

A Study of Banking System (Debit and credit side entry in the passbook)

PROJECT REPORT

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For the degree of Bachelor of Education

By

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Academic Year: 2019-20

CERTIFICATE

This is to certify that the project titled "A Study on Banking System (debit and credit side entry in the passbook) has been prepared by Preety Kumari in partial fulfilment of the requirements of the Bachelor Degree of Education of Mumbai University. It embodies materials collected and analysed by the candidate Preety Kumari under my guidance and it is hereby approved as indicating the proficiency of the candidate.

Signature of the Guide

(Dr. Sheetal Kadam)

DECLARATION

I hereby declare that this project report written and submitted by me under the guidance of Dr. Sheetal Kadam is my original work.

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Place: Panvel

Date:

Student Name: Preety Kumari

ACKNOWLEDGEMENT

It is God the Almighty who gives the power to accomplish successfully every challenging task. This action research was a demanding project for me but I feel great pleasure in submitting this now that it is complete. Thank you, O Lord,

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I am also thankful to the Librarians Ms. Archana Mokal of Pillai College of Education & Research for providing books for references.

Lastly, I would like to thank my parents as without their blessings, encouragement and support this would have been impossible.

Place: New Panvel

(Preety Kumari)

Date:

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INTRODUCTION

The banking sector is the lifeline of any modern economy. It is one of the important financial pillars of the financial sector, which plays a vital role in the functioning of an economy. It is very important for economic development of a country that its financing requirements of trade, industry and agriculture are met with higher degree of commitment and responsibility. Thus, the development of a country is integrally linked with the development of banking. In a modern economy, banks are to be considered not as dealers in money but as the leaders of development. They play an important role in the mobilization of deposits and disbursement of credit to various sectors of the economy. The banking system reflects the economic health of the country. The strength of an economy depends on the strength and

efficiency of the financial system, which in turn depends on a sound and solvent banking system. A sound banking system efficiently mobilized savings in productive sectors and a solvent banking system ensures that the bank is capable of meeting its obligation to the depositors. In India, banks are playing a crucial role in socio-economic progress of the country after independence. The banking sector is dominant in India as it accounts for more than half the assets of the financial sector. Indian banks have been going through a fascinating phase through rapid changes brought about by financial sector reforms, which are being implemented in a phased manner. The current process of transformation should be viewed as an opportunity to convert Indian banking into a sound, strong and vibrant system capable of playing its role efficiently and effectively on their own without imposing any burden on government.

After the liberalization of the Indian economy, the Government has announced a number of reform measures on the basis of the recommendation of the Narasimhan Committee to make the banking sector economically viable and competitively strong.

Usually, all the firms open a current account with the bank as there are so many transactions and record these transactions in the Bank column of the Cash Book. Bank also maintains a separate ledger account of each firm (customer) and periodically supplies a copy of the account to the firm for information. This copy of the firm's Account supplied by the bank is known as Bank Statement or Bank Pass Book.

Pass Book is a copy of the customer's account in the books of a bank. It is given to a customer to keep him informed of the entries made in his account in the books of the bank and he should check periodically the entries of his cash book with entries of his Pass Book or Statement of Account to find out his exact position, thus ensuring the accuracy of the recording of the entries in both the books. A Pass Book is periodically sent by the customer to the bank for making its records up to date.

Since all the transactions with the bank are entered in both the books Cash Book and Pass Book, the balances of the two books should tally with each other. But usually, the two balances don't tally.

NEED OF THE STUDY

A Student need to know about the Passbook entries because Periodically, the student able to verifies the entries of the Pass Book with the entries made in the Cash Book (in bank

column) and the passbook, which was around the size of a passport, ensured that student had control over their own information, and was called a "**passbook**" because it was used as a way to identify the account holder without needing further identification.

A student needs to know about passbook for saving money. So, when the bank receives the deposit, the customer's Account is credited, thus the Pass Book shows a credit balance.

OBJECTIVES OF THE STUDY

The objectives of present study are:

1. To create awareness among the students of functioning of banking system.
2. To create awareness about Debit and Credit entry to be made in the pass book.
3. To develop among the students the habit of accuracy to be maintain in the passbook.

STATEMENT OF THE PROBLEM

"A Study on Usage of Pass book by College Students – A Boost to Banking System!"

OPERATIONAL DEFINITIONS OF THE TERMS

- **Banking system:** A **banking system** is a group or network of institutions that provide financial services for us. These institutions are responsible for operating a payment system, providing loans, taking deposits, and helping with investments.
- **Pass Book:** Pass Book is a copy of the customer's account in the books of a bank.
- **College students:** junior college students (HSC) of CKT Junior College, New Panvel.

SIGNIFICANCE OF THE STUDY

It is important for a student to know about the Passbook debit and credit balances because the student will be able to understand banking system and it will be easy to keep record of his

Finances in the future. Passbooks have records of the customer's bank account transaction from the day of the account was opened.

A passbook seems like an unimportant document but it is certainly one of the most important documents of the modern age.

- A passbook is the best possible physical proof of you having a bank account. It has your address, complete bank details, phone number, and obviously transaction records.
- It can use your passbook for many other purposes as well. This is one of the most credible proofs of your identity. It can be used as an identity proof document at several places such as passport office, court of law, etc.
- Passbook helps in filing income tax returns. Individuals who are involved in any type of business certainly understand the importance of updating their passbook.
- Many financial institutions require your bank statement before granting you any type of loan or credit card.

SCOPE OF THE STUDY

With a passbook saving account a student ensures the deposits, withdrawals, and interest are recorded in passbook.

A student can easily operate passbook and it is considered as safer transaction.

A passbook savings account allows for face-to-face contact that puts students easily understandable of the entries made in the passbook.

METHODOLOGY

A survey was carried out among the Higher Secondary (HSC) students of CKT Junior College, New Panvel; to assess the usage of Pass Book with respect to e-commerce. The college has students representing from various parts of the city. The researcher had designed a self-structured questionnaire for the study. The questionnaire was prepared after gathering preliminary information about online purchase. The main focus was on the objective of the study, while preparing the questionnaire. The questionnaire was created to understand more about students' level of usage and attitude towards Banking System (passbook). The results were analyzed based on the response of the students. The main purpose of this study was to determine the usage of Banking system i.e., debit and credit side entry in the passbook. The survey being the primary source of data collection to support this paper, some information was also collected through secondary sources like, research papers, internet and official statistical documents.

