

## **INTRODUCTION**

People earn money to meet their day-to-day expenses on food, clothing, education of children, housing, etc. They also need money to meet future expenses on marriage, higher education of children, house building and other social functions. These are heavy expenses, which can be met if some money is saved out of the present income.

Saving of money is also necessary for old age and ill health when it may not be possible for people to work and earn their living. The necessity of saving money was felt by people even in olden days. They used to hoard money in their homes. With this practice, savings were available for use whenever needed, but it also involved the risk of loss by theft, robbery and other accidents. Thus, people were in need of a place where money could be saved safely and would be available when required.

**Banks are such places where people can deposit their savings with the assurance that they will be able to withdraw money from the deposits whenever required.**

People who wish to borrow money for business and other purposes can also get loans from the banks at reasonable rate of interest.

**Bank is a lawful organization, which accepts deposits that can be withdrawn on demand. It also lends money to individuals and business houses that need it.**

Banks also render many other useful services – like collection of bills, payment of foreign bills, safe-keeping of jewellery and other valuable items, certifying the credit-worthiness of business, and so on.

Banks accept deposits from the general public as well as from the business community. Any one who saves money for future can deposit his savings in a bank. Businessmen have income from sales out of which they have to make payment for expenses. They can keep their earnings from sales safely deposited in banks to meet their expenses from time to time. **Banks give two assurances to the depositors –**

**a. Safety of deposit, and**

**b. Withdrawal of deposit, whenever needed**

On deposits, banks give interest, which adds to the original amount of deposit. It is a great incentive to the depositor. It promotes saving habits among the public. On the basis of deposits banks also grant loans and advances to farmers, traders and businessmen for productive purposes. Thereby banks contribute to the economic development of the country and well being of the people in general. Banks also charge interest on loans. The rate of interest is generally higher than the rate of interest allowed on deposits Banks also charge fees for the various other services, which they render to the business community and public in general. Interest received on loans and fees charged for services which exceed the interest allowed on deposits are the main sources of income for banks from which they meet their administrative expenses.

The activities carried on by banks are called banking activity. 'Banking' as an activity involves acceptance of deposits and lending or investment of money. It facilitates business activities by providing money and certain services that help in exchange of goods and services. Therefore, banking is an important auxiliary to trade. It not only provides money for the production of goods and services but also facilitates their exchange between the buyer and seller.

There are laws which regulate the banking activities in India. Depositing money in banks and borrowing from banks are legal transactions. Banks are also under the control of government. Hence they enjoy the trust and confidence of people. Also banks depend a great deal on public confidence. Without public confidence banks cannot survive.

It is always important for any nation to make sure that their young population is aware and know well about their banking and financial services. This would allow them to easily blend into the banking system and also to avail all these services as and when need. Being able to avail services at ones discretion makes him/her empowered and an empowered youth can help in overall development of a nation. Including the young into the banking system of a nation is an important step to ensure that the young population especially students can get much needed exposure to the system even before they step into an important phase of life.

## **STATEMENT OF THE PROBLEM**

The term banking has undergone a tremendous change in the recent years. There has been a shift from traditional banking to modern banking especially in the post reform era. With the entry of private sector banks and foreign banks into the scene of Indian banking, considerable improvement is felt not only in the profitability and efficiency of Indian commercial banks but also in providing quality services to customers. Moreover, technological advancements have brought about various changes in the way in which various products and services are delivered to the customers by the banks.

This study is undertaken to understand different services provided by banks to the public and also the awareness of college students of these services. Hence the study is entitled **“The awareness on new banking services among college students with special reference to Sahya arts and science College Wandoor.”**

## **SIGNIFICANCE OF THE STUDY**

Banks provide a number of services to the public. But some of the people are not aware of that, especially students' community. So the study is significant in this sense. It reveals the degree of awareness about the new banking services among college students. If the degree of awareness is poor, then this study explains the reasons behind the situation. This is helpful to the bank to take the measures to improve their services.

## **SCOPE OF THE STUDY**

This study tries to make an attempt to measure the awareness of new banking services among college students. The scope of this study is limited with college students. This study also tries to find out percentage of students who avail the services.

The universe of the study is limited to Sahya arts and science College Wandoor. The researcher's work is confined to the students of the college.

## **OBJECTIVES OF THE STUDY**

- To study the awareness of college students about new services provided by banks.
- To measure the satisfaction level of students about the services provided by banks.

## **HYPOTHESIS OF THE STUDY.**

$H_0$  = There is no significant difference among students about the awareness of new banking services.

## **METHODOLOGY**

The study was based on both primary as well as secondary data. The primary data was collected through a structured questionnaire from the sample selected. The various books and websites provide secondary data.

The area of the present study was restricted to Sahya arts and science college Wandoor. There are one Postgraduate and eight undergraduate departments in this college. So the population of the study comprises the students of these departments. The population was therefore the total number of students in this college and it comes to around 1000. Five Percentage of the total population was taken as the sample for conducting the study. So the Sample size for the study was 50. For selecting the samples, 5% of students from each department were taken by using the sampling method, simple random sampling.

To test whether the awareness of new banking services among college students is same or not, the researcher used Chi-Square test.

### **Source of data**

The study is based on both primary and secondary data.

### **Primary data**

These are original source from which the researcher directly collect data that have not been previously collected. Here primary data is collected from the 50 regular students of SAHYA ARTS AND SCIENCE COLLEGE through a structured questionnaire. This data is mainly used to evaluate the level of awareness among students about new banking service.

### **Secondary Data**

The secondary data are those data which have already been collected, tabulated and presented in some forms by someone else for some other purposes. In this research internet, books were used for collecting secondary data.

## **TOOL FOR DATA COLLECTION**

The structured questionnaire has used to collect data.

## **TOOL FOR ANALYSIS**

- Percentage
- Table
- Bar diagram
- Pie diagram
- Chi square test

## **LIMITATIONS OF THE STUDY**

The study has the following limitations.

1. The study is based on a sample size of 50 respondents selected at random from sahya arts and science college wandoor. As such the findings of the study cannot be generalized.
2. The findings of the study represent the attitude of banking service subscribers between the age range of 18 and 22. Perceptions, attitude and beliefs of other sections of banking service subscribers may not be same as the population under study.
3. The customer preferences and attitude are expected to influence by factors other than those under control.

## **CHAPTER PLAN**

The whole study is divided into five chapters.

The first chapter starts with a brief introduction to Indian banking. It also includes significance of the study, scope of the study, statement of the problem, objectives of the study, hypothesis of the study, data and Methodology, limitations of the study and chapter scheme.

The second chapter contains a brief discussion on new banking services under study. It includes ATM Cards, Offshore banking, CORE banking, Internet banking, Tele banking, Credit cards, and Debit cards, EFT, RTGS and E-purse.

The third chapter contains the analysis of data and its interpretations. In this chapter the researcher classified, tabulated, analyzed and presented the collected data in a standard form.

The fourth chapter includes the testing of hypothesis of the study.

The last chapter presents the summary of findings and suggestions.

## **REVIEW OF LITERATURE**

**Devlin (1995):** Branches, albeit in reduced numbers, will continue to be an important means of reaching many segments of the market. However, with increasingly diverse sets of preferences there will be a growing need for organizations to develop multiple channels of distribution. The branch network will undoubtedly remain an important distribution channel for the foreseeable future; however, consumer choice will continue to be augmented in response to developments in consumer preferences. These supply and demand side pressures have therefore had a significant influence on the distribution of retail financial services including those offered by the retail banking sector. The traditional reliance on the branch network remains to some extent; however, the delivery mix has expanded and will continue to do so.

**According to Sheth and Parvatiyar (1995):** Consumers use is important because it builds consumer habits and reduces consumer uncertainty.

**Kimball and Gregor (1995):** Observed that developing alternative channels for retaining the existing customers as well as for attracting new ones is very important to financial institutions. ATM was the first example of a self-service device that is aimed at providing convenience to the customers to meet their banking needs while decreasing costs for the bank. The next development is the introduction of phone banking, which is another delivery channel for branches of the financial services via telecommunication devices connected to an automated system of the bank. It enables customers to perform some of their transactions through a phone call.

**According to Nevens (1999):** The bank transaction cost drops 80% or more when it is handled electronically. By the mid-1990s, many banks had begun to experience directly the potential the Internet offered them. Ultimately, the Internet presented a novel alternative to the phone banking systems.

**According to Furnell (2004):**, customers have a tendency to be confidential about their accounts and are concerned with the security of banking transactions.

**Weir et.al. (2006):** found that Internet banking services allow customers to use remote access to manage their bank accounts and transactions.

**Eriksson and Nilsson (2007):** Financial institutions offer new banking channels to their customers, as the technology adds new dimensions to the classic banking systems. Over the last few years, self-service technologies have replaced the need for face-to-face interaction between banks and customers.

**Howard and Moore (1982):** emphasized that for adoption of a product/service consumers must become aware of the new brand. Hence, an important characteristic for any adoption of innovative service or product is creating awareness among the consumers about the service product.

**Gatignon and Robertson (1985):** Technological service innovations differ from other commodities insofar as their adoption may require behavior different from consumers' typical routines.

**Ho and Ng (1994):** empirically support that the use of electronic banking involves risk. They suggested that consumers perceived an existence of risk was present with the use of electronic banking.

**According to Ainscough and Lockett (1996):** the provision of customer interactivity is an important criterion that attracts users in the delivery of ebanking.

## NEW BANKING SERVICES- AN OVERVIEW

Today Commercial banks provide a number of innovative banking services besides offering traditional banking services of accepting deposits and lending money. The RBI has given freedom to commercial banks to innovate new banking products and services that can satisfy the changing needs of customers. Some of the new services in banking sector include:

1. ATM Cards
2. Offshore Banking
3. CORE Banking
4. Internet Banking
5. Tele Banking
6. Credit Cards
7. Debit Cards
8. Electronic Fund Transfer (EFT)
9. Real Time Gross Settlement (RTGS)
10. E-Purse\ Electronic Purse

### **ATM Cards**

An **automated teller machine (ATM)**, commonly called a **cash point** in UK English after the trademark of the same name, is a computerized telecommunications device that provides the clients of a financial institution with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller. ATMs are known by various other names including *automatic banking machine*, *cash machine*, and various regional variants derived from trademarks on ATM systems held by particular banks.

On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip, that contains a unique card number and some security information such as an expiration date or CVVC (CVV). Authentication is provided by the customer entering a personal identification number (PIN).

Using an ATM, customers can access their bank accounts in order to make cash withdrawals, credit card cash advances, and check their account balances as well as purchase prepaid cell phone credit. If the currency being withdrawn from the ATM is different from that which the bank account is denominated in (e.g.: Withdrawing Japanese Yen from a bank

account containing US Dollars), the money will be converted at a wholesale exchange rate. Thus, ATMs often provide the best possible exchange rate for foreign travelers and are heavily used for this purpose as well.

Although ATMs were originally developed as just cash dispensers, they have evolved to include many other bank-related functions. In some countries, especially those which benefit from a fully integrated cross-bank ATM network (e.g.: Multibanco in Portugal), ATMs include many functions which are not directly related to the management of one's own bank account, such as; Deposit currency recognition, acceptance, and recycling Paying routine bills, fees, and taxes (utilities, phone bills, social security, legal fees, taxes, etc.) Printing bank statements updating passbooks loading monetary value into stored value cards Purchasing- Postage stamps. Lottery tickets Train tickets Concert tickets Movie tickets shopping mall certificates etc... Games and promotional features .Fast loans CRM at the ATM Donating to charities Cheque Processing Module and Adding pre-paid cell phone / mobile phone credit-Paying (in full or partially) the credit balance on a card linked to a specific current account Increasingly banks are seeking to use the ATM as a sales device to deliver pre approved loans and targeted advertising using products such as ITM (the Intelligent Teller Machine) from Apra Relate from NCR. ATMs can also act as an advertising channel for companies to advertise their own products or third-party products and services.

