

Project Guidelines

Points to be kept in mind while preparing the Business Studies Project for Grade - 11

1. Always try to choose the interesting business studies project topics
2. Always keep your project short and precise. Add topics only related to your project topic.
3. Try to Add Diagrammatic/Graphic Presentation. Add Diagrams, Pie-Charts, Bar Charts, and Graphs (If Possible)
4. If you have any doubts ask with your project guide for project guidelines
5. Submit your project report on time.

Important points that should be included in the project.

1. Title of the project
2. Problem being discussed in the project
3. The main reason for selecting this project topic
4. Literature Review
5. The objective of the project
6. Scope of the project
7. Limitations of the project
8. Working methodology of project
9. Acknowledgement
10. Preface
11. Contents of the project
12. Observations and findings
13. Conclusion
14. References (reference books, journals, magazines, websites, etc.)

Steps to be kept in mind while writing the project

1. Identifying the Project Statement
2. Setting the Project Objective and Scope of the Project
3. Defining the Project Tasks and Responsibilities (Creating the Work Flow Structure)
4. Monitoring the Project and Finding the Important Resources Required

Business Studies Project - Class 11

(Name of the Project)

Submitted by:

Name:

Roll no:

School Name:

Acknowledgement

I would like to convey my sincere thanks to (Teachers name), my business studies teacher who always gave me valuable suggestions and guidance during the project. She/he has a source of inspiration and helped me understand and remember important details of the project. She/he gave me an amazing opportunity to do this wonderful project '(name of the project)'.

I also thank my parents and friends for their help and support in finalizing this project within the limited time frame.

..... (Name of the student)

Certificate

This is to certify that (Name of the student) of class 11 has successfully completed the Business Studies Project on (Name of the project) as per the guidelines of class 11 Board examination conducted by CBSE.

Teacher's Signature: _____

Teacher's Name: _____

A sample project on 'Banking'.

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Meaning of Banking

Banks occupy an important position in the modern business World. No country can make commercial and industrial progress without a well organized banking system. Banks encourage the habit of saving among the public. They mobilize small savings and channelize them into productive uses.

A bank is an institution which deals in money and credit. It collects deposits from the public and supplies credit, thereby facilitating exchange. It also performs many other functions like credit creation, agency functions, general services etc. Hence, a Bank is an organization which accepts deposits, lends money and performs other agency functions.

Types of Banks

Central Bank

A central bank, reserve bank, or monetary authority is an institution that manages the currency and monetary policy of a state or formal monetary union, and oversees their commercial banking system. In contrast to a commercial bank, a central bank possesses a monopoly on increasing the monetary base. Most central banks also have supervisory and regulatory powers to ensure the stability of member institutions, to prevent bank runs, and to discourage reckless or fraudulent behavior by member banks.