TOOLS USED

The data for the study was gathered through a self-structured questionnaire. This self-administered questionnaire was distributed to 50 students from CKT College, New Panvel at Higher Secondary level. The information collected through primary data source was processed and analyzed using percentage analysis and then presented.

SAMPLE PLAN:

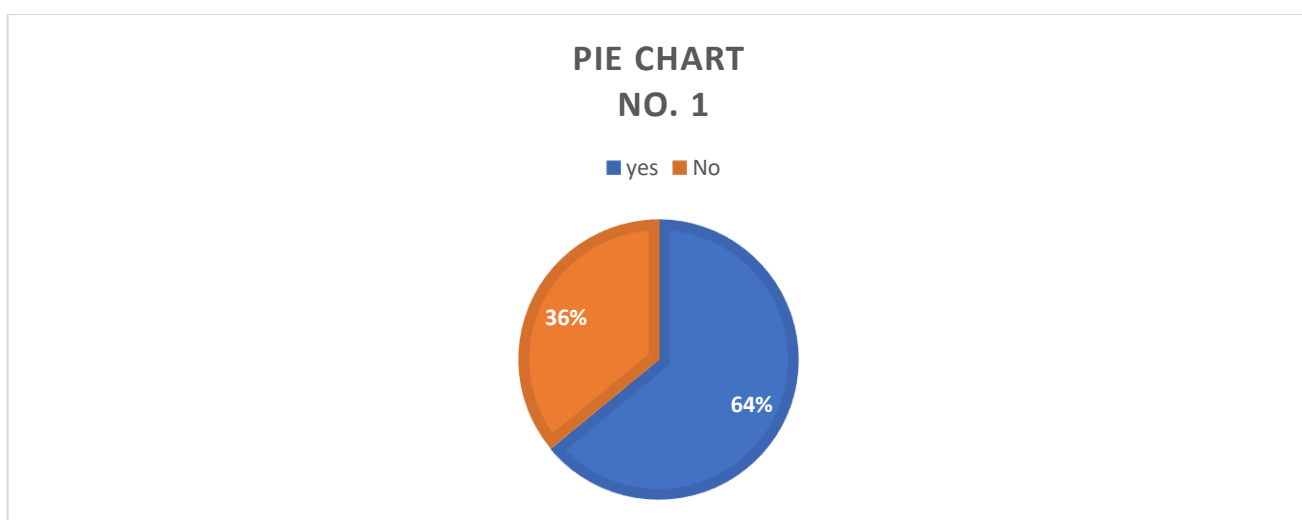
Sample Universe	Panvel
Sample Frame	Potential students of CKT College, New Panvel
Sampling Unit	Students
Sample Size	50
Sample Design	Simple Random
Data Collection Method	Primary data
Data Analysis Method	Percentage, Pie Chart

ANALYSIS & INTERPRETATION OF DATA

1. Do you find difficult to understand banking system?

➤ **Table No.1: -**

Responses	Yes	Percentage	No	Percentage
Students	18	36%	32	64%



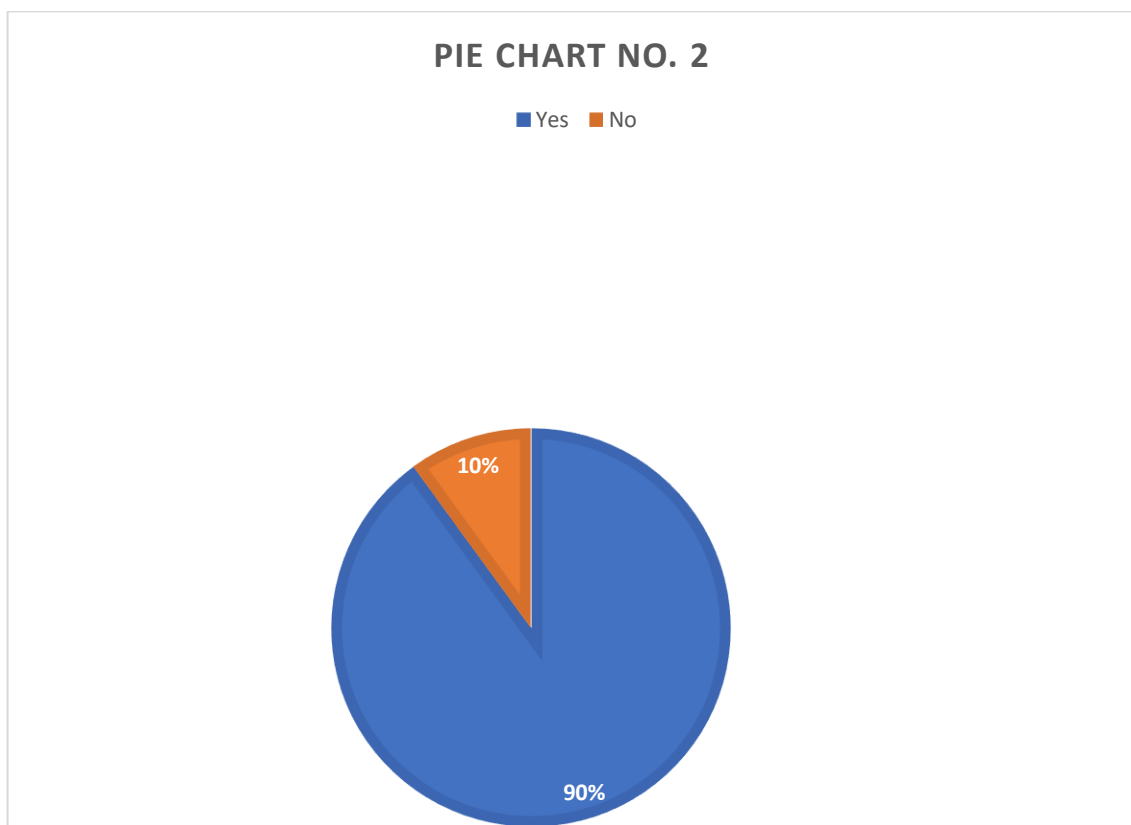
Interpretation

From the above given figure, it is observed that 64% students find difficult to understand banking system whereas 36% students do not find difficult to understand the banking system.