### **Offshore Banking**

For a depositor **offshore banking** is associated with the services of a bank from the country other than his country of residence. If one has invested or deposited funds to a bank outside the country (referred as “Offshore Bank”), where he lives, he is engaged in **offshore banking**. On the other hand, any bank in your country of residence is often referred as a domestic bank.

There are two main myths about offshore banking. First of all, the public mistakenly links offshore banking to criminal activities, terrorism-financing and money laundering. Secondly, people think that offshore banking services are only for high-income class, since ordinary people cannot afford them.

Offshore banking services provide wide range of benefits and opens up distinct opportunities. Opening such an account provides a powerful tool for keeping money secure and making it exempted from taxes. Using an offshore bank account provides opportunities

that are not available to domestic banking users. The most important of those are bank secrecy / confidentiality and exemption from taxes on gains. Income generated in form of interest on deposits is not taxed by the income tax. Customers also get possibility to invest globally.

Perhaps the most important benefit that offshore banking provides is that the account is strictly private. The confidentiality of all operations conducted through the account is protected by the legislation. The account is protected from creditors, tax authorities and other interested parties. It is to some extent a defense tool.

Getting finances off-shored legally and maintaining such accounts offshore has now become an important segment of the international financial system. There are a multitude of opportunities as you go along our plan to internationalize finances and reduce those burdensome taxes. Expatriates, globetrotters, international business men, and those who incorporate their IBCs offshore, benefit most out of maintaining an offshore bank account.

In today's state of world, everyone aims to work hard and smart to aggrandize their wealth in order to provide financial and physical security for themselves and their families. To protect the same, one must know how to explore the many options for banking offshore legally, and at the same time know which lines not to cross to avoid any kind of pitfalls or dangers.

According to an estimate by the Internal Revenue Services (IRS) between one and two million Americans may be using offshore bank accounts with a debit card such as American Express, Master Card, or Visa. Another interesting fact is that eBay owns Pay Pal which has more than one hundred million account holders throughout the world. Avoiding taxes is certainly not the sole reason for moving all or part of the money and assets to another country. In fact, there are a variety of reasons why people want to get their finances offshored in such huge numbers.

Usually, these banks are located in regions with adopt substantial legal and financial advantages due to the laws. Creation of an account with an offshore bank is as easy as creating a savings bank account with a variety of services like deposit taking, money transmission, trade finance, credit facilities, trustee services and so on. It can be used legally with multiple benefits.

It gives the opportunity to diversify investments, rights and freedom to take legal measures to increase ones financial position and security like strong asset protection against local political or financial instability, greater personal privacy and flexibility, maximization of financial privacy, tax-free compound investment earnings, higher investment returns and interest rates, reduced taxation, currency diversification, increased business opportunities, greater safety and security in banking and investments, minimum possibility of U.S. security markets closing due to an unforeseen national emergency like terrorism, immediate and long term asset protection, easy access to one's offshore funds no matter where one is reduced estate taxes and security through offshore estate planning. It is interesting to know that next to tourism, offshore banking is one of the industries many remote island nations competitively indulge in. It helps developing countries to source investment and thereby grow their economies.

Many of these benefits will give immediate relief and peace of mind from problems like potential collapse of the economy and financial institutions , discrimination, exposed business and personal assets, and the threat of crime.

### **CORE Banking**

**Core banking** is a general term used to describe the services provided by a group of networked bank branches. Bank customers may access their funds and other simple transactions from any of the member branch offices.

Core Banking is normally defined as the business conducted by a banking institution with its retail and small business customers. Many banks treat the retail customers as their core banking customers, and have a separate line of business to manage small businesses. Larger businesses are managed via the Corporate Banking division of the institution. Core banking basically is depositing and lending of money.

Nowadays, most banks use core banking applications to support their operations where CORE stands for "Centralized Online Real-time Exchange". This basically means that the entire bank's branches access applications from centralized datacenters. This means that the deposits made are reflected immediately on the bank's servers and the customer can withdraw the deposited money from any of the bank's branches throughout the world. These applications now also have the capability to address the needs of corporate customers, providing a comprehensive banking solution. A few decades ago it used to take at least a day

for a transaction to reflect in the account because each branch had their local servers, and the data from the server in each branch was sent in a batch to the servers in the datacenter only at the end of the day (EoD).

Normal core banking functions will include deposit accounts, loans, mortgages and payments. Banks make these services available across multiple channels like ATMs, Internet banking, and branches.

Now a day's all banks are upgrading to provide the facility of core banking to their customers to be in the race. it is one step closer to mix technology with banking for providing convenience of banking to the customers.

#### **Various facilities associated with core banking:**

- All branches of the bank are interconnected.
- details of the accounts can be viewed online just as one logs in to view email account.
- main thing is that one can transfer money online from one's account to any account with any bank in his country.
- one can do majority of the transactions online that one needed to go personally to the bank to perform it.
- one can perform transactions of ones account from the bank counter at any part of the country.

#### **Internet Banking**

**Online banking** (or **Internet banking**) allows customers to conduct financial transactions on a secure website operated by their retail or virtual bank, credit union or building society.

### **The common features fall broadly into several categories:**

- Transactional (e.g., performing a financial transaction such as an account to account transfer, paying a bill, wire transfer, apply for a loan, new account, etc.)
  - Payments to third parties, including bill payments and telegraphic/wire transfers
  - Funds transfers between a customer's own transactional account and savings accounts
  - Investment purchase or sale
  - Loan applications and transactions, such as repayments of enrollments
- Non-transactional (e.g., online statements, cheque links, co browsing, chat)
  - Viewing recent transactions
  - Downloading bank statements, for example in PDF format
  - Viewing images of paid cheques
- Financial Institution Administration
- Management of multiple users having varying levels of authority
- Transaction approval process

### **Features commonly unique to Internet banking include**

- Personal financial management support, such as importing data into personal accounting software. Some online banking platforms support account aggregation to allow the customers to monitor all of their accounts in one place whether they are with their main bank or with other institutions.

Banking around the clock is no longer a remote possibility. But the banks don't have to keep their branches open 24 hours a day to provide this service. This is one of the biggest advantages of Internet banking.

One doesn't have to go to the bank's branch to request a financial statement. One can download it from his online bank account, which shows him up-to-the-minute updated figures.

Another advantage of Internet banking is that it is cost-effective. Thousands of customers can be dealt with at once. There is no need to have too many clerks and cashiers.

The administrative work gets reduced drastically with Internet banking. Expenditures on paper slips, forms and even bank stationery have gone down, which helps raise the profit margin of the bank by a surprisingly large extent.

As far as customers are concerned, their account information is available round the clock, regardless of their location. They can reschedule their future payments from their bank account while sitting thousands of miles away. They can electronically transfer money from their bank accounts or receive money in their bank accounts within seconds.

One can apply for a loan without visiting the local bank branch and get one easily. One can buy or sell stocks and other securities by using one's bank accounts. Even new accounts can be opened; old accounts can be closed without doing tedious paperwork. Especially with the increasing acceptability of digital signatures around the world, Internet banking has made life much easier and banking much faster and more pleasant, for customers as well as bankers.

### **Tele Banking**

**Telephone banking** is a service provided by a financial institution, which allows its customers to perform transactions over the telephone.

Most telephone banking services use an automated phone answering system with phone keypad response or voice recognition capability. To guarantee security, the customer must first authenticate through a numeric or verbal password or through security questions asked by a live representative (see below). With the obvious exception of cash withdrawals and deposits, it offers virtually all the features of an automated teller machine: account balance information and list of latest transactions, electronic bill payments, funds transfers between a customer's accounts, etc.

Usually, customers can also speak to a live representative located in a call centre or a branch, although this feature is not always guaranteed to be offered 24/7. In addition to the self-service transactions listed earlier, telephone banking representatives are usually trained to do what was traditionally available only at the branch: loan applications, investment purchases and redemptions, cheque book orders, debit card replacements, change of address, etc.

Banks which operate mostly or exclusively by telephone are known as phone banks. They also help modernize the user by using special technology.

The big advantages of telephone banking are — the ability to speak to another human being and discuss with them any issue that may not be mentioned or catered for on the website. In addition to that speaking to a call centre staff member allows for the provision of information such as any payments that are waiting to go into one's account or go out. This information is not provided on their websites.

### **Credit Cards**

A **credit card** is a small plastic card issued to users as a system of payment. It allows its holder to buy goods and services based on the holder's promise to pay for these goods and services. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user.

A credit card is different from a charge card: a charge card requires the balance to be paid in full each month. In contrast, credit cards allow the consumers a continuing balance of debt, subject to interest being charged. A credit card also differs from a cash card, which can be used like currency by the owner of the card. Most credit cards are issued by banks or credit unions.

As well as convenience and accessibility of credit, credit cards offer consumers an easy way to track expenses, which is necessary for both monitoring personal expenditures and the tracking of work-related expenses for taxation and reimbursement purposes. Credit cards are accepted worldwide, and are available with a large variety of credit limits, repayment arrangement, and other perks (such as rewards schemes in which points earned by purchasing goods with the card can be redeemed for further goods and services or credit card cash back).

Some countries, such as the United States, the United Kingdom, and France, limit the amount for which a consumer can be held liable due to fraudulent transactions as a result of a consumer's credit card being lost or stolen

The main benefit to each customer is convenience. Compared to debit cards and cheques, a credit card allows small short-term loans to be quickly made to a customer who

need not calculate a balance remaining before every transaction, provided the total charges do not exceed the maximum credit line for the card. Credit cards also provide more fraud protection than debit cards. In the UK for example, the bank is jointly liable with the merchant for purchases of defective products over £100.

Many credit cards offer rewards and benefits packages, such as offering enhanced product warranties at no cost, free loss/damage coverage on new purchases, and points which may be redeemed for cash, products, or airline tickets. Additionally, carrying a credit card may be a convenience to some customers as it eliminates the need to carry any cash for most purposes.

### **Debit Cards**

A **debit card** (also known as a **bank card** or **cheque card**) is a plastic card that provides an alternative payment method to cash when making purchases. Functionally, it can be called an electronic cheque, as the funds are withdrawn directly from either the bank account, or from the remaining balance on the card. In some cases, the cards are designed exclusively for use on the Internet, and so there is no physical card.

In many countries the use of debit cards has become so widespread that their volume of use has overtaken or entirely replaced the check and, in some instances, cash transactions. Like credit cards, debit cards are used widely for telephone and Internet purchases and, unlike credit cards, the funds are transferred immediately from the bearer's bank account instead of having the bearer pay back the money at a later date.

Debit cards may also allow for instant withdrawal of cash, acting as the ATM card for withdrawing cash and as a check guarantee card. Merchants may also offer cash back facilities to customers, where a customer can withdraw cash along with their purchase.

### **Advantages of debit cards**

- A consumer who is not credit worthy and may find it difficult or impossible to obtain a credit card can more easily obtain a debit card, allowing him/her to make plastic transactions. For example, legislation often prevents minors from taking out debt, which includes the use of a credit card, but not online debit card transactions.

