INTRODUCTION OF BANKING SYSTEM pdf

1: Banking Queue Management System Surat | Electronic Queue Management System.

The Banking System: Introduction By Stephen D. Simpson, CFA Accounting for trillions in assets worldwide, the banking system is a crucial component of the global economy.

History of banking Among many other things, the Code of Hammurabi from BC recorded interest-bearing loans. Banking began with the first prototype banks of merchants of the ancient world, which made grain loans to farmers and traders who carried goods between cities and this system is known as a barter system. This began around BC in Assyria and Babylonia. Later, in ancient Greece and during the Roman Empire , lenders based in temples made loans and added two important innovations: Archaeology from this period in ancient China and India also shows evidence of money lending activity. The origins of modern banking can be traced to medieval and early Renaissance Italy , to the rich cities in the centre and north like Florence , Lucca , Siena , Venice and Genoa. The Bardi and Peruzzi families dominated banking in 14th-century Florence, establishing branches in many other parts of Europe. George , was founded in at Genoa , Italy. Merchants started to store their gold with the goldsmiths of London , who possessed private vaults, and charged a fee for that service. In exchange for each deposit of precious metal, the goldsmiths issued receipts certifying the quantity and purity of the metal they held as a bailee ; these receipts could not be assigned, only the original depositor could collect the stored goods. Gradually the goldsmiths began to lend the money out on behalf of the depositor , which led to the development of modern banking practices; promissory notes which evolved into banknotes were issued for money deposited as a loan to the goldsmith. The Bank of England was the first to begin the permanent issue of banknotes , in The Rothschilds pioneered international finance on a large scale, financing the purchase of the Suez canal for the British government. A BC one-third stater electrum coin from Lydia , where gold and silver coins were used for the first time Etymology[edit] The word bank was borrowed in Middle English from Middle French banque, from Old Italian banco, meaning "table", from Old High German banc, bank "bench, counter". Benches were used as makeshift desks or exchange counters during the Renaissance by Jewish [10] Florentine bankers, who used to make their transactions atop desks covered by green tablecloths. See the relevant country pages under for more information. In most common law jurisdictions there is a Bills of Exchange Act that codifies the law in relation to negotiable instruments , including cheques , and this Act contains a statutory definition of the term banker: Although this definition seems circular, it is actually functional, because it ensures that the legal basis for bank transactions such as cheques does not depend on how the bank is structured or regulated. The business of banking is in many English common law countries not defined by statute but by common law, the definition above. In other English common law jurisdictions there are statutory definitions of the business of banking or banking business. When looking at these definitions it is important to keep in mind that they are defining the business of banking for the purposes of the legislation, and not necessarily in general. In particular, most of the definitions are from legislation that has the purpose of regulating and supervising banks rather than regulating the actual business of banking. However, in many cases the statutory definition closely mirrors the common law one. Examples of statutory definitions: This has led legal theorists to suggest that the cheque based definition should be broadened to include financial institutions that conduct current accounts for customers and enable customers to pay and be paid by third parties, even if they do not pay and collect cheques. Banks borrow money by accepting funds deposited on current accounts, by accepting term deposits , and by issuing debt securities such as banknotes and bonds. Banks lend money by making advances to customers on current accounts, by making installment loans , and by investing in marketable debt securities and other forms of money lending. Banks provide different payment services, and a bank account is considered indispensable by most businesses and individuals. Non-banks that provide payment services such as remittance companies are normally not considered as an adequate substitute for a bank account. Banks can create new money when they make a loan. New loans throughout the banking system generate new deposits elsewhere in the system. The money supply is usually increased by the act of lending, and reduced when loans are repaid faster than new ones are generated. In the United Kingdom between and , there was an increase in the money supply, largely caused by much more bank lending, which served to push up property prices and increase private debt. Excessive or risky lending can cause borrowers to default, the banks then become more cautious, so there is less lending and therefore less money so that the economy can go from boom to bust as happened in the UK and many other Western economies after Range of activities[edit].