2). Do you have ever seen a passbook?

➤ Table no. 2

Responses	Yes	Percentage	No	Percentage
Students	45	90%	5	10%



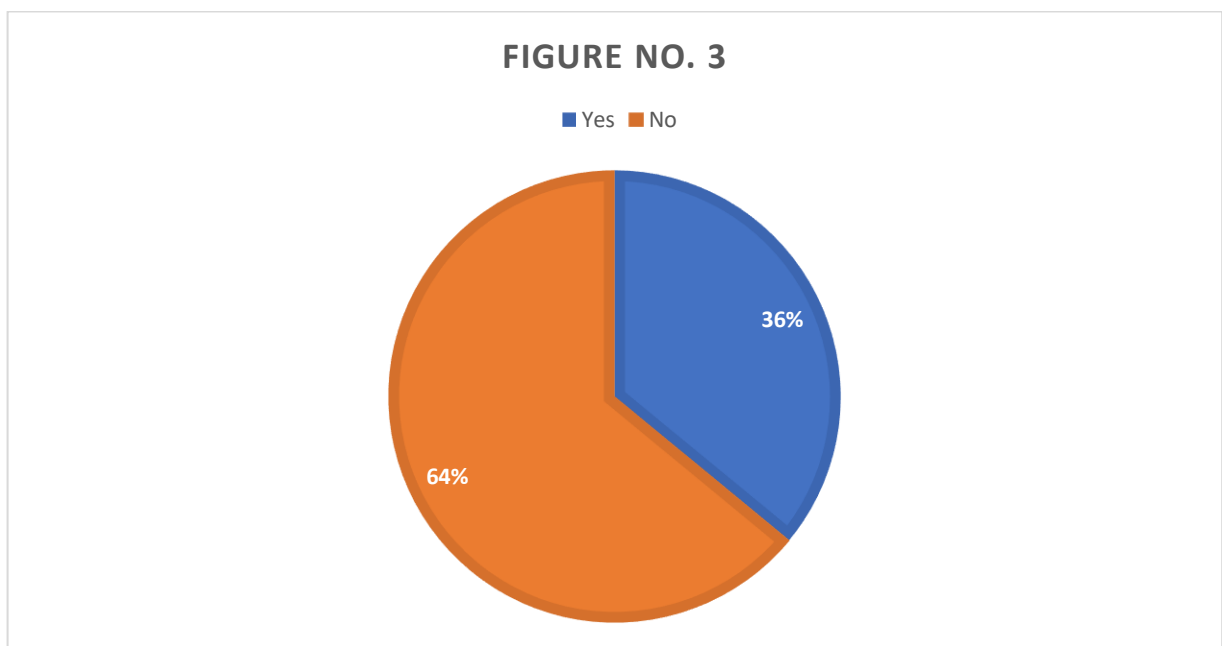
Interpretation

From the above given figure, it is observed that 90% students have seen a passbook whereas 10% students have not seen a passbook.

Q. 3) Do you have any account in the bank?

Table no. 3: -

Responses	Yes	Percentage	No	Percentage
Students	19	36%	31	64%



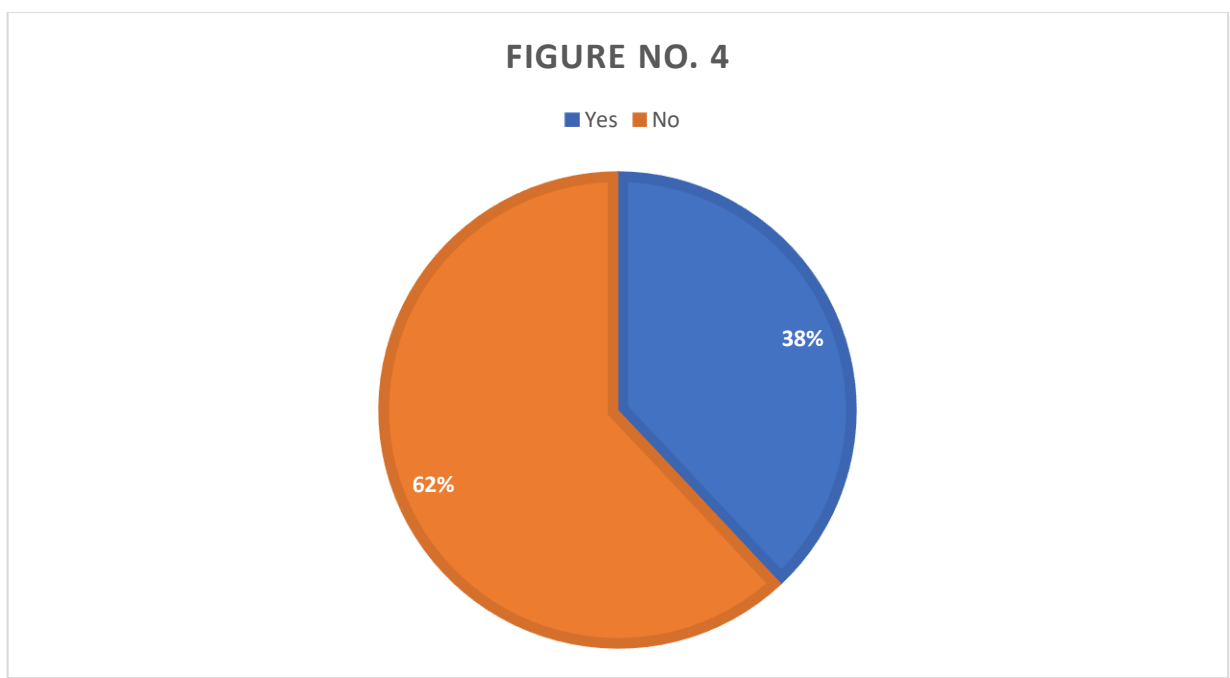
Interpretation

From the above given figure, it is observed that 36% students have a bank account whereas 64% students do not have a bank account.