- For most transactions, a check card can be used to avoid cheque writing altogether. Cheque cards debit funds from the user's account on the spot, thereby finalizing the transaction at the time of purchase, and bypassing the requirement to pay a credit card bill at a later date, or to write an insecure cheque containing the account holder's personal information.
- Like credit cards, debit cards are accepted by merchants with less identification and scrutiny than personal cheques, thereby making transactions quicker and less intrusive. Unlike personal cheques, merchants generally do not believe that a payment via a debit card may be later dishonoured.
- Unlike a credit card, which charges higher fees and interest rates when a cash advance is obtained, a debit card may be used to obtain cash from an ATM or a PIN-based transaction at no extra charge, other than a foreign ATM fee.

### **Disadvantages of debit cards**

- Use of a debit card is not usually limited to the existing funds in the account to which it is linked, most banks allow a certain threshold over the available bank balance which can cause overdraft fees if the users transaction does not reflect available balance.
- Many banks are now charging over-limit fees or non-sufficient funds fees based upon pre-authorizations, and even attempted but refused transactions by the merchant (some of which may be unknown until later discovery by account holder).
- Many merchants mistakenly believe that amounts owed can be "taken" from a customer's account after a debit card (or number) has been presented, without agreement as to date, payee name, amount and currency, thus causing penalty fees for overdrafts, over-the-limit, amounts not available causing further rejections or overdrafts, and rejected transactions by some banks.
- In some countries debit cards offer lower levels of security protection than credit cards. Theft of the users PIN using skimming devices can be accomplished much easier with a PIN input than with a signature-based credit transaction. However, theft of users' PIN codes using skimming devices can be equally easily accomplished with a debit transaction PIN input, as with a credit transaction PIN input, and theft using a signature-based credit transaction is equally easy as theft using a signature-based debit transaction.

- In many places, laws protect the consumer from fraud much less than with a credit card. While the holder of a credit card is legally responsible for only a minimal amount of a fraudulent transaction made with a credit card, which is often waived by the bank, the consumer may be held liable for hundreds of dollars, or even the entire value of fraudulent debit transactions. The consumer also has a shorter time (usually just two days) to report such fraud to the bank in order to be eligible for such a waiver with a debit card, whereas with a credit card, this time may be up to 60 days. A thief who obtains or clones a debit card along with its PIN may be able to clean out the consumer's bank account, and the consumer will have no recourse
- In the UK and Ireland, among other countries, a consumer who purchases goods or services with a credit card can sue the credit card issuer if the goods or services are not delivered or are unmerchantable. While they must generally exhaust the process provided by the retailer first, this is not necessary if the retailer has gone out of business. This protection is not provided by legislation when using a debit card but may be offered to a limited extent as a benefit provided by the card network, e.g. Visa debit cards.
- In some countries, and for certain types of purchases, such as gasoline (via a pay at the pump system), lodging, or car rental, the bank may place a hold on funds much greater than the actual purchase for a fixed period of time. However, this isn't the case in other countries, such as Sweden. Until the hold is released, any other transactions presented to the account, including cheques, may be dishonoured, or may be paid at the expense of an overdraft fee if the account lacks any additional funds to pay those items.
- When a transaction is made using a credit card, the bank's money is being spent, and therefore, the bank has a vested interest in claiming its money where there is fraud or a dispute. The bank may fight to void the charges of a consumer who is dissatisfied with a purchase, or who has otherwise been treated unfairly by the merchant. But when a debit purchase is made, the consumer has spent his/her own money, and the bank has little if any motivation to collect the funds.

While debit cards bearing the logo of a major credit card are accepted for virtually all transactions where an equivalent credit card is taken, a major exception in some countries is at car rental facilities. In some countries, such as Canada & Australia, car rental agencies require an actual credit card to be used, or at the very least, will verify the creditworthiness of

the renter using a debit card. In Canada and additional unspecified countries, car rental companies will deny a rental to anyone who does not fit the requirements, and such a credit check may actually hurt one's credit score, as long as there is such a thing as a credit score in the country of purchase and/or the country of residence of the customer

### **Electronic Fund Transfer (EFT)**

**Electronic funds transfer** or **EFT** is the electronic exchange or transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems.

#### **The term is used for a number of different concepts:**

- Cardholder-initiated transactions, where a cardholder makes use of a payment card
- Direct deposit payroll payments for a business to its employees, possibly via a payroll service bureau
- Direct debit payments, sometimes called *electronic cheques*, for which a business debits the consumer's bank accounts for payment for goods or services
- Electronic bill payment in online banking, which may be delivered by EFT or paper check
- Transactions involving stored value of electronic money, possibly in a private currency
- Wire transfer via an international banking network (carries a higher fee in North America)
- Electronic Benefit Transfer

Electronic Funds Transfer (EFT) is a system of transferring money from one bank account directly to another without any paper money changing hands. One of the most widely-used EFT programs is Direct Deposit, in which payroll is deposited straight into an employee's bank account, although EFT refers to any transfer of funds initiated through an electronic terminal, including credit card, ATM, Fed wire and point-of-sale (POS) transactions. It is used for both credit transfers, such as payroll payments, and for debit transfers, such as mortgage payments.

Transactions are processed by the bank through the Automated Clearing House (ACH) network, the secure transfer system that connects all U.S. financial institutions. For payments, funds are transferred electronically from one bank account to the billing company's bank, usually less than a day after the scheduled payment date.

The growing popularity of EFT for online bill payment is paving the way for a paperless universe where cheques, stamps, envelopes, and paper bills are obsolete. The benefits of EFT include reduced administrative costs, increased efficiency, simplified bookkeeping, and greater security. However, the number of companies who send and receive bills through the Internet is still relatively small.

- EFT payments are safer than cheques, and should eliminate more than \$60 million annually in forged, counterfeit, and altered cheques.
- EFT eliminates lost or stolen cheques.
- EFT payments are faster than cheques, with funds available on the date the payment is due.
- EFT payments are easy and convenient.
- EFT payments eliminate the need to obtain and deposit one's paycheck or cash one's paycheque each payday.
- EFT payments facilitate on-line banking at one's bank or credit union.

### **Real Time Gross Settlement (RTGS)**

**Real time gross settlement** systems (RTGS) are funds transfer systems where transfer of money or securities takes place from one bank to another on a "real time" and on "gross" basis. Settlement in "real time" means payment transaction is not subjected to any waiting period. The transactions are settled as soon as they are processed. "Gross settlement" means the transaction is settled on one to one basis without bunching or netting with any other transaction. Once processed, payments are final and irrevocable.

RTGS is a large value funds transfer system whereby financial intermediaries can settle interbank transfers for their own account as well as for their customers. The system effects final settlement of interbank funds transfers on a continuous, transaction- by- transaction basis throughout the processing day. The system went 'live' on March 26,2004.

The RTGS system is primarily for large value transactions. The minimum amount to be remitted through RTGS is Rs.1 lakh. There is no upper ceiling for RTGS transactions. RTGS will eliminate settlement risk in the case of interbank and high value transactions.

Banks could use balances maintained under the cash reserve ratio (CRR) instead of the intra-day liquidity (IDL) to be supplied by the central bank for meeting any eventuality arising out of the real time gross settlement (RTGS). The RBI has fixed the IDL limit for banks to three times their net owned fund (NOF).

The IDL will be charged at Rs 25 per transaction entered into by the bank on the RTGS platform. The marketable securities and treasury bills will have to be placed as collateral with a margin of five per cent. However, the apex bank will also impose severe penalties if the IDL is not paid back at the end of the day.

The system has also stabilized over the years and has been witnessing increased coverage in terms of bank branches and transaction volume. The volume of RTGS (Real Time Gross Settlement System) transactions is increasing rapidly. RTGS settled 1.94 million transactions in the month of March 2009 as against 0.72 million transactions in March 2008. Customer transactions settling in RTGS presently constitute 89 percent of total RTGS transactions and are growing.

### **E-Purse\ Electronic Purse**

The UK Banking Code defines an electronic purse as "Any card or function of a card which contains real value in the form of electronic money which someone has paid for in advance, and which can be reloaded with further funds and which can be used for a range of purposes".

Over the years there have been many proposals for systems to reduce consumer reliance on cash and cheques, especially for low value purchases (under £25). Smart card technology now offers a secure mechanism at an affordable price, ready to be used for electronic purses. These purses store pre-paid monetary value directly on the smart card.

- For some time pre-payment cards has been in general use for applications such as public telephones. These disposable cards are loaded with a fixed amount of value, which is then reduced during use.

- The next step was to make these smart cards reloadable with units of credit. This can be done at special terminals or automated teller machines (ATMs).
- From this development it has only been a small step for the cards to be used for more than a single application.

The development of electronic purses has been driven by commercial and technological organizations rather than by demand from consumers.

The organizations operating electronic purse systems gain from the use of the money stored on the cards. For banks, there are advantages in reducing the handling of cash and cheques which have to be transported securely and are labour intensive to handle. Electronic purses are also seen as a means to protect the bank and card holder relationship which is perceived to be important in today's competitive environment.

For the retailer, the advantages are the reduction in handling of currency and cheques. This includes reducing the delay in money being credited to the retailer's bank account. Another advantage is reducing the risk of theft.

It greatly reduces cash handling costs; is a highly secure system and provides more choice for customers. Besides the personal identification features, the ID card offers a number of in-built options facilitating a wide range of services. The electronic purse operators outline many advantages to the consumer:

- Payments to government and private establishments are eased.
- The e-Purse is the 1st step in the activation of a range of e-Services that are based on the ID card such as the medical record, voter's card and digital signature.
- The management of money is more flexible as transfers are cashless.
- It is not necessary to open a bank account or obtain any other bankcard as the existing national identity or resident card will suffice for payments.
- It is safer than carrying cash

**E-purse offer following advantages to government:**

- Funds are managed electronically thus offering more convenience, efficiency and safety.
- The National Identity and Resident Card becomes a multipurpose convenience.
- Funds can be transferred more efficiently and easily to government bank accounts.
- The procedures of revenue monitoring, government taxes and statistical accuracy will be easier to compile and track as will the process of tracing transactions.
- There will be more privacy and security in financial transactions.
- Processes are eased and government and corporate business is facilitated.
- There will be no requirement to pay commissions to any other parties as the entire system is managed within the Sultanate of Oman and transactions will not be routed through international payment switches outside the country. This step will encourage other banks to endorse the initiative after it has been launch.

## **DATA ANALYSIS**

The study was conducted with the objective of finding out the awareness on banking services among college students. This study was based on the hypothesis that there is significant difference among students about the awareness of new banking services. For the purpose of the analysis, students of Sahya arts and science College Wandoor were contacted. Among the whole students fifty students were selected randomly for the detailed study. In this case the study is based on both primary and secondary data. Secondary data were collected from books, journals, websites and other published sources. The primary data required for the study were collected from the selected students by using questionnaire.

This chapter deals with the presentation of the data and analysis of satisfaction of respondents relating to various services provided by banks.

### **Presentation and Analysis of data**

This study is mainly based on the primary data collected from the selected students. These data are collected through a questionnaire. These data are processed, classified, tabulated and presented in this chapter. The awareness and satisfaction of respondents with the new services provided by banks are measured and analyzed in this chapter. The new banking services include ATM, EFT, Credit Cards, Debit Cards, RTGS, Online Banking etc. The researcher tries to make a conclusion after analyzing the data.