2: What is a Bank ? Introduction, Definition and Features of Bank

1 INTRODUCTION The Domain "Banking System " keeps the day by day tally record as a complete banking. It can keep the information of Account type, account opening form, Deposit.

The Administrator logs in using the admin login. In this module two operations are done. During login the Login and Password is verified with that in the database INPUT DESIGN The design of input focuses on controlling the amount of input required, controlling the errors, avoiding delay, avoiding extra steps and keeping the process simple. The input is designed in such a way so that it provides security and ease of use with retaining the privacy. Input Design considered the following things: Input Design is the process of converting a user-oriented description of the input into a computer-based system. This design is important to avoid errors in the data input process and show the correct direction to the management for getting correct information from the computerized system. It is achieved by creating user-friendly screens for the data entry to handle large volume of data. The goal of designing input is to make data entry easier and to be free from errors. The data entry screen is designed in such a way that all the data manipulates can be performed. It also provides record viewing facilities. Data can be entered with the help of screens. Appropriate messages are provided as when needed so that the user will not be in a maize of instant. In output design it is determined how the information is to be displaced for immediate need and also the hard copy output. It is the most important and direct source information to the user. Designing computer output should proceed in an organized, well thought out manner; the right output must be developed while ensuring that each output element is designed so that people will find the system can use easily and effectively. When analysis design computer output, they should: A database is an organized mechanism that has the capability of storing information through which a user can retrieve stored information in an effective and efficient manner. The data is the purpose of any database and must be protected. The database design is a two level process. In the first step, user requirements are gathered together and a database is designed which will meet these requirements as clearly as possible. In the second step, this Information level design is transferred into a design for the specific DBMS that will be used to implement the system in question. A database design runs parallel with the system design. The organization of the data in the database is aimed to achieve the following two major objectives. The purpose of normalization is to make tables as simple as possible. Normalization is carried out in this system for the following reasons. A relational model represents the database as a collection of relations. Each relation resembles a table of values or file of records. In formal relational model terminology, a row is called a tuple, a column header is called an attribute and the table is called a relation. A relational database consists of a collection of tables, each of which is assigned a unique name. A row in a tale represents a set of related values. A table is a relation. The rows in a table are called tuples. A tuple is an ordered set of n elements. Columns are referred to as attributes. Relationships have been set between every table in the database. This ensures both Referential and Entity Relationship Integrity. A domain D is a set of atomic values. A common method of specifying a domain is to specify a data type from which the data values forming the domain are drawn. It is also useful to specify a name for the domain to help in interpreting its values. Every value in a relation is atomic, that is not decomposable. Table relationships are established using Key. Entity Integrity and Referential Integrity Relationships can be established with these keys. Entity Integrity enforces that no Primary Key can have null values. Referential Integrity enforces that no Primary Key can have null values. Referential Integrity for each distinct Foreign Key value, there must exist a matching Primary Key value in the same domain. Other key are Super Key and Candidate Keys. As the name implies, it denoted putting things in the normal form. The application developer via normalization tries to achieve a sensible organization of data into proper tables and columns and where names can be easily correlated to the data by the user. Normalization eliminates repeating groups at data and thereby avoids data redundancy which proves to be a great burden on the computer resources. The First Normal Form states that the domain of an attribute must include only atomic values and that the value of any attribute in a tuple must be a single value from the domain of that attribute. The only attribute values permitted by 1NF are single atomic or indivisible values. The first step is to put the data into First Normal Form. This can be donor by moving data into separate tables where the data is of similar type in each table. Each