

A STUDY ON AWARENESS ABOUT BANKING TRANSACTION, IN RURAL AREA

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Abstract: One of the more impressive aspects of India's growth story relates to the expansion of the banking infrastructure. Banking system is very essential for the economic development of a country that it met the financial requirements of trade, industry and agriculture with higher degrees of commitment and responsibility. The concept of banking has been around for centuries and has had to evolve with changing human needs. Everything possible should be done to extend banking into the rural areas and there should be flexibility in this approach. In today's digital world we have seen a major transformation in the financial service industry. This study assessed the awareness about banking transactions in rural area with special reference to Malapattam Panchayath Of Kannur district, Kerala. Data were collected from 150 respondents.

Keywords: CDM, Banking system, Mobile banking.

1.INTRODUCTION

The banking system is the backbone of the economic system in a country. It is one of the important financial pillars of the financial sector, which plays a vital role in the functioning of an economy. Thus the development of a country is integrally linked with the development of banking system. In India, banks playing a crucial role in socio- economic progress of the country after independence. With the nationalization of banks in 1969, the concept of the banks got totally changed. Banks become institution with social responsibility.

Indian banks have been going through a captivating phase through rapid changes brought about by financial sector reforms. After the liberalization of the Indian economy, the Government has implemented number of reforms based on the recommendation of the Narasimham committee to make the banking sector economically sound, strong and competitively vibrant.

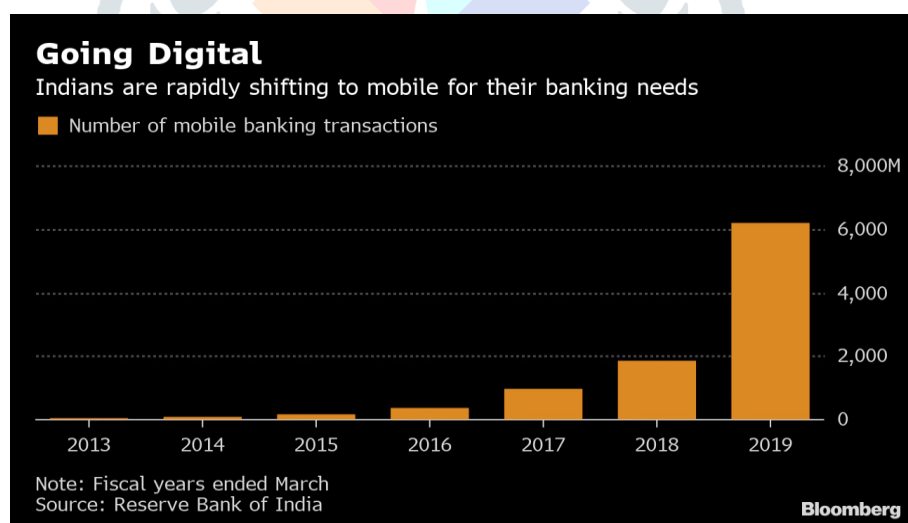


Diagram 1.1 Growth in mobile banking

Demonitisation and digital India mission make tremendous changes in banking sector, which helps in moving more transaction into the digital space. As a result people are rapidly shifting to mobile for their banking needs. The above diagram shows that there are 6000 million mobile transactions in 2019 in India.

1.2 SIGNIFICANCE OF THE PROBLEM

According to Mahatma Gandhi "The soul of India lives in its villages". It means that, vibrant villages are keys to India's success. The objective of this study is to identify the awareness of banking facilities among rural people. In the modern era bank provide many services to the rural community, but it is quite doubtful whether people are aware about it. So many studies were conducted in banking sector in general, but no serious studies relating to customers awareness about banking transaction in rural

area have been conducted. Hence the study in the present topic tries to identify awareness about banking transaction among rural people. This study will be useful to all stakeholders in the area of banking activities.

1.3 SCOPE OF THE STUDY

The present study is conducted to evaluate the awareness of banking transaction among rural people in rural area. The study was limited to Malapattam panchayath, in Kannur district, Kerala. Rural people are the respondents of the study.

1.4 OBJECTIVE OF THE STUDY

- To analyze the usage of modern banking facilities by rural customers.
- To identify awareness of banking transaction among rural people
- To analyze role of banking institutions in rural area.

1.5 HYPOTHESIS OF THE STUDY

H_0 : Level of education of respondent and awareness about deposit of money through CDM are independent.

H_1 : Level of education of respondent and awareness about deposit of money through CDM are not independent.

1.6 RESEARCH METHODOLOGY

1.6.1 Research Design

The study is conducted among rural people in Kerala. The study is designed as an empirical one based on the survey method.