## I. Awareness and Use of Services

The researcher made an attempt to find out the awareness and extent of use of new banking services

### ATM

**Table3.1-Awareness and use of ATM**

Level	No of respondents	Percentag
Highly aware and use the services	20	40
Highly aware but not use the services	5	10
Aware and use the services	16	32
Aware but not use the services	6	12
Unaware and use the services with the help of others	2	4
Unaware and does not use the services	1	2
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

**Figure3.1- Awareness and Use of ATM**

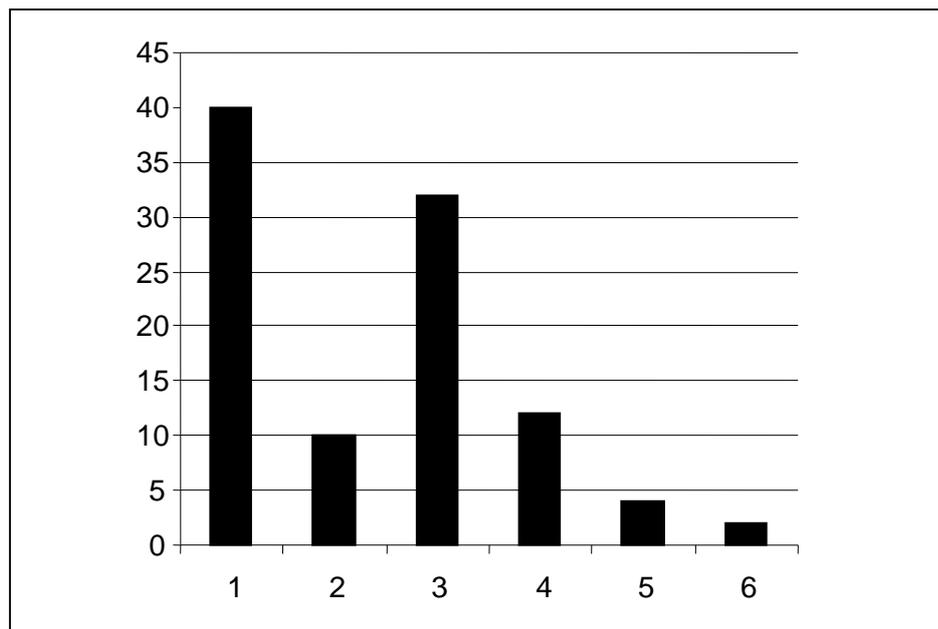


Table 3.1 reveals that 40percent of students are highly aware and use ATM facility.32percent of the students are aware of and use the ATM. 12 percent students are aware of this facility but do not use the facility. 10 percent of the students are highly aware but not use the service. percent of the respondents are unaware but use the facility with the help of others. Only 2 percent of the respondents were unaware and does not use the services

## OFFSHORE BANKING

### Awareness and use of Offshore Banking

Table3.2-

Level	No of respondents	Percentage
Highly aware and use the services	0	0
Highly aware but not use the services	24	48
Aware and use the services	0	0
Aware but not use the services	15	30
Unaware and use the services with the help of others	1	2
Unaware and does not use the services	10	20
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Awareness and Use Offshore Banking

Figure3.2-

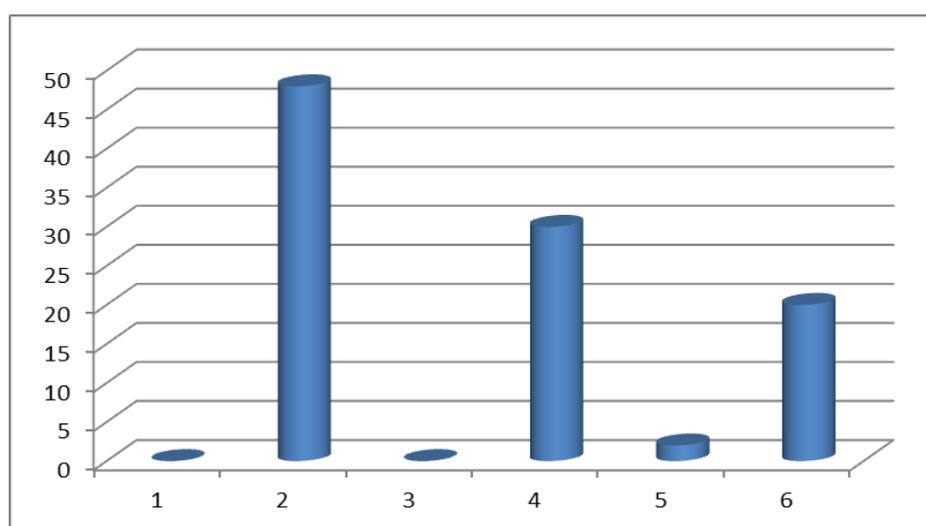


Table 3.2 reveals that 48 percent of students are highly aware of the facility but do not use Offshore Banking facility. 30 percent of the students become aware of the facility but not use the facility. 20 percent students are unaware and does not use the facility. 2 percent of the students are unaware and use the service with the help of others.

## CORE BANKING

### Awareness and use of CORE Banking

Table3.3

Level	No of respondents	Percentage
Highly aware and use the services	5	10
Highly aware but not use the services	15	30
Aware and use the services	6	12
Aware but not use the services	14	28
Unaware and use the services with the help of others	2	4
Unaware and does not use the services	8	16
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### -Awareness and Use of CORE Banking

Figure 3.3

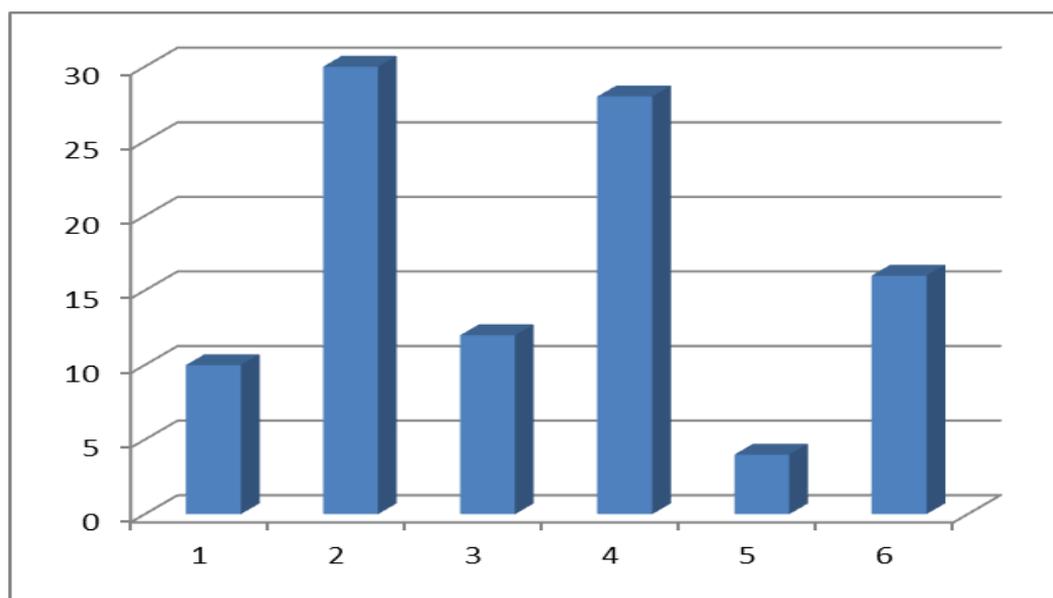


Table 3.3 reveals that 30 percent of the students are highly aware and does not use CORE Banking facility.28 percent of students are aware but not use the service.16 percent students are unaware and does not use the facility. 12 percent of the respondents are aware and use the facility. 10 percent of the students are highly aware of the facility and use the facility. 4 percent students are unaware and use the facility with the help of others.

## INTERNET BANKING

### -awareness and use of Internet Banking

Table 3.4

Level	No of respondents	Percentage
Highly aware and use the services	18	36
Highly aware but not use the services	3	6
Aware and use the services	12	24
Aware but not use the services	9	18
Unaware and use the services with the help	5	10
Unaware and does not use the services	3	6
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Awareness and Use of Internet Banking

Figure 3.4

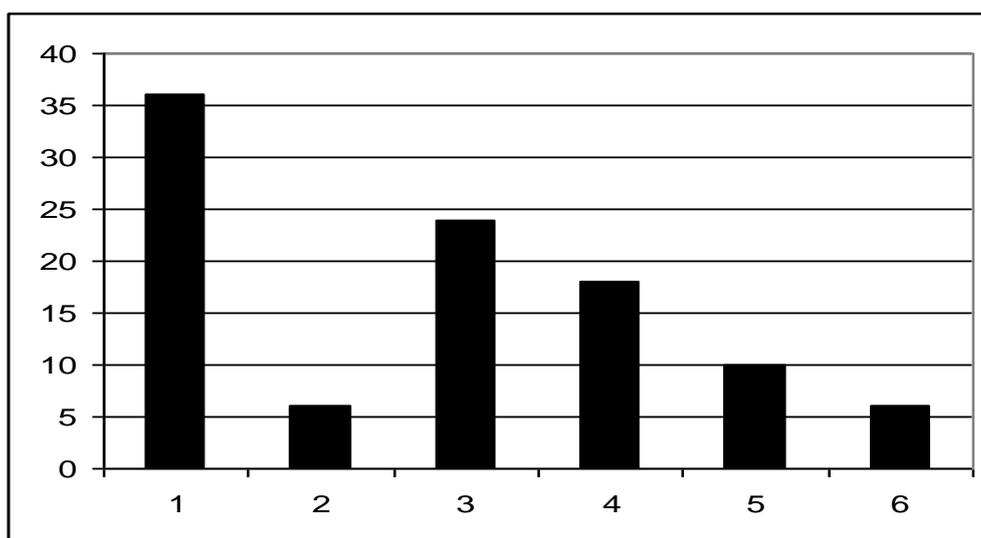


Table 3.4 reveals that 36 percent of students are highly aware and use Internet Banking facility. 24 percent of the students are aware of and use the facility. 18 percent students are aware of this facility but do not use the facility. 10 percent of the students are unaware and use the service with the help of others. Highly aware but not use the service and unaware and does not use the service points the same percentage that is 6 percent

## TELE BANKING

**Table3.5-Awareness and use of Tele Banking**

Level	No of respondents	Percentage
Highly aware and use the services	5	10
Highly aware but not use the services	24	48
Aware and use the services	9	18
Aware but not use the services	4	8
Unaware and use the services with the help of others	8	16
Unaware and does not use the services	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Awareness and Use of Tele Banking

**Figure3. 5**

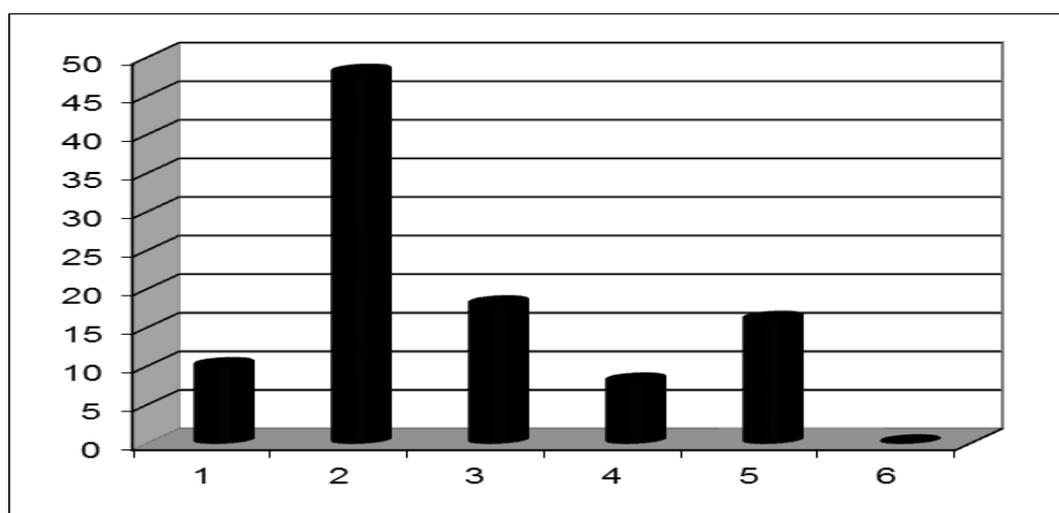


Table 3.5 reveals that 48 percent of the respondents are highly aware but do not use the Tele Banking facility. 18 percent of the students are aware of and use the facility. 16 percent students are unaware and use the facility with the help of others. 10 percent of students are highly aware and use. 8 percent of the students are aware but do not use the service.