table is given a Primary Key or Foreign Key as per requirement of the project. In this we form new relations for each nonatomic attribute or nested relation. This eliminated repeating groups of data. A relation is said to be in first normal form if only if it satisfies the constraints that contain the primary key only. According to Second Normal Form, For relations where primary key contains multiple attributes, no nonkey attribute should be functionally dependent on a part of the primary key. In this we decompose and setup a new relation for each partial key with its dependent attributes. Make sure to keep a relation with the original primary key and any attributes that are fully functionally dependent on it. This step helps in taking out data that is only dependant on apart of the key. A relation is said to be in second normal form if and only if it satisfies all the first normal form conditions for the primary key and every non-primary key attributes of the relation is fully dependent on its primary key alone. According to Third Normal Form, Relation should not have a nonkey attribute functionally determined by another nonkey attribute or by a set of nonkey attributes. That is, there should be no transitive dependency on the primary key. In this we decompose and set up relation that includes the nonkey attributes that functionally determines other nonkey attributes. This step is taken to get rid of anything that does not depend entirely on the Primary Key. A relation is said to be in third normal form if only if it is in second normal form and more over the non key attributes of the relation should not be depend on other non key attribute. It can be considered to be the most crucial stage in achieving a successful new system gaining the users confidence that the new system will work and will be effective and accurate. It is primarily concerned with user training and documentation. Conversion usually takes place about the same time the user is being trained or later. Implementation simply means convening a new system design into operation, which is the process of converting a new revised system design into an operational one. Software Testing is the process of executing software in a controlled manner, in order to answer the question - Does the software behave as specified?. Software testing is often used in association with the terms verification and validation. Validation is the checking or testing of items, includes software, for conformance and consistency with an associated specification. Software testing is just one kind of verification, which also uses techniques such as reviews, analysis, inspections, and walkthroughs. Validation is the process of checking that what has been specified is what the user actually wanted. Are we doing the right job? Are we doing the job right? Software testing should not be confused with debugging. Debugging is the process of analyzing and localizing bugs when software does not behave as expected. Although the identification of some bugs will be obvious from playing with the software, a methodical approach to software testing is a much more thorough means for identifying bugs. Debugging is therefore an activity which supports testing, but cannot replace testing. Other activities which are often associated with software testing are static analysis and dynamic analysis. Static analysis investigates the source code of software, looking for problems and gathering metrics without actually executing the code. Dynamic analysis looks at the behavior of software while it is executing, to provide information such as execution traces, timing profiles, and test coverage information. Testing is a set of activity that can be planned in advanced and conducted systematically. Testing begins at the module level and work towards the integration of entire computers based system. Nothing is complete without testing, as it vital success of the system testing objectives, there are several rules that can serve as testing objectives. They are 11 Testing is a process of executing a program with the intend of finding an error. A good test case is one that has high possibility of finding an undiscovered error. A successful test is one that uncovers an undiscovered error. If a testing is conducted successfully according to the objectives as stated above, it would uncovered errors in the software also testing demonstrate that the software function appear to be working according to the specification, that performance requirement appear to have been met. There are three ways to test program. This is much more difficult than it may at first appear, especially for large programs. The Test Plan acts as a blue print for the action that is to be followed. The software engineers create a computer program, its documentation and related data structures. The software developers is always responsible for testing the individual units of the programs, ensuring that each performs the function for which it was designed. There is an independent test group ITG which is to remove the inherent problems associated with letting the builder to test the thing that has been built.