1.6.2 Sampling Technique

The study used convenient sampling technique.

1.6.3 Sampling Size

The data were collected from 150 respondents in rural area.

1.6.4 Statistical Tool

Percentage method, Mean and Chi square test.

1.6.5 Source of Data

Both primary as well as secondary data were used in the study. Primary data were collected through questionnaire and secondary data were collected through websites, magazine and journal.

1.7 ANALYSIS OF DATA

Tabular forms of statement were used for the presentation of data. For the interpretation of data statistical tools like percentage, mean, χ^2 test were used.

1.8 LIMITATION OF THE STUDY

All the researches are subjected to certain constrains. Likewise this study also has some limitations.

- To represent a large population, only a small number of respondents were selected. The sample fluctuations may also be expected.
- Some of the respondents may give incorrect answers, untrue statements and false information. This means that an element of personal prejudice is always expected.

2. ANALYSIS AND INTERPRETATION

Table No 2.1 Socio - economic status of respondents (n=150)

Variables	Frequency	Percentage (%)	Mean
Age (year)			
0-10	0	0	30.43
10-20	28	18	
20-30	41	27	
30-40	59	40	
40-50	16	11	

50-60	6	4	
Total	150	100	
Gender			
Male	79	53	
Female	71	47	
Total	150	100	
Level of education			
School education	62	41	
College education	88	59	
Total	150	100	
Occupation			
Agriculture	36	24	
Coolie workers	55	37	
Govt. employee	31	21	
Business	12	8	
Others	16	10	
Total	150	100	
Monthly income			
Below 10000	38	25	
10000 – 20000	46	31	
20000 – 30000	33	22	
30000 – 40000	18	12	
Above 40000	15	10	
Total	150	100	

Socio economic status: Table 2.1 shows socio economic status of respondents for this study.

The table demonstrates that majority of the respondents belongs to the age of 30 – 40(39.3%). 32% of the respondents completed higher secondary education. Majority of the respondents are coolie workers (36.7%).

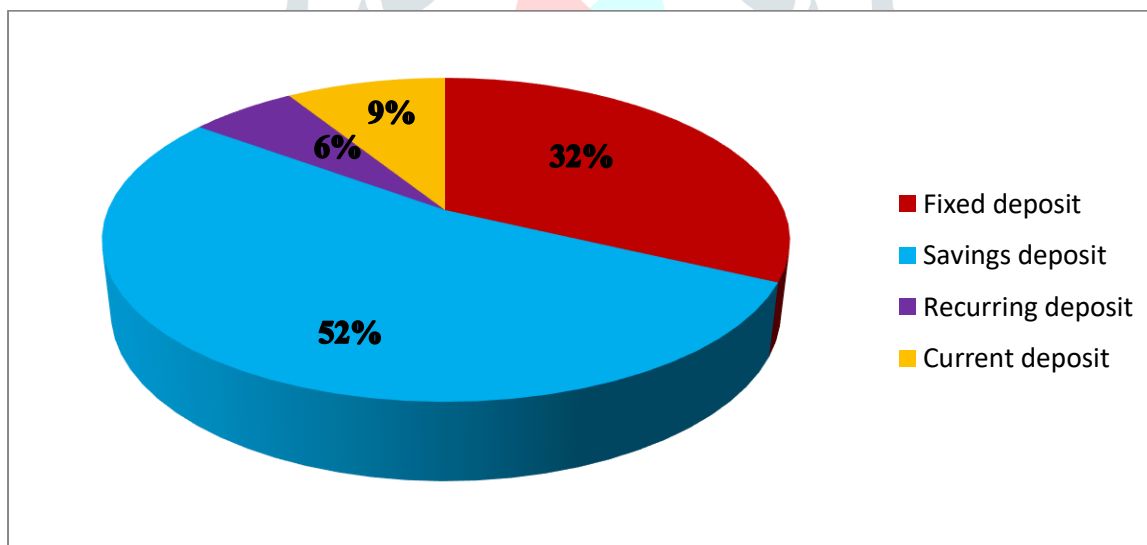


Diagram 2.1 bank account opened by respondents

The diagram 2.1 shows that majority of the respondents (52%) preferring savings deposit and only 6% respondents take recurring deposits. mainly government employees choose fixed deposit. Easy withdrawal and deposit procedure is the main reason for choosing savings deposit.