Q. 4) Do you know there are two types of entries made in the passbook?

➤ **Table No. 4: -**

Responses	Yes	Percentage	No	Percentage
Students	19	38%	31	62%



Interpretation

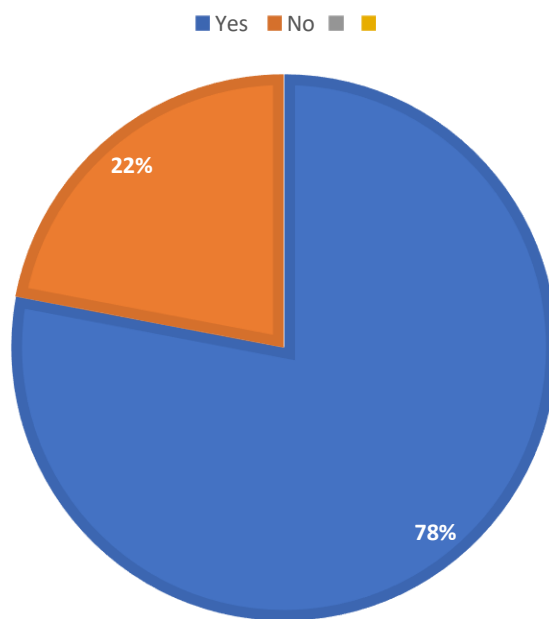
From the above given figure, it is observed that 38% students know that there are two types of entries made in the passbook whereas 62% students do not know that there are two types of entries made in the passbook.

Q. 5) Does the Passbook shows a debit and credit balance?

➤ **Table No. 5: -**

Responses	Yes	Percentage	No	Percentage
Students	39	78%	11	22%

PIE CHART 5



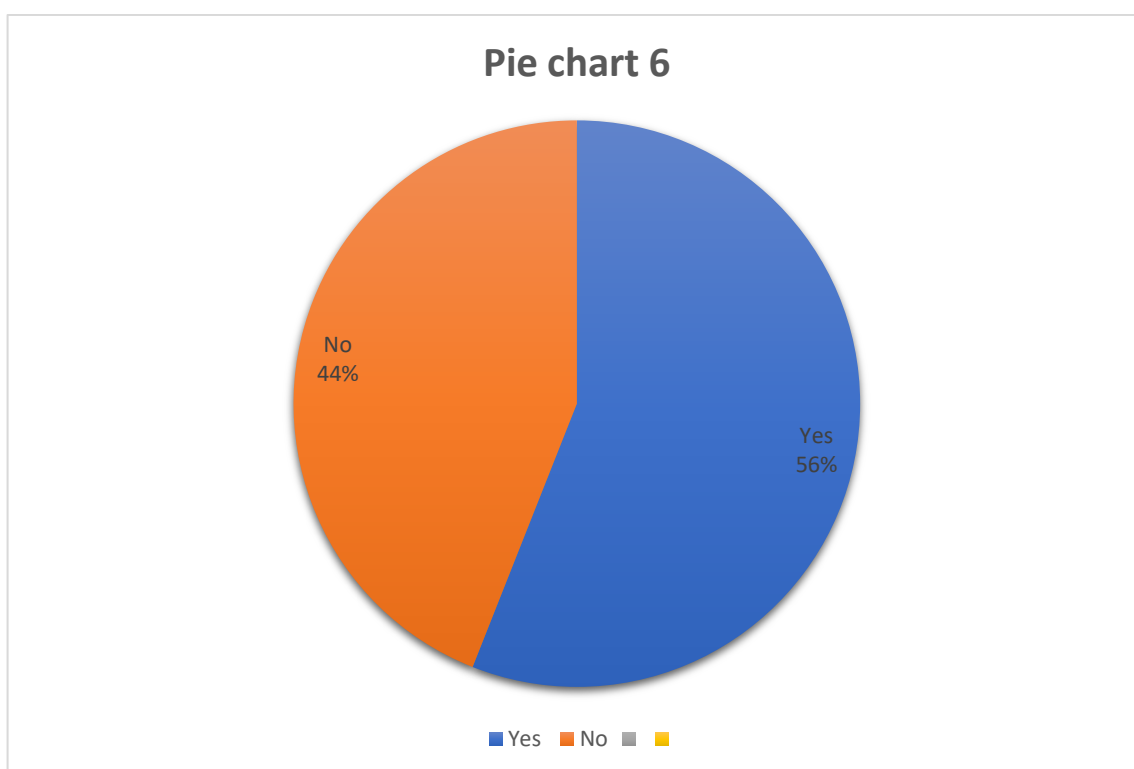
Interpretation

From the above given figure, it is observed that 78% students know that the passbook show a debit and credit balance whereas 22% students do not know that the passbook show a debit and credit balance.