3: The Evolution Of Banking

Introduction of banking system. A commercial bank is a type of financial intermediary. It is a financial intermediary because it mediates between the savers and borrowers.

Most of us need a mortgage , or some form of credit , to make such a large purchase. In fact, many people use credit in the form of credit cards to pay for everyday items. Currency, particularly the use of coins, grew out of taxation. In the early days of ancient empires, a tax of one healthy pig per year might be reasonable, but as empires expanded, this type of payment became less desirable. Additionally, empires began to need a way to pay for foreign goods and services, with something that could be exchanged more easily. Coins of varying sizes and metals served in the place of fragile, impermanent paper bills. To read more about the origins of money, see What Is Money? Flipping a Coin These coins, however, needed to be kept in a safe place. Numerous people, like priests or temple workers whom one hoped were both devout and honest, always occupied the temples, adding a sense of security. There are records from Greece, Rome, Egypt and Ancient Babylon that suggest temples loaned money out, in addition to keeping it safe. Coins could be hoarded more easily than other commodities, such as pound pigs, so there emerged a class of wealthy merchants that took to lending these coins, with interest , to people in need. Temples generally handled large loans, as well as loans to various sovereigns, and these new money lenders took up the rest. The First Bank The Romans, great builders and administrators in their own right, took banking out of the temples and formalized it within distinct buildings. Julius Caesar, in one of the edicts changing Roman law after his takeover, gives the first example of allowing bankers to confiscate land in lieu of loan payments. Small-time moneylenders that competed with the church were often denounced for usury. Visa Royal Eventually, the various monarchs that reigned over Europe noted the strengths of banking institutions. This easy finance led kings into unnecessary extravagances, costly wars, and an arms race with neighboring kingdoms that would often lead to crushing debt. The trend of turning a blind eye to the creditworthiness of big customers, continues to haunt banks up into this day and age. Adam Smith and Modern Banking Banking was already well established in the British Empire when Adam Smith came along in with his " invisible hand " theory. This free market capitalism and competitive banking found fertile ground in the New World, where the United States of America was getting ready to emerge. To learn more, read Economics Basics. The average life for an American bank was five years, after which most bank notes from the defaulted banks became worthless. These state-chartered banks could, after all, only issue bank notes against gold and silver coins they had in reserve. Compounding these risks was the cyclical cash crunch in America. Alexander Hamilton, the secretary of the Treasury , established a national bank that would accept member bank notes at par , thus floating banks through difficult times. This national bank, after a few stops, starts, cancellations and resurrections, created a uniform national currency and set up a system by which national banks backed their notes by purchasing Treasury securities , thus creating a liquid market. Through the imposition of taxes on the relatively lawless state banks , the national banks pushed out the competition. The damage had been done already, however, as average Americans had already grown to distrust banks and bankers in general. Merchant Banks Most of the economic duties that would have been handled by the national banking system, in addition to regular banking business like loans and corporate finance , fell into the hands of large merchant banks , because the national banking system was so sporadic. During this period of unrest that lasted until the s, these merchant banks parlayed their international connections into both political and financial power. Originally, they relied heavily on commissions from foreign bond sales from Europe, with a small backflow of American bonds trading in Europe. This allowed them to build up their capital. At that time, a bank was under no legal obligation to disclose its capital reserve amount, an indication of its ability to survive large, above-average loan losses. While upstart banks came and went, these family-held merchant banks had long histories of successful transactions. As large industry emerged and created the need for corporate finance, the amounts of capital required could not be provided by any one bank, and so initial public offerings IPOs and bond offerings to the public became the only way to raise the needed capital. The public in the U. By the late s, many banks demanded a position on the boards of the companies seeking capital, and if the management proved lacking, they ran the companies themselves. Morgan and Monopoly J. Morgan and Company emerged at the head of the merchant banks during the late s. It was connected directly to London, then the financial center of the world, and had considerable political clout in the United States. To find out more about this subject, read Antitrust Defined. Although the dawn of the s had well-established merchant banks, it was difficult for the average American to get loans from them. Racism was also widespread and, even though the Jewish and Anglo-American bankers had to work together on large issues, their customers were split along clear class and race lines. These banks left consumer loans to the lesser banks that were still failing at an alarming rate. The Panic of The collapse in shares of a copper trust set off a panic that had people rushing to pull their money out of banks and investments, which caused shares to plummet. Without the Federal Reserve Bank to take action to calm people down, the task fell to J. Morgan to stop the panic, by using his considerable clout to gather all the major players on Wall Street to maneuver the credit and capital they controlled, just as the Fed would do today. The End of an Era Ironically, this show of supreme power in saving the U. The fact that it took J. Morgan, a banker who was disliked by much of America for being one of the robber barons with Carnegie and Rockefeller, to do the job, prompted the government to form the Federal Reserve Bank, commonly referred to today as the Fed, in Although the merchant banks influenced the structure of the Fed, they were also pushed into the background by it. To learn about robber barons and other unseemly financial entities, see Handcuffs and Smoking Guns: The Criminal Elements of Wall Street. When World War I broke out, America became a global lender and replaced London as the center of the financial world by the end of the war. Unfortunately, a Republican administration put some unconventional handcuffs on the banking sector. The government insisted that all debtor nations must pay back their war loans, which traditionally were forgiven, especially in the case of allies, before any American institution would extend them further credit. This slowed down world trade and caused many countries to become hostile toward American goods. When the stock market crashed on Black Tuesday in , the already sluggish world economy was knocked out. A clear line was drawn between being a bank and being an investor. In , banks were no longer allowed to speculate with deposits and the FDIC regulations were enacted, to convince the public it was safe to come back. No one was fooled and the depression continued. WWII, and the industriousness it generated, lifted the U. For the banks and the Federal Reserve, the war required financial maneuvers using billions of dollars. This massive financing operation created companies with huge credit needs that, in turn, spurred banks into mergers to meet the new needs. These huge banks spanned global markets. More importantly, domestic banking in the United States had finally settled to the point where, with the advent of deposit insurance and mortgages, an individual would have reasonable access to credit. The Bottom Line Banks have come a long way from the temples of the ancient world, but their basic business practices have not changed. Banks issue credit to people who need it, but they demand interest on top of the repayment of the loan. 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INTRODUCTION OF BANKING SYSTEM pdf

