 : Introduction :-

It is co-operation which motivates and directs human life towards the pursuit of peace and prosperity. It brings together people and nations and facilitates peaceful co-existence. Co-operative institutions play a pivotal role in the development of any country. Of the different types of co-operative societies, co-operative Credit societies in India are very important.

Urban co-operative banks occupy an important place. They cater to the credit needs of people residing in urban areas. Now a days co-operative societies are facing various problems. Due to these problems they are resulting in failure of the banks and co-operatives are losing confidence from the minds of investors and members.

Credit co-operatives face a lot of problems like lack of funds, problem of mobilization of deposits, defective and lengthy loan disbursement procedure, Government regulations, non recovery of loans, improper management, political interference etc.

The reason of above problems lies in the weak financial position of these credit co-operatives. Therefore an attempt is made in this study to analyze the Liquidity, Profitability and Solvency position of the bank and Financial Performance of the Bank. The findings from this study will be a little helpful to improve the situation of co-operatives.

2.2 : Hypothesis :-

The present study is undertaken to test the following hypothesis

- 1) Urban co-operative banks are managing their financial position properly.
- 2) The Koyana co-operative Bank Ltd., Karad has maintained a proper balance between Liquidity Profitability and Solvency.

2.3 : Statement of the problem :-

The present study is entitled as the “ Evaluation of financial performance of Koyana Co-operative Bank Ltd., Karad ”. The analysis and interpretation of financial statements helps any co-operative bank for maintaining its financial position in tact.

2.4 : Objectives of the study :-

The objectives of the study are outlined as under.

- 1) To study the profile of the Koyana Co-operative Bank Ltd., Karad.
- 2) To make a comparative study of financial performance of the Koyana Co-operative Bank Ltd., Karad during the years 2002-2007
- 3) To test the liquidity position of the Koyana Co-operative Bank Ltd., Karad.
- 4) To understand the profitability of Koyana Co-operative Bank Ltd., Karad.

- 5) To diagnose the solvency of the Koyana Co-operative Bank Ltd., Karad.
- 6) To offer conclusions and suggestions.

2.5 : Scope of the Study :-

The scope of the study is confined to evaluation of financial performance of the Koyana Co-operative Bank Ltd., Karad only. The results of the analysis are based on the data pertaining to the years 2002-2007. The scope of the study is to determine the liquidity, profitability and solvency of the Koyana Co-operative Bank Ltd., Karad.

2.6 : Methodology :-

The present study is mainly based on secondary data which is collected through

1. Annual reports of the Koyana Co-operative Bank Ltd., Karad.
2. Newspapers.
3. Magazines.
4. Reference books.
5. Other publications.

As and when necessary, personal discussions are also made with Bank officials to strengthen the secondary data.

The data collected has been analyzed and tabulated. Some statistical techniques like ratios, percentages are used in order to draw meaningful conclusions. use of graphs, charts are also made for clear understanding.

2.7 :- Limitations of the study :-

The present study is limited to one single unit only i.e. the main branch. The results of the analysis are based on only five years of financial information considering the limitations of individual researcher. The study is mainly based on the secondary data.

2.8 : Chapter Scheme :-

Chapter I	Introduction.
Chapter II	Research Methodology.
Chapter III	Financial performance of Koyana Co-operative Bank Ltd., Karad.
Chapter IV	Liquidity, solvency and profitability of Koyana Co-operative Bank Ltd., Karad.
Chapter V	Conclusions and suggestions.

CHAPTER-III

FINANCIAL PERFORMANCE OF KOYANA CO-OPERATIVE BANK LTD, KARAD

3.1 : Introduction.

3.2 : Comparative financial statements.

3.2.1 : Comparative Income statement.

3.2.2 : Comparative Balance sheet.

3.3 : Common size financial statements.

3.3.1 : Common size Income statement

3.3.2 :- Common size Balance sheet

3.4 : Trend Percentages.

3.4.1 : Trend percentage of membership.

3.4.2 : Trend percentage of share capital.

3.4.3 : Trend percentages of Deposits.

3.4.4 : Trend percentages of loans and advances.

3.4.5 : Trend percentages of Investments.

3.4.6 : Trend percentages of profits