Q. 6) Are you aware of the rule of debit and credit?

➤ **Table No. 6: -**

Responses	Yes	Percentage	No	Percentage
Students	28	56%	22	44%



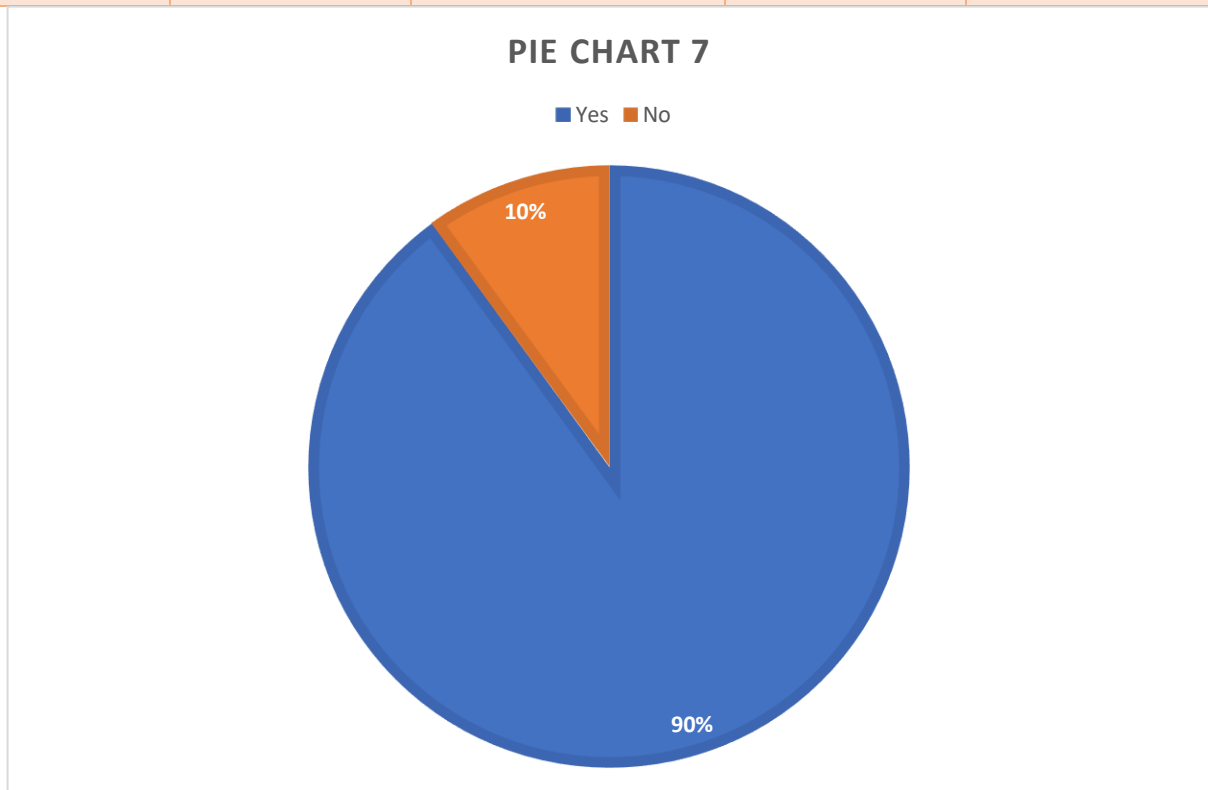
Interpretation

From the above given figure, it is observed that 56% students are aware of the rule of debit and credit whereas 44% students do not know that the rule of debit and credit.

Q. 7) Do you know that the passbook contains the record of your account transaction?

➤ **Table No. 7: -**

Responses	Yes	Percentage	No	Percentage
Students	45	90%	5	10%



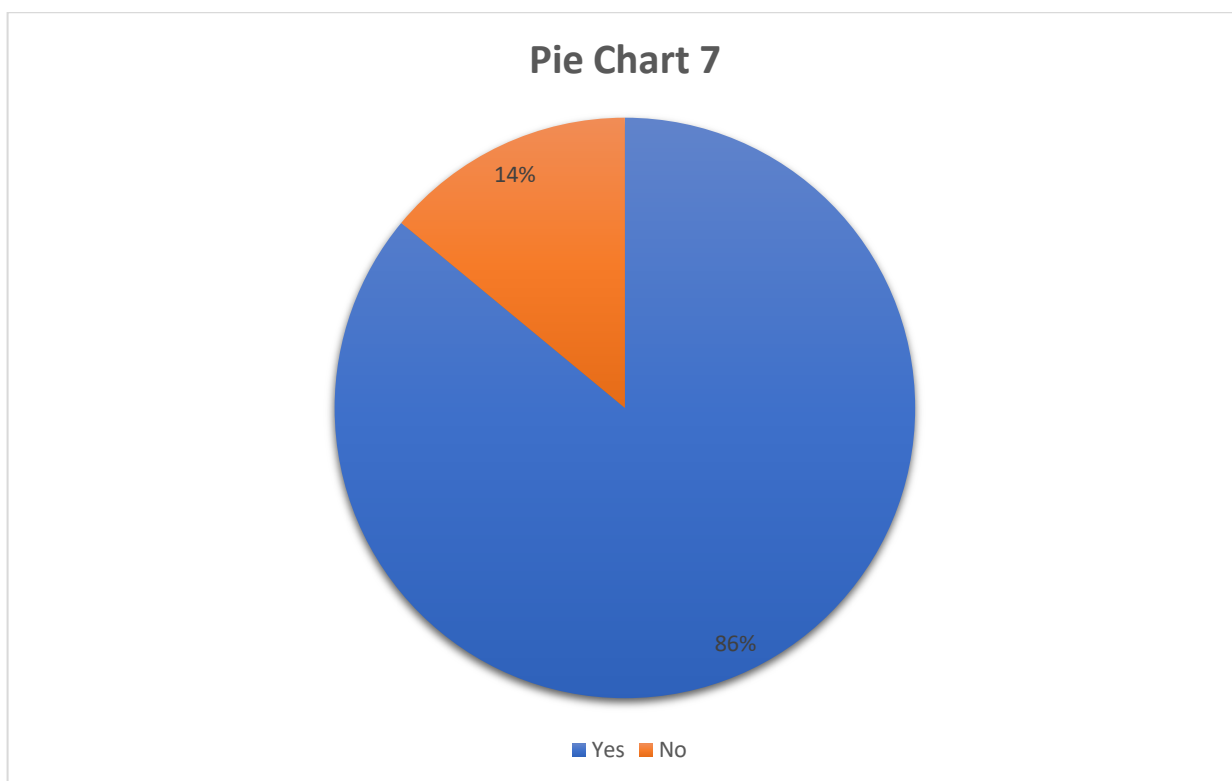
Interpretation

From the above given figure, it is observed that 90% students know that the passbook contains the record of your account transaction whereas 10% students do not know that the passbook contains the record of their account transaction.

Q. 8) Is it true that the passbook contains all the information about the account holders?

➤ **Table No. 8: -**

Responses	Yes	Percentage	No	Percentage
Students	43	86%	7	14%



Interpretation

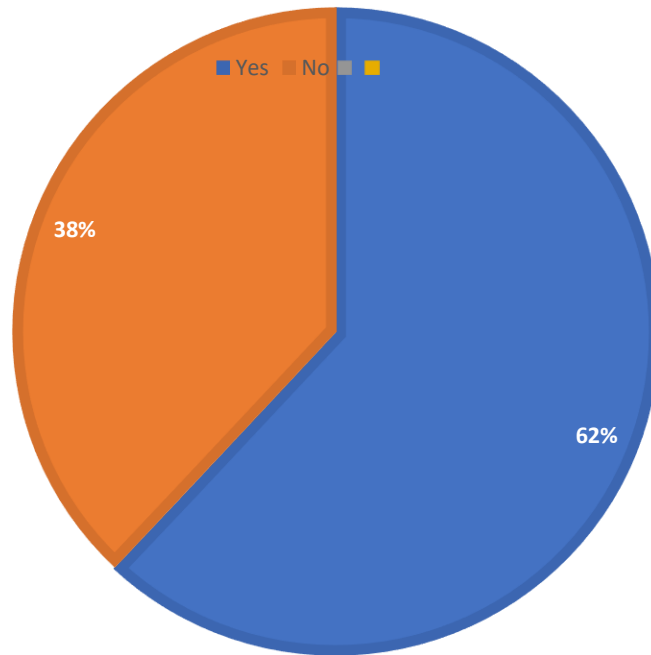
From the above given figure, it is observed that 86% students know that the passbook contains the all the information about the account holders whereas 14% students do not know that the passbook contains all the information about the account holders.