4: The Banking System

1 CHAPTER - 1 AN INTRODUCTION TO INDIAN BANKING SYSTEM INTRODUCTION The banking sector is the lifeline of any modern economy. It is one of the important.

Structure and other Details with Diagrams Article shared by: Structure and other Details! Bank is an institution that accepts deposits of money from the public. Anybody who has account in the bank can withdraw money. Bank also lends money. The exact date of existence of indigenous bank is not known. But, it is certain that the old banking system has been functioning for centuries. Some people trace the presence of indigenous banks to the Vedic times of BC. It has admirably fulfilled the needs of the country in the past. However, with the coming of the British, its decline started. Despite the fast growth of modern commercial banks, however, the indigenous banks continue to hold a prominent position in the Indian money market even in the present times. It includes shroffs, seths, mahajans, chettis, etc. The indigenous bankers lend money; act as money changers and finance internal trade of India by means of hundis or internal bills of exchange. The main defects of indigenous banking are: They do not give receipts in most cases and interest which they charge is out of proportion to the rate of interest charged by other banking institutions in the country. Structure of Organised Indian Banking System: The organised banking system in India can be classified as given below: The country had no central bank prior to the establishment of the RBI. The RBI is the supreme monetary and banking authority in the country and controls the banking system in India. Commercial banks mobilise savings of general public and make them available to large and small industrial and trading units mainly for working capital requirements. Commercial banks in India are largely Indian-public sector and private sector with a few foreign banks. The public sector banks account for more than 92 percent of the entire banking business in Indiaâ€”occupying a dominant position in the commercial banking. The State Bank of India and its 7 associate banks along with another 19 banks are the public sector banks. Scheduled and Non-Scheduled Banks: The scheduled banks are those which are enshrined in the second schedule of the RBI Act, These banks have a paid-up capital and reserves of an aggregate value of not less than Rs. All commercial banks Indian and foreign , regional rural banks, and state cooperative banks are scheduled banks. Non- scheduled banks are those which are not included in the second schedule of the RBI Act, At present these are only three such banks in the country. The Regional Rural Banks RRBs the newest form of banks, came into existence in the middle of s sponsored by individual nationalised commercial banks with the objective of developing rural economy by providing credit and deposit facilities for agriculture and other productive activities of al kinds in rural areas. The emphasis is on providing such facilities to small and marginal farmers, agricultural labourers, rural artisans and other small entrepreneurs in rural areas. Other special features of these banks are: These banks are helped by higher-level agencies: Cooperative banks are so-called because they are organised under the provisions of the Cooperative Credit Societies Act of the states. The major beneficiary of the Cooperative Banking is the agricultural sector in particular and the rural sector in general. The cooperative credit institutions operating in the country are mainly of two kinds: There are two separate cooperative agencies for the provision of agricultural credit: The former has three tier and federal structure. Long-term agriculture credit is provided by the Land Development Banks. Originally based in rural sector, the cooperative credit movement has now spread to urban areas also and there are many urban cooperative banks coming under SCBs.

