

A STUDY ON IMPACT OF PRADHAN MANTRI JAN DHAN YOJANA SCHEME WITH SPECIAL REFERENCE TO COIMBATORE CITY

Dr. P. Shanthini

Head of the Department of B.Com PA
VLB Janakiammal College of Arts and Science

Dr. S. Radhika

Assistant Professor, Department of B.Com PA
VLB Janakiammal College of Arts and Science

Abstract: The term “finance”, to a lay man means money and money only. But in the economic and commercial literature the term has a wider connotation. Finance is the human economic activity. It is needed by all commercial and industrial undertakings since their inception. It is needed not only for starting an enterprise but also to keep it going and more shall be its need when the firm expands. Thus, finance plays a vital role in the functioning of all business units. Financial services are related to the design and delivery of advice and financial products to individuals, businesses and governments within the area of banking and related institutions, personal financial planning investments, real estate, insurance and so on. The purpose of the study is to study the impact of Pradhan Mantri Jan Dhan Yojana (PMJDY) on the operations of Banks. The research is an exploratory research design checking the existing operations of the banks and evaluating them for the effective implementation of the policy. The research also explores other options for the proper functioning of the bank in this regard. Data is collected from secondary sources. The paper starts with the introduction of PMJDY, the flaws on the earlier schemes, how these flaws are countered in the new scheme and how will the scheme operate. It also talks about the ambiguities in the current scheme and the possible measures to deal with it. Thus, the scope of the paper extends as to how the operations of the banking sector can be improved for smooth functioning of the scheme. The scheme itself has social implication. If the operations of banks are optimized, the social implication of the scheme would be maximized. The value proposed by the paper is that of efficiency in operations of the banks in implementing the PMJDY.

IndexTerms – Finance, Financial services, Pradhan Mantri Jan Dhan Yojana

I. INTRODUCTION

The term “finance”, to a lay man means money and money only. But in the economic and commercial literature the term has a wider connotation. Finance is the human economic activity. It is needed by all commercial and industrial undertakings since their inception. It is needed not only for starting an enterprise but also to keep it going and more shall be its need when the firm expands. Thus, finance plays a vital role in the functioning of all business units. Financial services are related to the design and delivery of advice and financial products to individuals, businesses and governments within the area of banking and related institutions, personal financial planning investments, real estate, insurance and so on.

The purpose of the study is to study the impact of Pradhan Mantri Jan Dhan Yojana (PMJDY) on the operations of Banks. The policy is a big step towards financial inclusion and hence, stability. But, how will it function particularly in areas where it is not viable to open up a branch? This study encompasses on how the operations of banking sector can be diversified and moulded so as to achieve the objectives of the policy. The research is an exploratory research design checking the existing operations of the banks and evaluating them for the effective implementation of the policy. The research also explores other options for the proper functioning of the bank in this regard. Data is collected from secondary sources. The paper starts with the introduction of PMJDY, the flaws on the earlier schemes, how these flaws are countered in the new scheme and how will the scheme operate. It also talks about the ambiguities in the current scheme and the possible measures to deal with it. Thus, the scope of the paper extends as to how the operations of the banking sector can be improved for smooth functioning of the scheme. The scheme itself has social implication. If the operations of banks are optimized, the social implication of the scheme would be maximized. The value proposed by the paper is that of efficiency in operations of the banks in implementing the PMJDY.

II. STATEMENT OF THE PROBLEM

This study encompasses on how the operations of banking sector can be diversified and molded so as to achieve the objectives of the policy. The research is a descriptive study design checking the existing operations of the banks and evaluating them for the effective implementation of the policy. The research also explores other options for the proper functioning of the bank in this regard. Data is collected from primary and secondary sources. The paper starts with the introduction of PMJDY, the flaws on the earlier schemes, how these flaws are countered in the new scheme and how will the scheme operate. It also talks

about ambiguities in the current scheme and the possible measures deals with it. Thus, the scope of the paper extends as to how the operations of the banking sector can be improved for smooth functioning of the scheme. The scheme itself has social implication. If the operations of banks are optimized, the social implication of the scheme would be maximized. The value proposed by the paper is that of efficiency in operations of the banks in implementing the PMJDY.

III. SCOPE OF THE STUDY

The study aims to create awareness among the people about the various Pradhan Mantri Jan Dhan Yojana scheme. It helps working people to invest in this scheme. On the basis of the study the government can make suitable changes to promote PMJDY scheme according to the respective needs of the people.

IV. OBJECTIVES OF THE STUDY

1. To know the awareness level about the account holder.
2. To find the satisfaction level of operation of account.
3. To study the demographical characteristics of account holder.