Q.9) Entries in the debit side in the passbook implies withdrawal?

➤ **Table No. 9: -**

Responses	Yes	Percentage	No	Percentage
Students	31	62%	19	38%

PIE CHART 9



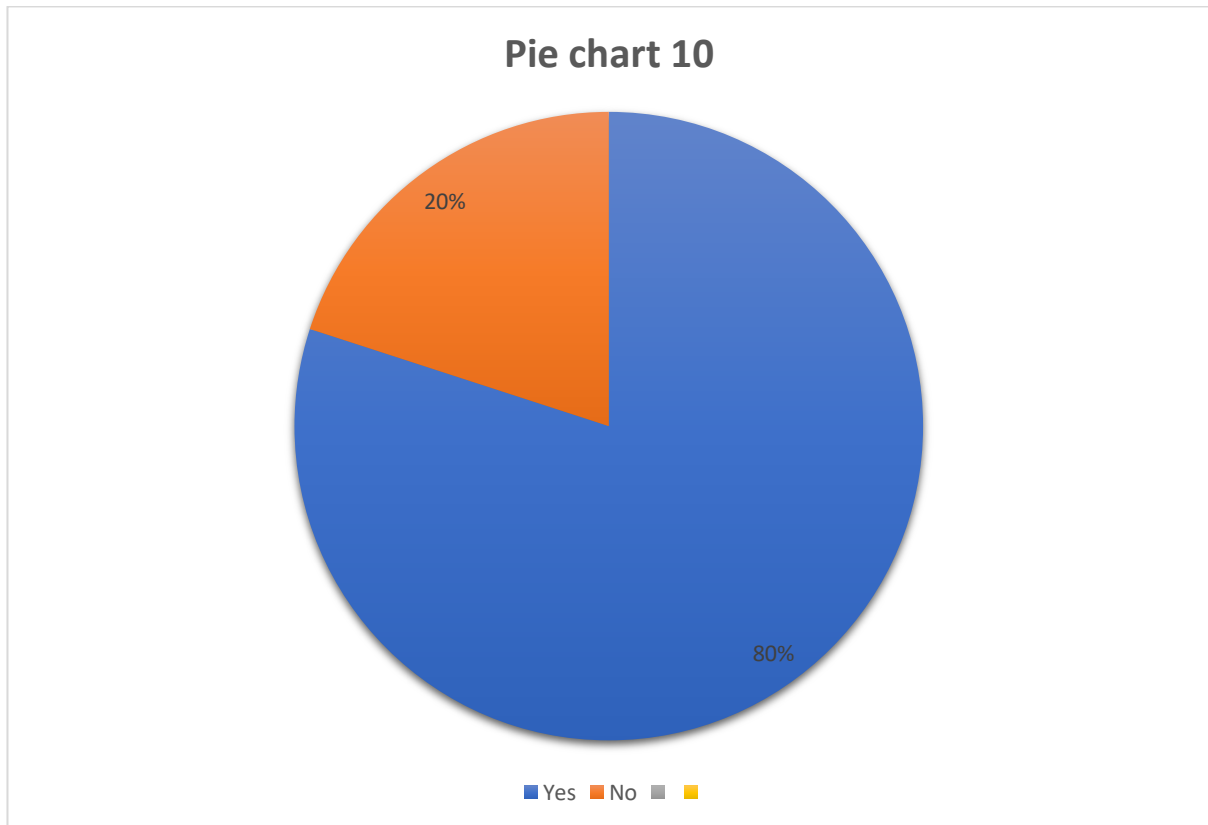
Interpretation

From the above given figure, it is observed that 62% students know that the entries in the debit side in the passbook implies withdrawal whereas 38% students do not know that the entries in the debit side in the passbook implies withdrawal.

Q. 10) A pass book is a copy of cash book relating to cash column?

➤ **Table No. 10: -**

Responses	Yes	Percentage	No	Percentage
Students	40	80%	10	20%



Interpretation

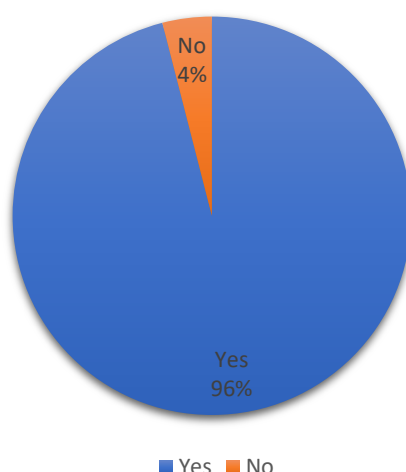
From the above given figure, it is observed that 80% students know that A pass book is a copy of cash book relating to cash column whereas 20% students do not know that the a pass book is a copy of cash book relating to cash column.

Q. 11) Is it necessary for student to study about banking system?

➤ **Table No. 11: -**

Responses	Yes	Percentage	No	Percentage
Students	47	96%	3	4%

Pie chart 11



Interpretation

From the above given figure, it is observed that 96% students feel

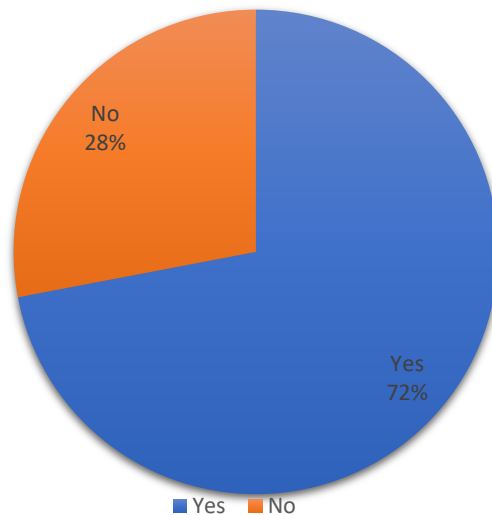
It is necessary for student to study about banking system whereas 4% students do not agree to study about banking system is necessary for them.