## CREDIT CARDS

### Awareness and use of Credit Cards

Table3.6

Level	No of respondents	Percentage
Highly aware and use the services	0	0
Highly aware but not use the services	34	68
Aware and use the services	0	0
Aware but not use the services	10	20
Unaware and use the services with the help of others	0	0
Unaware and does not use the services	6	12
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Awareness and Use of Credit Cards

Figure3.6-

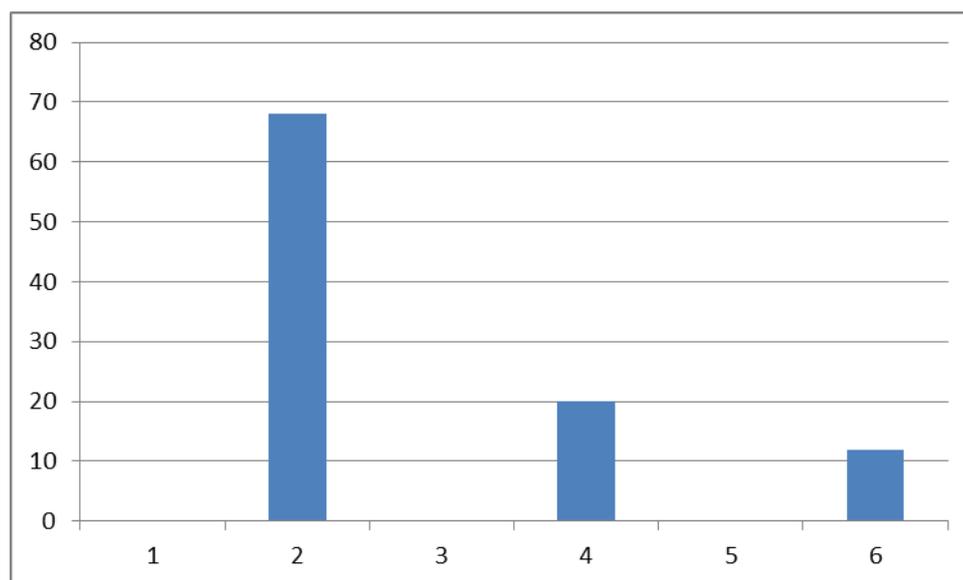


Table 3.6 reveals that, 68 percent of the students are highly aware of but do not use the facility. 20 percent of the respondents are aware of this facility but do not use the facility. 12 percent students are unaware and does not use the facility.

## DEBIT CARDS

### Awareness and use of Debit Cards

Table3.7

Level	No of respondents	Percentage
Highly aware and use the services	19	38
Highly aware but not use the services	12	24
Aware and use the services	3	6
Aware but not use the services	14	28
Unaware and use the services with the help of others	0	0
Unaware and does not use the services	2	4
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### -Awareness and Use of Debit Cards

Figure3. 7

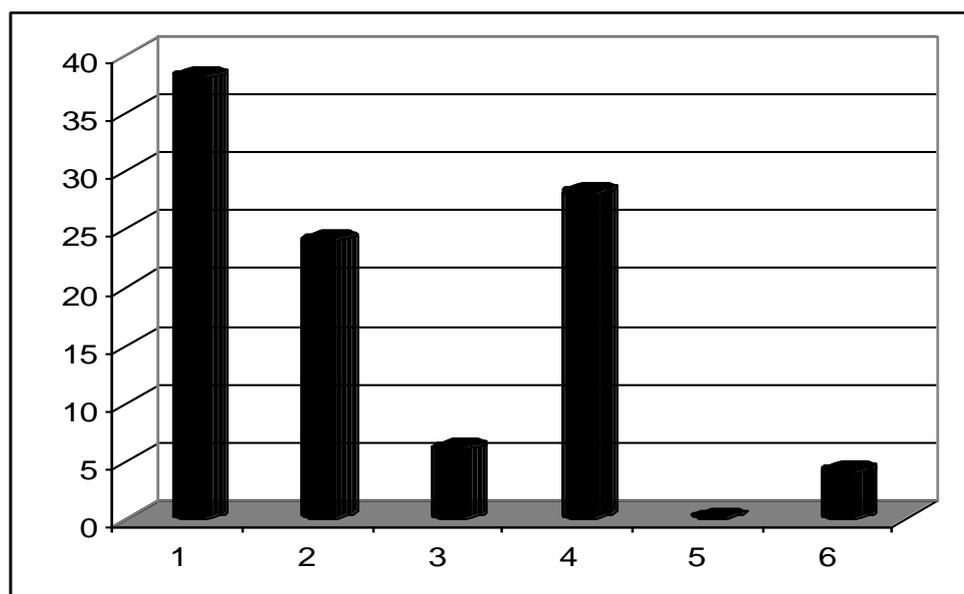


Table 3.7 reveals that 38 percent of students are highly aware and use Debit cards. 28 percent of the students are aware of this facility but do not use the facility. 24 percent students are highly aware but not use the facility. 6 percent of the students are aware and use the service. 4 percent of the respondents is unaware and does not uses the facility

## ELECTRONIC FUND TRANSFER [EFT]

### Awareness and use of EFT

Table3.8

Level	No of respondents	Percentage
Highly aware and use the services	1	2
Highly aware but not use the services	13	26
Aware and use the services	2	4
Aware but not use the services	7	14
Unaware and use the services with the help of others	2	4
Unaware and does not use the services	25	50
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Awareness and Use of EFT

Figure3. 8

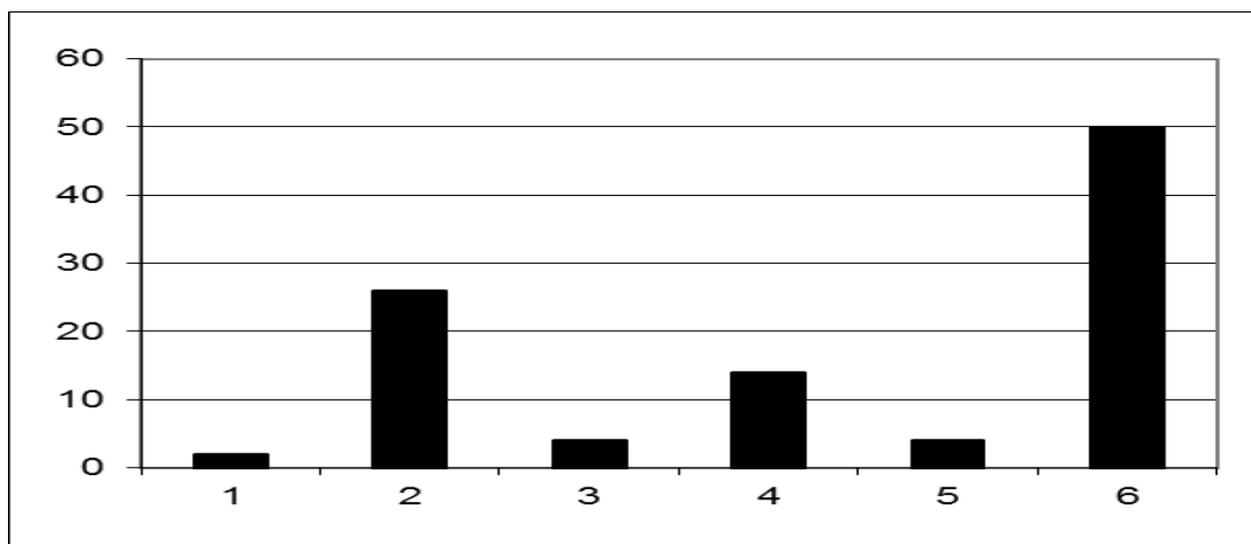


Table 3.8 reveals that 50 percent of students are unaware and does not use EFT. 26 percent of students are highly aware but not use the service. 14 percent of students are aware but not use the service. Aware and use the services and unaware and use the services with the help of others are same percent that is 4. Only 2 percent of the students are aware and use the service.

## REAL TIME GROSS SETTLEMENT [RTGS]

**Table3.9-Awreens and use of RTGS**

Level	No of respondents	Percentage
Highly aware and use the services	0	0
Highly aware but not use the services	11	22
Aware and use the services	0	0
Aware but not use the services	16	32
Unaware and use the services with the help of others	0	0
Unaware and does not use the services	23	46
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### -Awareness and Use of RTGS

**Figure3. 9**

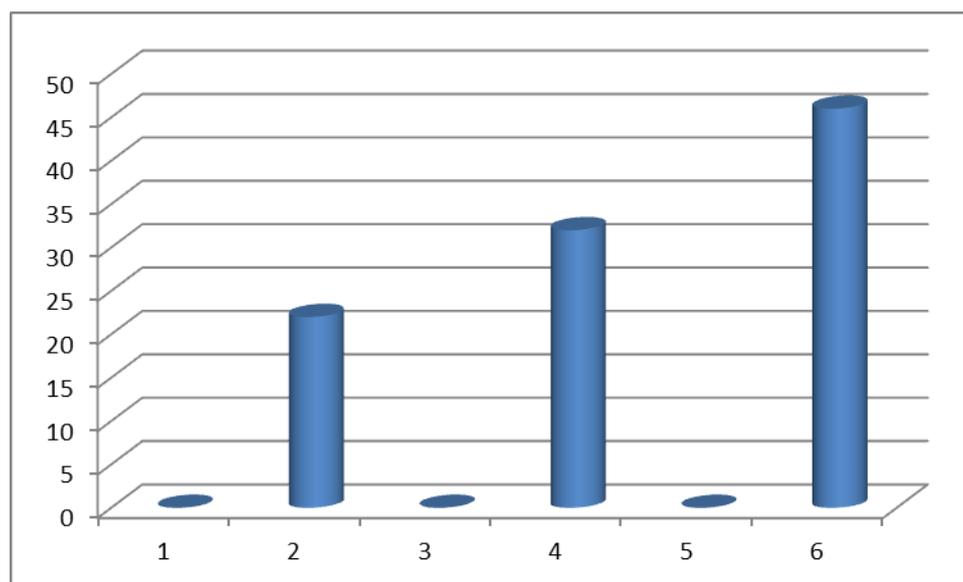


Table 3.9 reveals that 46 percent of students are unaware and does not use the RTGS service. 32 percent of the students are aware of but do not use this service. 22 percent of the students are highly aware but not use the service.