Table 2.2 awareness regarding difference between debit card and credit card

Awareness	No. of respondents	Percentage
Aware	67	45
Not aware	83	55
Total	150	100

Table 2.2 shows that majority of the respondents (55%) are not aware about the difference between debit card and credit card. 45% of respondents aware about the difference between debit card and credit card. It is clear from the survey that graduated people are more aware about such matters.

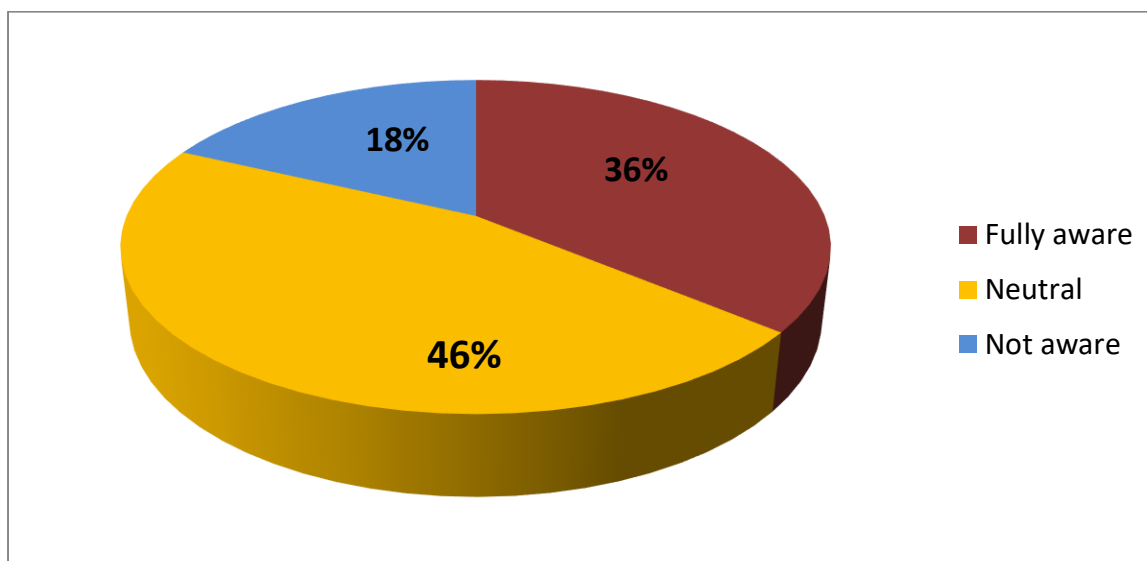


Diagram 2.2 awareness regarding interest for different types of loan

Diagram 3.1 shows that majority of respondents (46%) belongs to neutral and only 18% of respondents are not aware about interest rate of different loan.

Table 2.3 Awareness about fund transfer through Mobile Phone

Category	No. of respondents	Percentage
Fully aware	12	8
Aware	28	19
Neutral	59	39
Un aware	21	14
Fully un aware	30	20
Mean	3.7	

Table 3.1 shows that majority of respondents (39%) belongs to neutral and only 8% of respondents are fully aware about fund transfer through mobile phone.. As per the collective response of 150 respondents awareness about fund transfer through mobile phone has improved. Because the mean value is more than 3 ($m = 3.7$).

Table No. 2.4 Chi- square test for independence of attribute between: educational status and awareness about depositing money through CDM

Awareness level	Number of respondents		Total	χ^2	d f
	College education	School education			
Aware	45	12	57	15.59	1
Un aware	43	50	93		
Total	88	62	150		

The Table No.4.1 shows that the calculated value of Chi square (χ^2) 15.59 is more than the table value 3.841 at 5 percent level of significance with 1 degree of freedom. Hence the null hypothesis (H_0) is rejected. That means there is significant relation between level of education and awareness about deposit of money through CDM.

FINDINGS

- It was found that majority of population in rural area are aware about banking services.
- The study reveals that all people (100%) have bank account, also majority of population open savings and fixed account.
- As per the study it is clear that majority () are not aware of using CDM.

- It is clear from the study that the level of education has impact on awareness about banking services.

CONCLUSION

Banks are integral part of our economic system. A strongest banking industry is needed in every country and can have an important affect in supporting economic development through efficient financial services. The present study on the topic A study on Awareness about banking transaction, in rural area shows that majority of the respondents are aware about banking transactions and new trends in banking. A well-structured questionnaire was used to collect the data. Percentage and chi- square were used to analyze the response. After the study it could be concluded that majority of population residing in rural area of Kerala are aware about modern banking services. The study also reveals that education have influence on awareness about banking services. It could be suggest that combined effort of panchayath and banks are needed to educate the people about latest trends in banking.

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