Q. 12) Do you find difficult to check debit and credit balance in the pass book?

➤ **Table No. 12: -**

Responses	Yes	Percentage	No	Percentage
Students	36	72%	14	28%

Pie chart 12



Interpretation

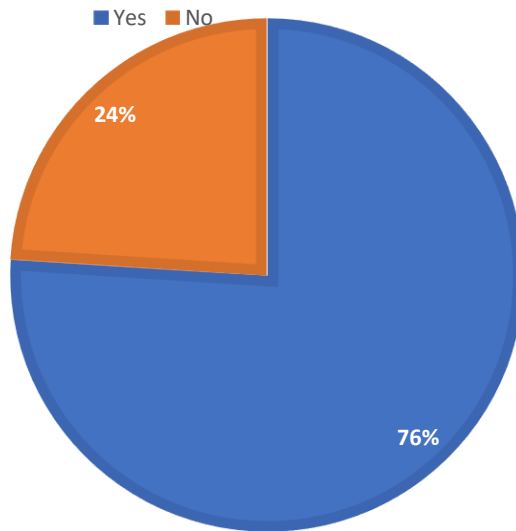
From the above given figure, it is observed that 72% students feel that they find difficult to check debit and credit balance in the pass book whereas 28% students do not find difficult to check debit and credit balance in the pass book.

Q.13) Is it difficult to calculate the closing balance in the passbook?

➤ **Table No. 13: -**

Responses	Yes	Percentage	No	Percentage
Students	38	76%	12	24%

PIE CHART 13



Interpretation

From the above given figure, it is observed that 76% students feel that

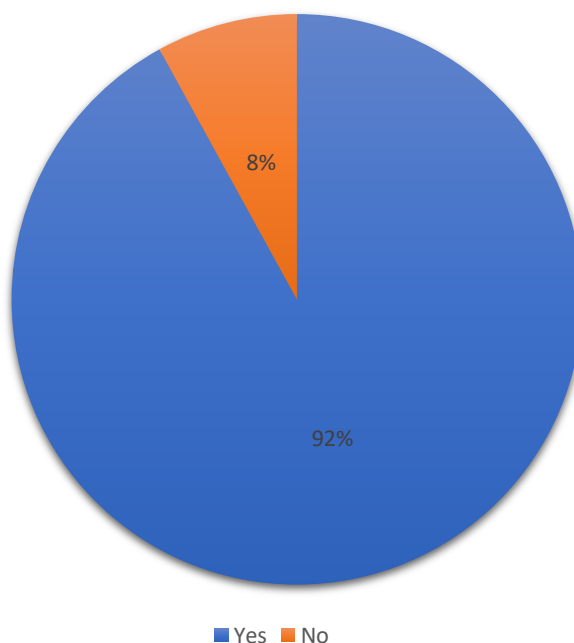
It is difficult to calculate closing balance in the pass book whereas 24% do not find difficult to calculate closing balance in the pass book.

Q. 14) Do you think It is necessary to study Banking system?

➤ **Table No. 14: -**

Responses	Yes	Percentage	No	Percentage
Students	46	92%	4	8%

Pie chart 14



Interpretation

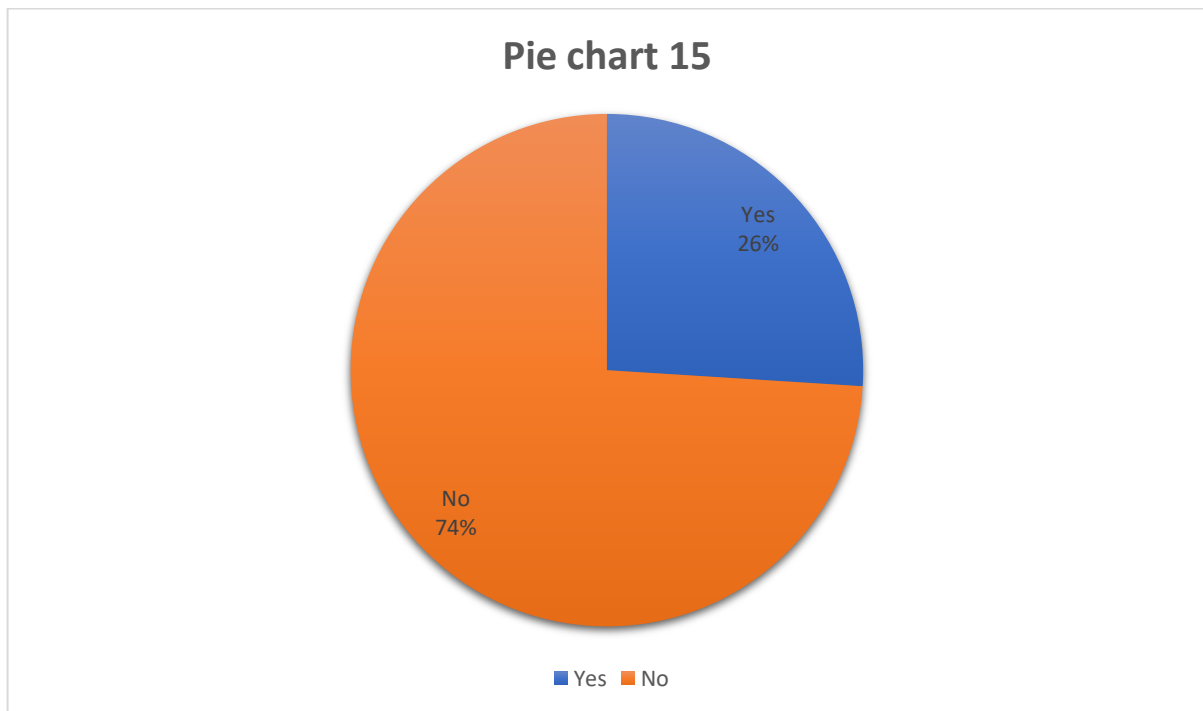
From the above given figure, it is observed that 92% students agree that

It is necessary to study banking system whereas 8% do not agree that it is necessary to study banking system.