## E-PURSE /ELECTRONIC PURSE

### Awareness and use of E-Purse

Table3.10

Level	No: of respondents	Percentage
Highly aware and use the services	0	0
Highly aware but not use the services	7	14
Aware and use the services	0	0
Aware but not use the services	11	22
Unaware and use the services with the help of others	0	0
Unaware and does not use the services	32	64
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Awareness and Use of E-PURSE

Figure3. 10

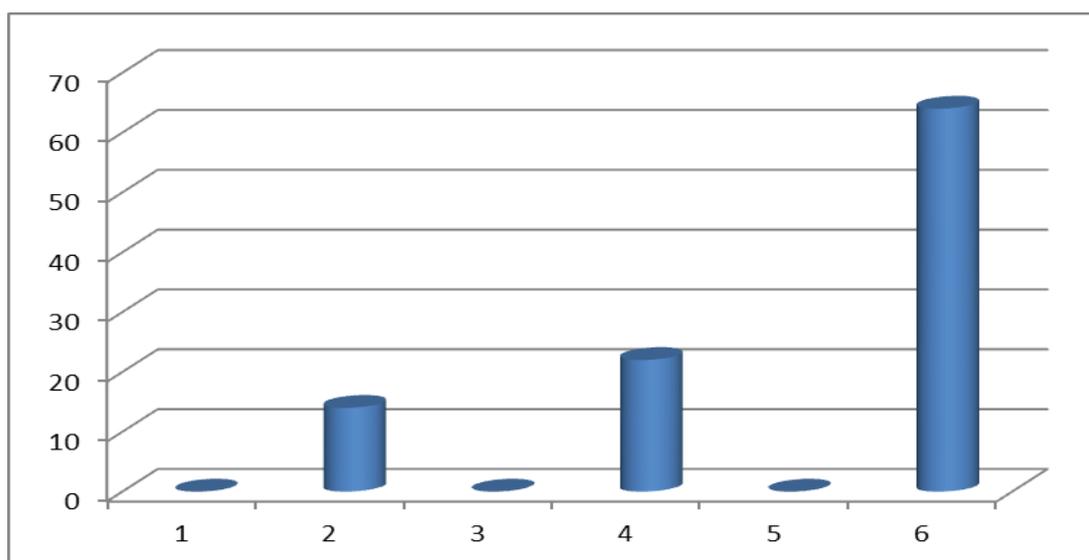


Table 3.10 reveals that 64 percent of students are unaware does not use E-purse.22 percent of the students are aware of this facility but do not use E-purse. 14 percent of the students are highly aware but do not use the service.

## II. Satisfaction about the services

The researcher also made an attempt to measure the satisfaction level of respondents about the services provided by the banks.

### ATM

**Table3.11-Satisfaction about ATM**

Level	No of respondents	percentage
Highly satisfied	16	32
Satisfied	25	50
Neutral	7	14
Dissatisfied	2	4
Highly Dissatisfied	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Satisfaction about ATM

**Figure3.11**

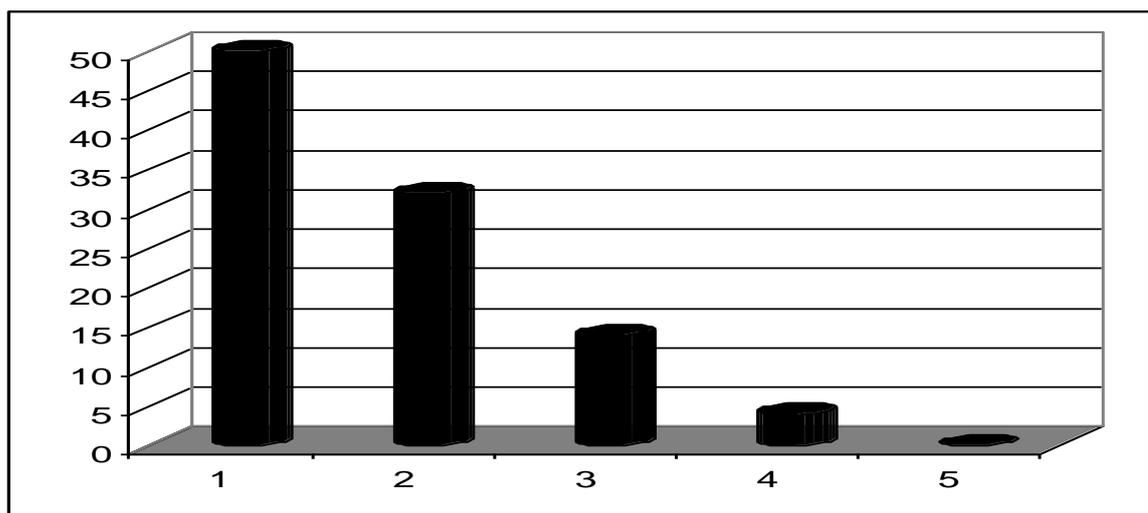


Table 3.11 reveals that 50 percent of students are satisfied with the service of ATM by banks.32 percent of the students are highly satisfied. 14 percent students are neutral in their satisfaction level. Only 4 percent of the students are dissatisfied.

## OFFSHORE BANKING

### Satisfaction about Offshore Banking

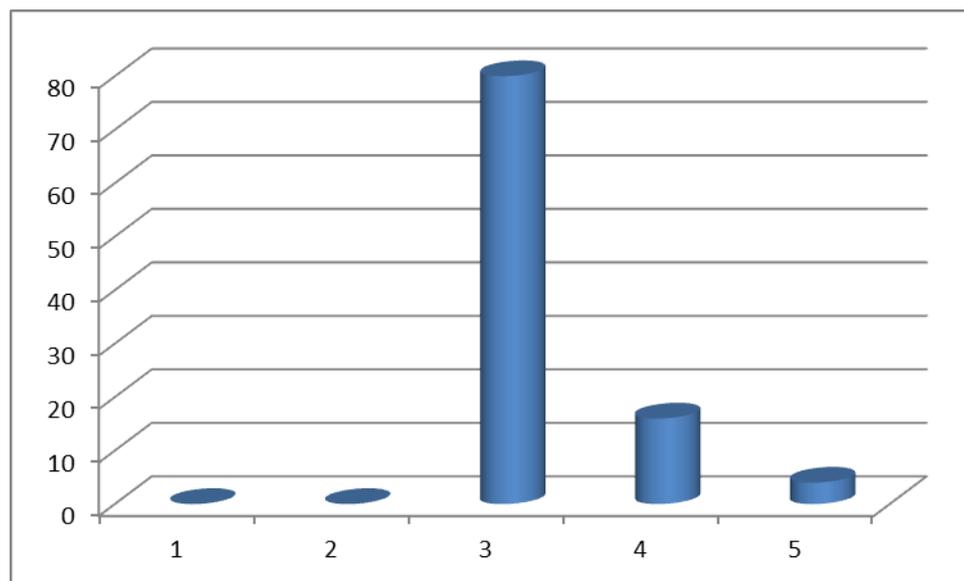
**Table3.12**

Level	No of respondents	percentage
Highly satisfied	0	0
Satisfied	0	0
Neutral	40	80
Dissatisfied	8	16
Highly Dissatisfied	2	4
Total	50	100

Source: Primary data

### Satisfaction about Offshore Banking

**Figure 3.12**



Source: Table3.12

Table 3.12 reveals that 80 percent of students are neutral in their satisfaction level. 16 percent of the students become dissatisfied. 4 percent of the students are highly dissatisfied.

## CORE BANKING

### Satisfaction about CORE Banking

Table3.13

Level	No of respondents	Percentage
Highly satisfied	14	28
Satisfied	14	28
Neutral	20	40
Dissatisfied	2	4
Highly Dissatisfied	0	0
Total	50	100

Source: Primary data

### . Satisfaction about CORE Banking

Figure3.13

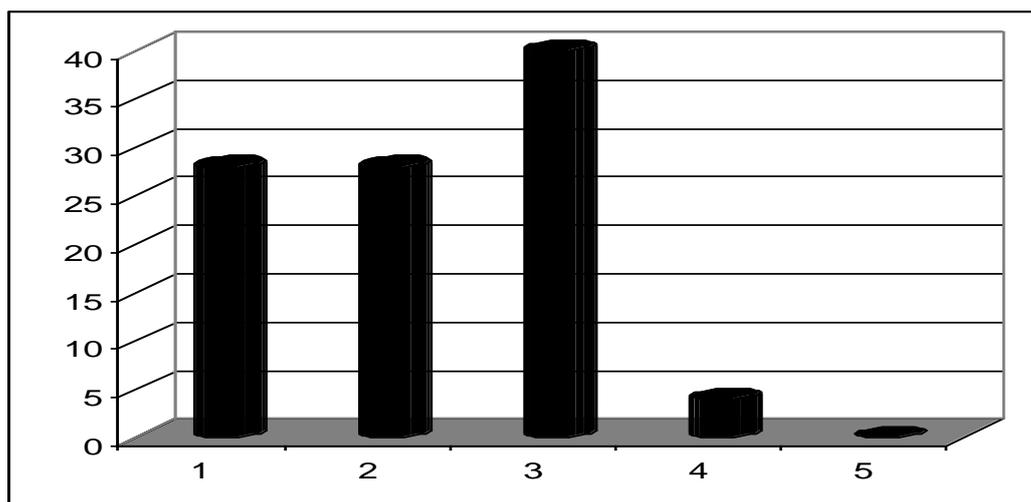


Table 3.13 reveals that 40 percent of students are neutral in their satisfaction level. Satisfied and highly satisfied level points the same percentage that is 28 percent. 4 percent of the students are dissatisfied.

## INTERNET BANKING

**Table 3.14- Satisfaction about Internet Banking**

Level	No of respondents	percentage
Highly satisfied	15	30
Satisfied	17	34
Neutral	14	28
Dissatisfied	4	8
Highly Dissatisfied	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Satisfaction about Internet Banking

**Figure3.14**

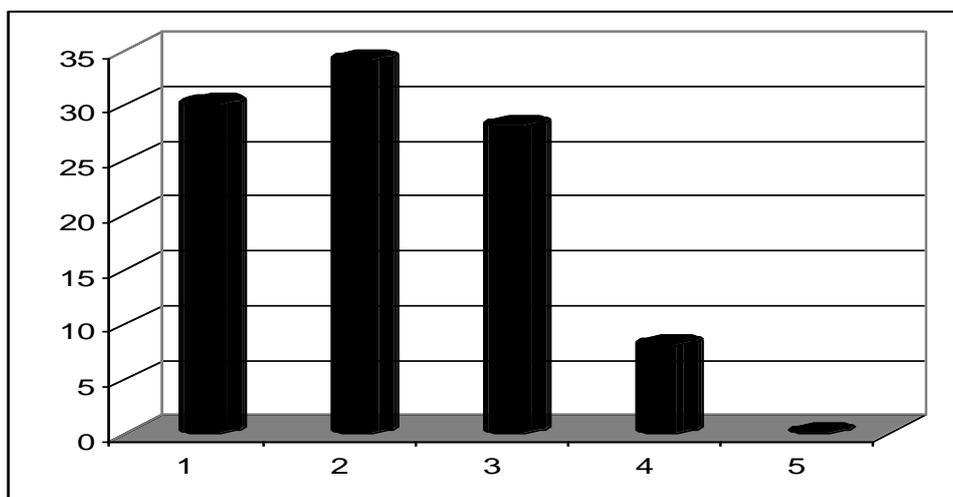


Table 3.14 reveals that 34 percent of students are satisfied with the service of internet banking. 30 percent of students are highly satisfied with the service of internet banking. 28 percent of respondents is neutral in their satisfaction level. 8 percent of the students are dissatisfied.