V. RESEARCH METHODOLOGY

The research design of this study was descriptive in nature. Sampling is an essential part of all scientific procedures. The researcher collected and summarized the data more quickly through sampling. Sampling gives the researcher scope for collecting more accurate information. Convenience sampling, as the name implies is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study. The sample size was collected from 150 respondents. The statistical tools used in this project are simple percentage, weighted average method, chi square analysis.

VI. LIMITATIONS OF THE STUDY

- ❖ This study is confined to Coimbatore city.
- ❖ Due to time constrains, limited respondents were selected for the purpose of the study.

VII. ANALYSIS AND INTERPRETATION

CHI SQUARE ANALYSIS RESPONDENTS AGE AND AWARENESS ABOUT SCHEME Null hypothesis

There is no significant association between age and awareness about the scheme.

Age calculation	Awareness about scheme				Total
	Newspaper	Television	Friends	Relatives	
Below 25 years	20	8	2	0	30
Above 25 and below 50 years	32	34	8	2	76
Above 50 years	16	18	6	4	44
Total	68	60	16	6	150

Calculated value = 6.7271

Degree of freedom = 6

Table value = 12.592

At 5% level of significance, the calculated value (6.721) is less than the table value (12.592), so the hypothesis is accepted. Hence it may be concluded that there is no significance relationship between age and awareness about the scheme.

RESPONDENT AGE AND FACTOR TO OPEN AN ACCOUNT Null hypothesis

There is no significant association between age and factor to open an account.

Age calculation	Factors to open an account						Total
	Easy opening of account	Direct benefit transfer	Purpose of saving	Facilities given by scheme	Free debit card	Insurance and overdraft	

						facility	
Below 25 years	2	2	2	4	8	12	30
Above 25 and below 50 years	6	4	8	10	16	30	74
Above 50 years	4	0	10	8	8	16	46
Total	12	6	20	22	32	58	150

Calculated value = 7.95
Degree of freedom = 10
Table value = 18.307

At 5% level of significance, the calculated value (7.95) is less than the table value (18.307), so the hypothesis is accepted. Hence it may be concluded that there is no significance relationship between age and factor to open an account.

WEIGHTED AVERAGE ANALYSIS LEVEL OF SATISFACTION

Level of satisfaction	Number of respondent	weighted	Rank
Highly satisfied	22	110	2
Satisfied	112	448	1
Neutral	14	42	3
Dissatisfied	2	4	4
Highly dissatisfied	0	0	5

In the above table respondents satisfaction level was measured by using 5 point scaling system the rating was divided between highly satisfied to highly dissatisfied. The pointing was given like highly satisfied 5, satisfied 4, neutral 3, dissatisfied 2, highly dissatisfied 1 by using weighted average score. It is founded that respondent are satisfied about PMJDY scheme. From the weighted average score it was found that respondent is satisfied about PMJDY scheme.

VIII. FINDINGS

CHI SQUARE TEST

- ❖ There is no significant association between age and awareness about the scheme.
- ❖ There is no significant association between age and factor to open an account.

WEIGHTED AVERAGE ANALYSIS

- ❖ It was found that respondent is satisfied about PMJDY scheme.

IX. SUGGESTIONS

- ❖ To provide more awareness to rural people about PMJDY.
- ❖ To ensure rural development through government campaigns.
- ❖ To provide awareness about use of plastic money.
- ❖ To facilitate knowledge about PMJDY scheme in the minds of people.

X. CONCLUSION

The modern technology of IT and increase in the standard of living may causes all the people must be with a bank account. The PMJDY is a scheme introduced by our central government facilitates bank account for all the people atleast one account for one family. The rapid development of corporate, retail industry infrastructure may leads to increase the people's standard of livings. The plastic money is rapidly growing's in today business environment. India is the second largest populated country. Many people may not have a bank account. The government introduces this scheme at right time. Merely introduction is not enough, create awareness about the importance of opening a bank account in this environment. This study gives importance to know the awareness level of the people to have a bank account.

REFERENCES

- ❖ <http://www.ndtv.com/topic/pradhan-mantri>
- ❖ <http://profit.ndtv.com/news/industries/article-finance-ministry-to-meet-top-bankers-on-jan-dhan-scheme-report>
- ❖ <http://www.quora.com/What-is-the-economic-objective-or-purpose-of-Indian-Governments-Pradhan-Mantri-Jan-Dhan-Yojana-Project#>
- ❖ <https://www.linkedin.com/pulse/20141106145212-300730314-effect-of-pradhan-mantri-jan-dhan-yojana-on-operations-of-banks>
- ❖ http://articles.economicstimes.indiatimes.com/2014-09-03/news/53522854_1_jan-dhan-yojana-financial-inclusion-new-account-holders