Q.15) Is it difficult to find out difference between debit and credit balance in the passbook?

➤ **Table No. 15: -**

Responses	Yes	Percentage	No	Percentage
Students	13	26%	37	74%



Interpretation

From the above given figure, it is observed that 74% students find out difficult to differentiate between debit and credit balance in the passbook whereas 26% students find out difficult to differentiate between debit and credit balance in the passbook.

Major FINDINGS of the study

- 1) During the study, the following major findings have been observed.
 - Most of the students does not have bank account, so they find difficult to understand the banking system (entries made in the passbook).
 - Most of the students are aware about passbook shows a debit and credit balance, and also, they are aware of the rule of debit and credit.
 - Most of the students are aware of the transaction and information of the account holders that a passbook contains
 - Large number of students find difficult to check debit and credit balance in the pass book.
 - Most of the students suggest that it is necessary to study Banking system.
 - Large number of students have idea about a pass book is a copy of cash book relating to cash column.
- Almost every student was aware about the availability and usage of Passbook. Learning being a continuous process, practical approach can be adopted and educating proves to be fun if students are engaged with Banking system.
- From the study, it was observed that most of the students are interested to know more about banking system.

CONCLUSION

A study of Banking system is very important for the students to understand the transaction recorded by the bank and to know how bank functions and operated. From the passbook a student gets to know how accounting rules are applied in real banking. Bank play a major role in the development of Economy and the growth of the country.

So, Passbook is used to record the transaction record taken place between banker and customer. Customer depends on the Pass Book entries to know his account balance and act for further transactions. Customer should bring the Pass Book to the bank at time of each transaction. Banker will update the Pass Book, by entering the transaction taken place. Customer has a right to point out the mistake in the Pass Book at any time

Banks play very important roles in the economic development of nations as they, to a large extent, wield control over the supply of money in circulation and are the main stimuli of economic progress. Economic development is a dynamic and continuous process which is highly dependent upon the mobilisation of resources, investment, and the operational efficiency of the various segments of the economy. The performance of bank institution and other financial institution needs to be evaluated because it is defined as the reflection of the way in which the resources of a bank are used in a form which enables it to achieve its objectives. As the banking sector is considered a vital segment of a modern economy, its efficiency is of vital importance. In order to ensure a healthy financial system and an efficient economy, banks and other financial institution must be carefully evaluated and analysed. While banks and other financial institution help business organisations by rendering a wide range of products and services, the products and services are more or less identical from one bank to another, and there is little scope for differentiation between them. Therefore, it is necessary to measure the banks' individual performance to determine their contribution to business development. In Malaysia, the banking sector includes various private and government banks and some private and government banks have their own branch networks throughout the country. As a consequence of economic reforms and mobilisation, different financial institutions have emerged in the market. This has not only created an increasingly dynamic and competitive banking environment, which calls for enhanced evaluation and analysis, but overall, has encouraged greater efficiency in banking services. Therefore, a strong banking sector including other financial institution is vital for growth, creating jobs, generating wealth, eradicating poverty, entrepreneurial activity and increasing various job opportunities in the country.

SUGGESTIONS

- **For Teachers:** Teachers should explain the awareness of banking system by showing the passbook and cashbook entries in the class. Since now a day's mobile banking and internet banking are widely used by the customers. So, a teacher should make them aware of continuously checking the transaction made by government and tally the debit and credit account.
- **For Students/ Respondents:** The students should clarify their doubts and also have clear understanding of the bank transaction in passbook. Being aware about basic fraud prevention strategies can allow the students to use online banking applications cautiously. Students should be encouraged to open account in banks to get the real experience of banking so that they can understand the concept of banking system efficiently.

REFERENCES

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<https://www.quora.com/What-is-the-importance-of-banking-in-India>
- <https://www.indiastudychannel.com/resources/162807-All-about-Bank-Pass-Book.aspx#:~:text=A%20pass%20book%20is%20also,country%20without%20any%20additional%20charges>.
- <https://www.scribbr.com/dissertation/methodology/>
- Get idea of how to write report from senior student.

APPENDIX

Please mark the appropriate answers as per your choice for the questions given below:

(* - answer in yes no can be given)

1. Do you find difficult to understand banking system?

- i) Yes
- ii) No

2. Do you have ever seen a passbook?

- i) Yes
- ii) No

3. Do you have any account in the bank?

i) Yes

ii) No

4. Do you know there are two types of entries made in the passbook?

i) Yes

ii) No

5. Do the Passbook show a debit balance?

i) Yes

ii) No

6. Are you aware of the rule of debit and credit?

i) Yes

ii) No

7. Do you know that the passbook contains the record of your account transaction?

i) Yes

ii) No

8. Is it true that the passbook contains all the information about the account holders?

i) Yes

ii) No

9. Entries in the debit and credit side in the passbook implies withdrawal?

i) Yes

ii) No

10. A pass book is a copy of cash book relating to cash column?

i) Yes

ii) No

11. Is it necessary for student to study about banking system?

i) Yes

ii) No

12. Do you know as per the bank statement credit side of the passbook implies 'withdrawal'?

i) Yes

- ii) No

13. Do you find difficult to check debit and credit balance in the pass book?

- i) Yes
- ii) No

14. Is it difficult to calculate the closing balance in the passbook?

- i) Yes
- ii) No

15. Do you think It is necessary to study Banking system?

- i) Yes
- ii) No

16. Is it difficult to find out difference between debit and credit balance in the passbook?

- I) Yes
- II) No

REFLECTION: - Action Research Data Analysis was totally a new and learning experience for me. I acquire the knowledge of data Analysis, interpretation, writing need, importance, scope, tools, methodology etc. though it took a long time to complete the entire action research but I enjoyed doing the task.

My guide Dr. Sheetal Ma'am has guided me very well. organising the questionnaire of Action Research in college was also a good experience because I got a good response and the students also enjoyed very much. I learnt to conduct online Research online and write a report on it.