## TELE BANKING

### Satisfaction about Tele Banking

Table3.15

Level	No of respondents	percentage
Highly satisfied	15	30
Satisfied	26	52
Neutral	7	14
Dissatisfied	2	4
Highly Dissatisfied	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Satisfaction about Tele Banking

Figure3.15

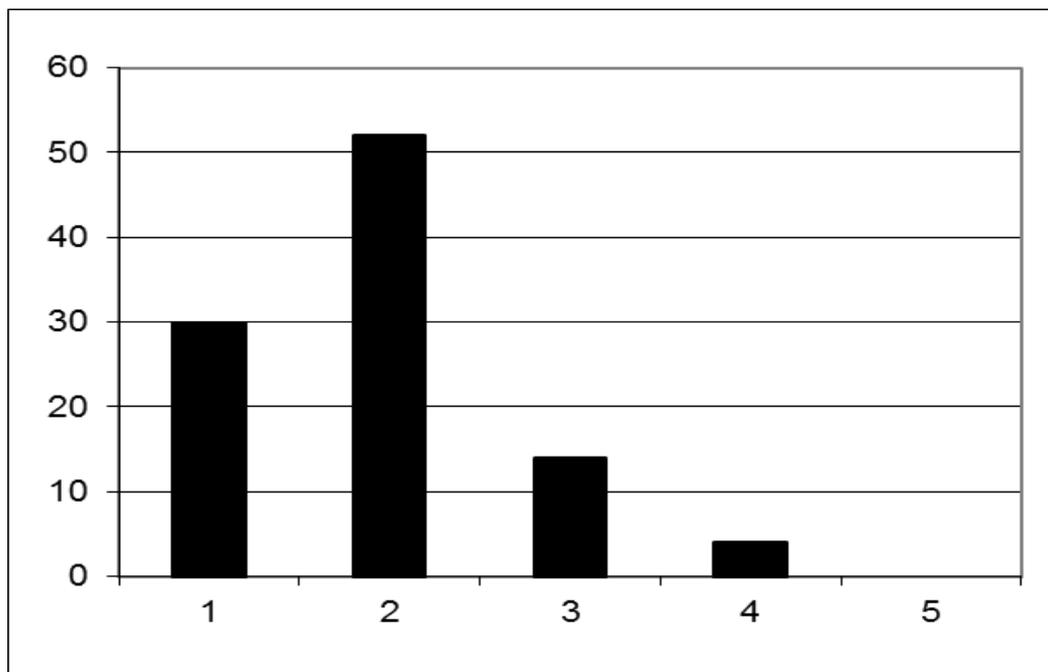


Table 3.15 reveals that 52 percent of respondents is satisfied in their satisfaction level of Tele banking. 30 percent of students are highly satisfied with the service. 14 percent of students are neutral. 4 percent of the students are dissatisfied.

## CREDIT CARDS

### Satisfaction about Credit Cards

Table3.16

Level	No of respondents	percentage
Highly satisfied	0	0
Satisfied	8	16
Neutral	42	84
Dissatisfied	0	0
Highly Dissatisfied	0	0
Total	50	100

Source: Primary data

### Satisfaction about Credit Cards

Figure3.16

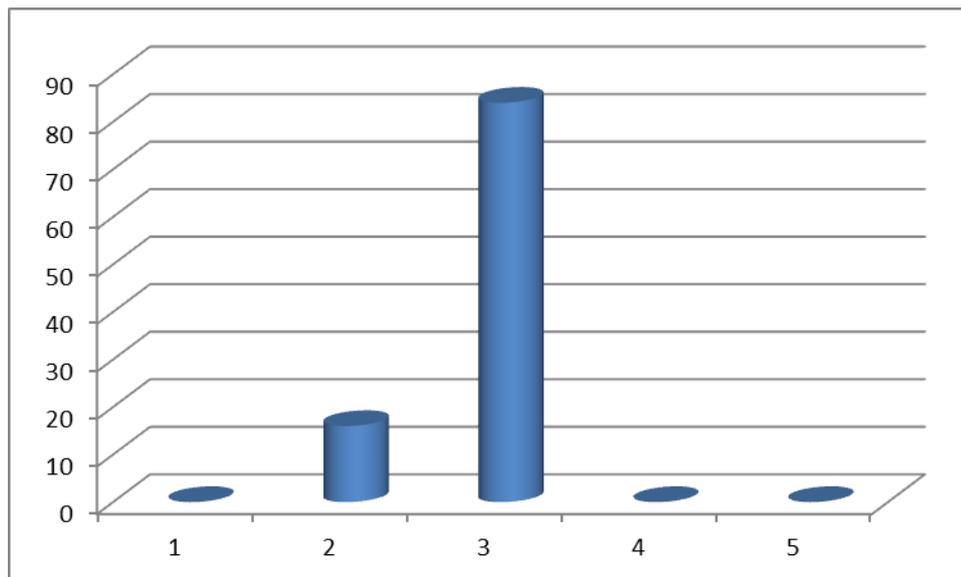


Table 3.16 reveals that 84 percent of students are neutral in their satisfaction level. 16 percent of students are satisfied with the service of Credit cards

## DEBIT CARDS

### Satisfaction about Debit Cards

Table3.17

Level	No of respondents	percentage
Highly satisfied	3	6
Satisfied	18	36
Neutral	23	46
Dissatisfied	6	12
Highly Dissatisfied	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Satisfaction about Debit Cards

Figure3.17

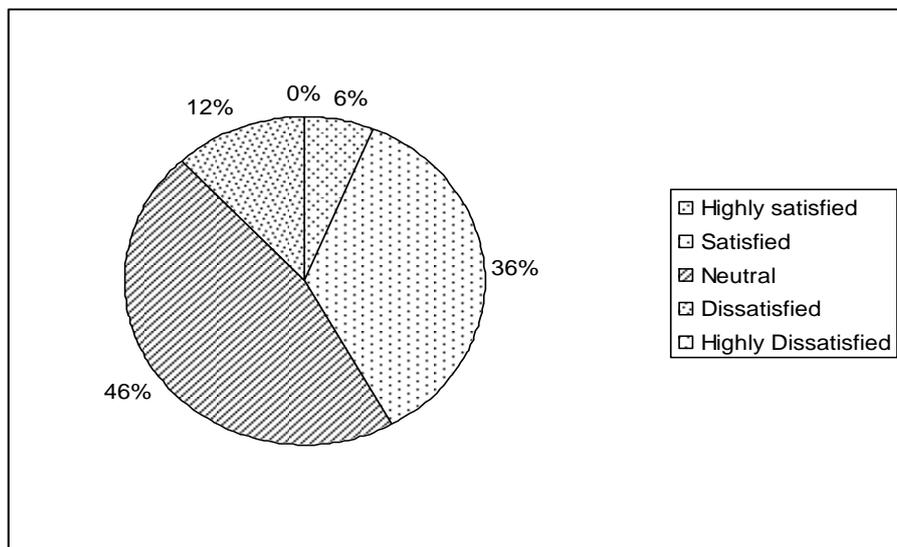


Table 3.17 reveals that 46 percent of students are neutral in their satisfaction level. 36 percent of students' are satisfied with the service of Debit cards.12 percent of respondents are dissatisfied. 6 percent of the students are highly satisfied.

## ELECTRONIC FUND TRANSFER [EFT]

### Satisfaction about EFT

Table3.18

Level	No of respondents	percentage
Highly satisfied	2	4
Satisfied	15	30
Neutral	20	40
Dissatisfied	13	26
Highly Dissatisfied	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Satisfaction about EFT

Figure3.18

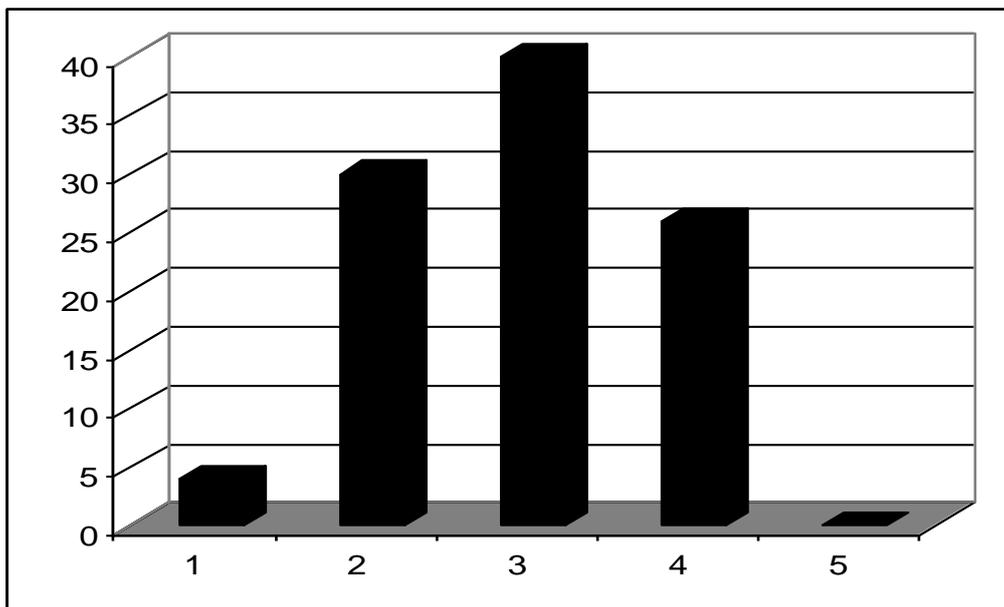


Table 3.18 reveals that 40 percent of students are neutral in their satisfaction level. 30 percent of students' are satisfied with the service of EFT. 26 percent of respondents are dissatisfied. 4 percent of the students are highly satisfied.

## REAL TIME GROSS SETTLEMENT [RTGS]

### Satisfaction about RTGS

Table3.19

Level	No of respondents	percentage
Highly satisfied	0	0
Satisfied	16	32
Neutral	25	50
Dissatisfied	9	18
Highly Dissatisfied	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

### Satisfaction about RTGS

Figure3.19

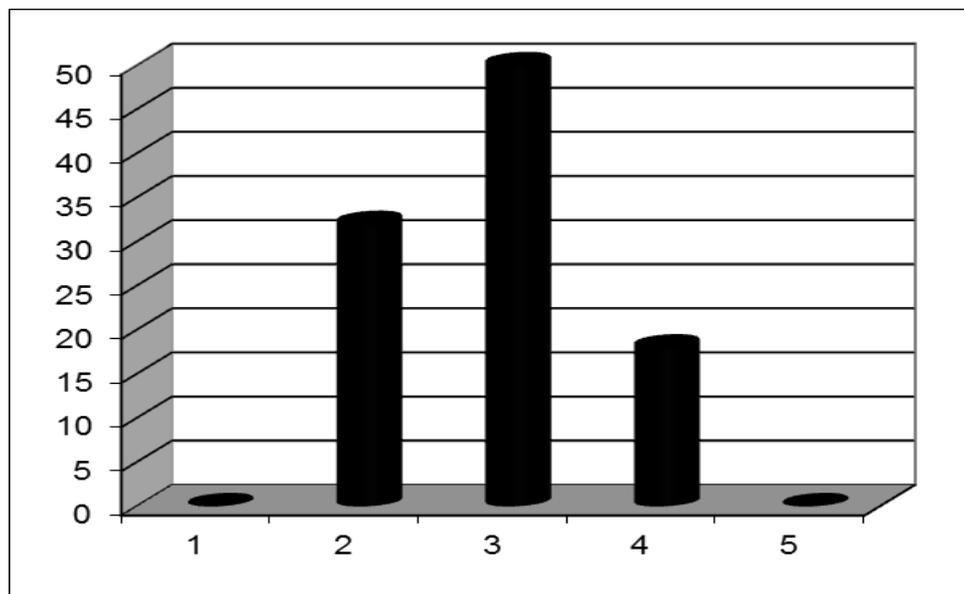


Table 3.19 reveals that 50 percent of students are neutral in their satisfaction level. 32 percent of students' are satisfied with the service of RTGS. 18percent of respondents are dissatisfied.