INTRODUCTION OF BANKING SYSTEM pdf

5: Introduction To The Modern Banking System

Introduction to banking 1. What is banking? Basic Definition: A system of trading money which: provides a safe place to save excess cash, known as deposits.

What is a Bank? Now-a-days, banking sector acts as the backbone of modern business. Development of any country mainly depends upon the banking system. The term bank is either derived from old Italian word banca or from a French word banque both mean a Bench or money exchange table. In olden days, European money lenders or money changers used to display show coins of different countries in big heaps quantity on benches or tables for the purpose of lending or exchanging. It receives money from those who want to save in the form of deposits and it lends money to those who need it. A banking company means a company which is in the business of banking. Acceptance of Deposit A bank accepts money from the people in the form of deposits which are usually repayable on demand or after the expiry of a fixed period. It gives safety to the deposits of its customers. It also acts as a custodian of funds of its customers. Giving Advances A bank lends out money in the form of loans to those who require it for different purposes. Payment and Withdrawal A bank provides easy payment and withdrawal facility to its customers in the form of cheques and drafts, It also brings bank money in circulation. This money is in the form of cheques, drafts, etc. Agency and Utility Services A bank provides various banking facilities to its customers. They include general utility services and agency services. Profit and Service Orientation A bank is a profit seeking institution having service oriented approach. Ever increasing Functions Banking is an evolutionary concept. There is continuous expansion and diversification as regards the functions, services and activities of a bank. Connecting Link A bank acts as a connecting link between borrowers and lenders of money. Banks collect money from those who have surplus money and give the same to those who are in need of money. Name Identity A bank should always add the word "bank" to its name to enable people to know that it is a bank and that it is dealing in money.

6: Bank Management Introduction

Banking system has evolved from barbaric banking where commodities were loaned to modern day banking system, which caters to a range of financial services. The evolution of banking system was gradual with growth in each and every aspect of banking.

In this article, we will discuss the structure of Banking System in India. Banking System in India After discussing the history of banking, now share some information on Indian banking structure. The banking structure is divided into many parts like Capital Market, Money Market etc. We will discuss them one by one. As Banking is all about money, so banking structure is an integral part of Money Market. In this, borrowing and lending of funds takes place up to 1 years. It is used for short-term credit. But here, we will put focus on organised sector. It is divided into two categories: Eligible for obtaining loans from RB on Bank Rate. Generally, not eligible for obtaining loans from RBI. It is divided into two parts i. Public and Private Sector Banks. Regulated under Banking Regulation act They can accept deposits, can provide loans and other financial services to earn profit. The Nationalisation of banks was done by government in two stages: The first stage of nationalization took place in July , in which fourteen banks were nationalized. The second stage of nationalization of Banks took place in April , in which six banks were nationalized. Objectives of Nationalization of Banks: Reducing Private Monopolies 3. Expansion of Banking Facilities 4. Private sector banks consists of both Indian Banks as well as foreign banks. Private banks which were set up before liberalisation of the economy are categorised as Old Banks. Private banks which were set up after liberalisation of the economy are categorised as New Banks. Local Area Banks- Private Banks which are allowed to operate in the limited area called local area banks and registered under the companies act, The minimum capital required for these banks are Rs.

7: Structure of Banking System in India (Detailed Introduction)

A bank should always add the word "bank" to its name to enable people to know that it is a bank and that it is dealing in money. Related Introduction, Definition and Features of Bank.