## E-PURSE/ELECTONIC PURSE

### Satisfaction about E-Purse

Table3.20

Level	No of respondents	percentage
Highly satisfied	0	0
Satisfied	0	0
Neutral	40	80
Dissatisfied	10	20
Highly Dissatisfied	0	0
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Primary data

Figure3.20Satisfaction about E-Purse

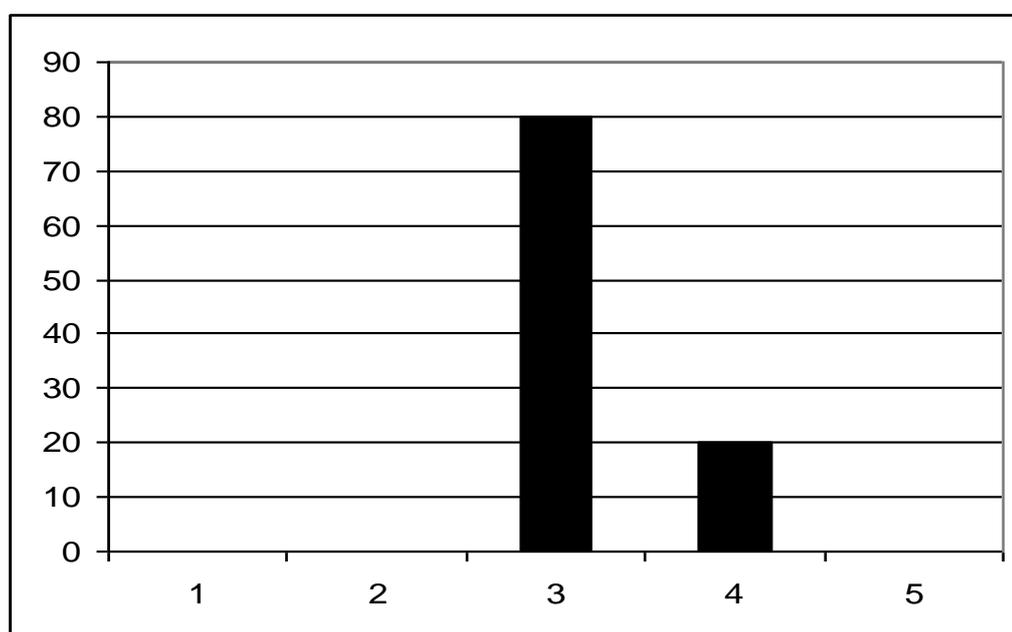


Table 3.20 reveals that 80 percent of students are neutral in their satisfaction level. 20 percent of students' are dissatisfied with the service of E-purse.

## **HYPOTHESIS**

This chapter deals with the testing of hypothesis formed for the purpose of the study. A hypothesis is a tentative assumption which shows the relationship between two or more variables. There are two types of hypothesis; null hypothesis and alternative hypothesis

### **Null Hypothesis**

**H<sub>0</sub>:** the awareness about new banking services among college Students is same

### **Alternative Hypothesis**

**H<sub>1</sub>:** There is significant difference among students about the awareness of new banking services

The following tables are used to quantify the awareness of college students about the new banking services. For this purpose, the opinions of the respondents about each service under study are classified into three categories that is highly aware, aware and unaware. The researcher assigns different weights for each category as 3, 2 and 1 respectively. The number of respondents comes under each categories are multiplied with the weights assigned for relevant category. The products are added together and grand total of three categories are considered as the quantifiable awareness about the new banking service under study among college students. In the following table the letters N, W, and P are stands for Number of respondents, Weights assigned and Products of weights and number.

**Table 4.1****Awareness of banking services**

Sl no:	Awareness about	Opinion of the respondents									
		Highly aware			Aware			Unaware			Total
		N	W	P	N	W	P	N	W	P	
1	ATM Cards	25	3	75	22	2	44	3	1	3	122
2	Offshore banking	24	3	72	15	2	30	11	1	11	113
3	CORE Banking	20	3	60	20	2	40	10	1	10	110
4	Internet banking	21	3	63	21	2	42	8	1	8	113
5	Tele Banking	29	3	87	13	2	26	8	1	8	121
6	Credit Cards	34	3	102	10	2	20	6	1	6	128
7	Debit Cards	31	3	93	17	2	34	2	1	2	129
8	EFT	14	3	42	9	2	18	27	1	27	87
9	RTGS	11	3	33	16	2	32	23	1	23	88
10	E-Purse	7	3	21	11	2	22	32	1	32	75

Source: Primary data

Table 4.1 is used to calculate the awareness of ten banking services under study among college students. The table reveals the quantifiable awareness about these ten banking services

## Chi-square Test

It is a popular method of hypothesis testing. This is a test of best fit. In this study the researcher collects various data from the college students through a questionnaire and used to facilitate the study and to test the fitness of hypothesis with the actual data.

Being a statistical test, chi square can be expressed as a formula. When written in mathematical notation the formula looks like this:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

*O = the frequencies observed*

*E = the frequencies expected*

$\sum$  = the 'sum of'

The table 4.2 is constructed to facilitate this test by distributing the scores by the services

**Table 4.2**  
**Score based distribution**

<b>Sl no:</b>	<b>Services</b>	<b>Score</b>
1	ATM Cards	122
2	Offshore banking	113
3	CORE Banking	110
4	Internet banking	113
5	Tele Banking	121
6	Credit Cards	128
7	Debit Cards	129
8	EFT	87
9	RTGS	88
10	E-Purse	75

Source: Table 4.1

By using the table 4.2 the researcher applied chi-square test to test the hypothesis to make a theory. For this purpose the researcher used the formula of Chi-square test.

It is necessary to find out the E values for applying the chi-square formula. The null hypothesis of the study says that the awareness about new banking services among college students is same. So the expected value (E) is

$$E = (122+113+110+113+121+128+129+87+88+75) / 10$$

$$= 109(108.6)$$

With the help of the above mentioned information the chi-square table is constructed.

**Table 4.3**

**Chi-square Table**

O	E	O-E	$(O - E)^2$	$\frac{(O - E)^2}{E}$
122	109	13	169	1.55
113	109	4	16	0.15
110	109	1	1	0.009
113	109	4	16	0.15
121	109	12	144	1.32
128	109	19	361	3.31
129	109	20	400	3.67
87	109	-22	484	4.44
88	109	-21	441	4.05
75	109	-34	1156	10.61
				29.259

The calculated value of Chi-square is  $(\chi^2) = 29.259$

The degrees of freedom =  $n-1 = 10-1=9$

The chi-square table value at 5% level of significance and 9 degrees of freedom is 16.919. The calculated value (29.259) is much more than the table value. It means that the difference is significant. So the null hypothesis is rejected and the alternative hypothesis is accepted.

### **Result**

There is a significant difference among students about the awareness of new banking service

## FINDINGS AND SUGGESTION

After conducting the study the researcher comes to the following conclusions.

Awareness and use:

1. Majority of the students are highly aware and use ATM facility, which comes to 40 percent of the respondents. The main reason behind that is simplicity.
2. Most of the students have no idea about E-Purse, which comes to 64 percent of the respondents
3. Tele banking- 48 percent of students are highly aware and not uses the facility. 18 percent of the students are aware and use the services.
4. Offshore Banking - 48 percent of students are highly aware but not use the facility. 30 percent of the students are aware but do not use the facility.
5. CORE Banking- 30 percent of students are highly aware of but do not use the facility. 28 percent of the students become aware but do not use the facility.
6. Internet Banking- 36 percent of students are highly aware and use the facility. 24 percent of the students are aware and use the facility.
7. Credit Cards- 68 percent of students are highly aware and not use Credit cards. 20 percent of the students are aware but do not use the facility.
8. Debit Cards- 38 percent of students are highly aware and use Debit cards. 28 percent of the students are aware but do not use the facility.
9. EFT- 50 percent of students are unaware and does not use EFT. 26 percent students are aware but not use the service.
10. RTGS- 46 percent of students are unaware and does not use the RTGS service. 32 percent of the students are aware but do not use the service.

### **Satisfaction level:**

1. Most of the students are highly satisfied with the ATM services, which comes to 32 percent of the respondents.
2. In the case of Offshore Banking, Credit Card, RTGS and E- Purse, there is no respondent to highly satisfy.
3. Tele-Banking- 52 percent of students are satisfied with the service of Tele-Banking by banks. 30 percent of the students are highly satisfied.
4. Internet Banking- 34 percent of students are satisfied with this services.
5. In the case of CORE Banking, Debit Cards, EFT and EFT, most of students are neutral in their satisfaction level.

### **Recommendations**

#### **ATM**

- i. Banks should make more efforts to ensure safety of money
- ii. The banks should expand their services to rural areas from urban areas.
- iii. Banks should provide an opportunity to unaware customers to understand the working of ATM
- iv. Banks should take steps to avoid long queues in front of the ATM counter

#### **E-Purse**

- i. Banks should take more efforts to make this service more popular
- ii. Arrange programs which provide more information about this service

#### **RTGS**

- i. Arrange programs which provide more information about Real Time Gross Settlement
- ii. This service is to be made available on 24×7 basis.

**EFT**

- i. Banks take more efforts to make this service more popular
- ii. Arrange programs which provide more information about this service

## CONCLUSION

Banks provide security and convenience for managing money and sometimes allow making money by earning interest. Convenience and fees are two of the most important things to consider when choosing a bank. Writing and depositing cheques are perhaps the most fundamental ways to move money in and out of a checking account, but advancements in technology have added ATM and debit card transactions and ACH transfers to the mix. All banks have rules about how long it takes to access deposits, how many debit card transactions allowed in a day, and how much cash withdraw from an ATM. Access to the balance in checking account can also be limited by businesses that place holds funds. Debit cards provide easy access to the cash in account, but can cause to rack up fees if not careful. While debit cards encourage more responsible spending than credit cards, they do not offer the same protection or perks to consumers. Regularly balancing checkbook or developing another method to stay on top of account balance is essential to successfully managing and checking account and avoiding fees and bounced cheques. To protect money from electronic theft, identity theft, and other forms of fraud, it's important to implement basic precautions such as shredding account statements, having complex passwords and only doing online banking through secure internet connections.

# *Appendix*

## *Questionnaire*

Name:

Class:

Class Number:

Course of study:

Graduate

Post Graduate

Sex:

Male

Female

Have you an account with bank: Yes

No

***Rate your awareness about the following new banking services;***

Services	Highly aware and use the service	Highly aware but not use the service	Aware and use the service	Aware but not use the service	Unaware and use the service with the help of others	Unaware and does not use the service
ATM Cards						
Offshore Banking						
CORE Banking						
Internet Banking						
Tele Banking						
Credit Cards						
Debit Cards						
Electronic Fund Transfer(EFT)						
Real Time Gross Settlement(RTGS)						
E-Purse\						

***Rate your satisfaction level;***

Services	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
ATM Cards					
Offshore Banking					
CORE Banking					
Internet Banking					
Tele Banking					
Credit Cards					
Debit Cards					
EFT					
RTGS					
E-Purse					

If you are dissatisfied, please specify the reasons

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Can you give some suggestions to banks to improve their services?

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***THANKYOU***