Banking Queue Management System Banking Queue Management System According to the recent epoch in the banking sector it has been seen that many of the customers leave the bank if the staff members are unable to handle their queries, thus it is essential rather imperative to have a good queue management system that will optimize staffing levels in your branch. People waiting in the queue are often likely to pick up the impulse purchases merchandised within the queue line. The staff can serve more customers per hour. Types of Queues model Types of Queues model SPF can be described as a model where transactions of short expected length are dealt as soon as possible. First In First Out As the name implies, here the service provision is visibly fair where each customer is served in order they had registered for service. This is the most important model. Single Queue system In this type of queue model, each person waiting is served in turn and the format of the queue deters pushing in. Multiple Queue system This system is generally seen in supermarkets where number of individual queues with no filtering of customers. Actually this makes good use of floor space and customers feels obliged to hunt for a shorter queue. Queues must be managed systematically and not allowed to come down into a free-for-all category. The process must include the positive feedback of progress. Queues must be fair. Due to this, the career amounts will be raised as a result the employees multitasking and adaptability will be improved providing you many long term benefits as a financial institution. This improvement will be achieved because of the management system tools 24x7 control over the staff performances. The overall surrounding at the area will improve, enabling for the employees to find more satisfaction in offering the clients. This effective queue management is very essential these times as it will help to enhance the occupation volumes in category, developing the quality of your staff and decreasing the expenditure rate. The queue management system proves better in every way as the people expect to be treated fairly and managing queues expresses them that you respect their time. Banking Queue management system is a modern technique mainly used to control queues. This system will not only help the bank manager to increase the customer service but also to meliorate the staff efficiency and to reduce additional costs that might appear due to staff mistakes. Here the Banking Queue Management system helps the customers in every way and easily satisfies their needs..

8: Indian Banking System: Structure and other Details (with Diagrams)

Introduction to Banking. INDIAN BANKING SYSTEM y PUBLIC SECTOR BANKS = SBG + PSBs + IDBI Bank y PRIVATE SECTOR BANKS IN INDIA (Old + New) y Cooperative Banks; Regional Rural Banks (RRBs) y INDIAN BANKS OPERATIONS ABROAD y Local Area Banks (LABs).

The word kusidin is translated as usurer. Also, during this period, texts began to condemn usury. Vasishtha forbade Brahmin and Kshatriya varnas from participating in usury. By the 2nd century CE, usury seems to have become more acceptable. These were called rnapatra or rnapanna. The Dharmashastras also supported the use of loan deeds. Kautilya has also mentioned the usage of loan deeds. The considerable use of these instruments has been recorded[citation needed]. In large towns, merchants also gave letters of credit to one another. Two types of loans deeds have been recorded. The dastawez-e-indultalab was payable on demand and dastawez-e-miadi was payable after a stipulated time. The use of payment orders by royal treasuries, called barattes, have been also recorded. There are also records of Indian bankers using issuing bills of exchange on foreign countries. The evolution of hundis , a type of credit instrument, also occurred during this period and remain in use. Its proprietors were the owners of the earlier Commercial Bank and the Calcutta Bank, who by mutual consent created Union Bank to replace these two banks. In it established an agency at Singapore, and closed the one at Mirzapore that it had opened in the previous year. Union Bank was incorporated in but failed in , having been insolvent for some time and having used new money from depositors to pay its dividends. That honour belongs to the Bank of Upper India, which was established in and survived until , when it failed, with some of its assets and liabilities being transferred to the Alliance Bank of Simla. Foreign banks too started to appear, particularly in Calcutta , in the s. Grindlays Bank opened its first branch in Calcutta in HSBC established itself in Bengal in Calcutta was the most active trading port in India, mainly due to the trade of the British Empire , and so became a banking centre. The first entirely Indian joint stock bank was the Oudh Commercial Bank , established in in Faizabad. It failed in The next was the Punjab National Bank , established in Lahore in , which has survived to the present and is now one of the largest banks in India. Around the turn of the 20th Century, the Indian economy was passing through a relative period of stability. Around five decades had elapsed since the Indian rebellion , and the social, industrial and other infrastructure had improved. Indians had established small banks, most of which served particular ethnic and religious communities. The presidency banks dominated banking in India but there were also some exchange banks and a number of Indian joint stock banks. All these banks operated in different segments of the economy. The exchange banks, mostly owned by Europeans, concentrated on financing foreign trade. Indian joint stock banks were generally under capitalised and lacked the experience and maturity to compete with the presidency and exchange banks. This segmentation let Lord Curzon to observe, "In respect of banking it seems we are behind the times. We are like some old fashioned sailing ship, divided by solid wooden bulkheads into separate and cumbersome compartments. The Swadeshi movement inspired local businessmen and political figures to found banks of and for the Indian community. The fervour of Swadeshi movement led to the establishment of many private banks in Dakshina Kannada and Udupi district , which were unified earlier and known by the name South Canara South Kanara district. Four nationalised banks started in this district and also a leading private sector bank. Deshmukh 11 August was the first Indian governor. During the First World War â€” through the end of the Second World War â€" , and two years thereafter until the independence of India were challenging for Indian banking. The years of the First World War were turbulent, and it took its toll with banks simply collapsing despite the Indian economy gaining indirect boost due to war-related economic activities. At least 94 banks in India failed between and as indicated in the following table:

INTRODUCTION OF BANKING SYSTEM pdf

9: Banking System | Projects

Banking in India, in the modern sense, originated in the last decade of the 18th www.enganchecubano.com the first banks were the Bank of Hindustan, which was established in and liquidated in ; and the General Bank of India, established in but failed in

Read this article to learn about the structure of banking system in India! The banking system in India is significantly different from other countries. Reserve Bank of India: Reserve Bank of India is the Central Bank of our country. It holds the apex position in the banking structure. RBI performs various developmental and promotional functions. It occupies the pivotal position in the monetary and banking structure of the country. In many countries central bank is known by different names. For example, Federal Reserve Bank of U. A, Bank of England in U. They have the authority to formulate and implement monetary and credit policies. It is owned by the government of a country and has the monopoly power of issuing notes. Commercial bank is an institution that accepts deposit, makes business loans and offer related services to various like accepting deposits and lending loans and advances to general customers and business man. These institutions run to make profit. They cater to the financial requirements of industries and various sectors like agriculture, rural development, etc. Commercial bank includes public sector, private sector, foreign banks and regional rural banks: It includes SBI, seven 7 associate banks and nineteen 19 nationalised banks. Altogether there are 27 public sector banks. The public sector accounts for 90 percent of total banking business in India and State Bank of India is the largest commercial bank in terms of volume of all commercial banks. Private sector banks are those whose equity is held by private shareholders. Private sector bank plays a major role in the development of Indian banking industry. Foreign banks are those banks, which have their head offices abroad. These are state sponsored regional rural oriented banks. They provide credit for agricultural and rural development. The main objective of RRB is to develop rural economy. Their borrowers include small and marginal farmers, agricultural labourers, artisans etc. Co-operative bank was set up by passing a co-operative act in They are organised and managed on the principal of co-operation and mutual help. The main objective of co-operative bank is to provide rural credit. The cooperative banks in India play an important role even today in rural co-operative financing. The enactment of Co-operative Credit Societies Act, , however, gave the real impetus to the movement. The Cooperative Credit Societies Act, was amended in , with a view to broad basing it to enable organisation of non-credit societies. Three tier structures exist in the cooperative banking: State cooperative bank at the apex level. Central cooperative banks at the district level. Primary cooperative banks and the base or local level. Scheduled and Non-Scheduled banks: A bank is said to be a scheduled bank when it has a paid up capital and reserves as per the prescription of RBI and included in the second schedule of RBI Act Non-scheduled bank are those commercial banks, which are not included in the second schedule of RBI Act Development banks and other financial institutions: A development bank is a financial institution, which provides a long term funds to the industries for development purpose.

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