Commercial Banks

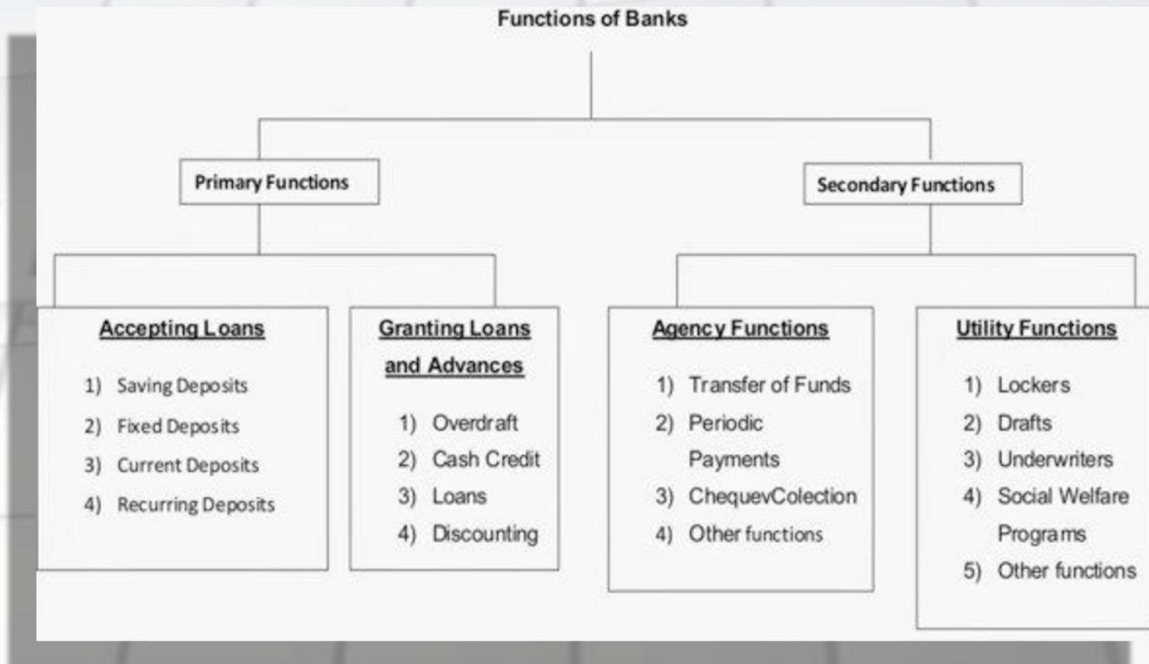
The term commercial bank refers to a financial institution that accepts deposits, offers checking account services, makes various loans, and offers basic financial products like certificates of deposit (CDs) and savings accounts to individuals and small businesses. A

commercial bank is where most people do their banking. Commercial banks make money by providing and earning interest from loans such as mortgages, auto loans, business loans, and personal loans. Customer deposits provide banks with the capital to make these loans.



Function of Bank

Functions Of A Commercial Bank



Primary Functions

1. **Accepting Deposits:** Accepting deposits is the main function of commercial banks. Banks offer different types of Bank accounts to suit the requirements and needs of different customers. Different types of Bank accounts are as follows:
 - A. **Fixed Deposit Account:** Money deposited in the account for a fixed period is called a Fixed Deposit account. After the expiry of specified period, a person can claim his money from the bank. Usually the rate of interest is maximum in this account. The longer the period of deposit, the higher will be the rate of interest on deposit.
 - B. **Current Deposit Account:** Current deposit accounts are opened by businessmen. The account holder can deposit and Withdraw money. Whenever desired. As the deposit is repayable on demand, it is also known as demand deposit. Withdrawals are always made by cheque. No interest is paid on current accounts. Rather charges are taken by the bank for services rendered by it.
 - C. **Saving Deposit Account:** The aim of a saving account is to mobilize savings of the public. A person can open this account by depositing a small sum of money. He can withdraw money from his account and make additional deposits at will. Account

holder also gets interest on his deposit. In this account though the rate of interest is lower than the rate of interest on a fixed deposit account.

- D. Recurring Deposit Account:** The aim of recurring deposit is to encourage regular savings by the people. A depositor can deposit a fixed amount, say Rs. 100 every month for a fixed period. The amount together with interest is repaid on maturity. The interest rate on this account is higher than that on saving deposits.
- E. Multiple Option Deposit Account:** It is a type of saving Bank A/c in which deposits in excess of a particular limit get automatically transferred into fixed Deposit. On the other hand, in case an adequate fund is not available in our saving Bank Account, so as to honour a cheque that we have issued the required amount gets automatically transferred from fixed deposit to the saving bank account. Therefore, the account holder has twin benefits from this amount (i) he can earn more interest and (ii) It lowers the risk of dishonoring a cheque.
2. Lending Money with the help of money collected through various types of deposits, commercial banks lend finance to businessmen, farmers, and others. The main ways of lending money are as follows:
- A. Term Loans:** These loans are provided by the banks to their customers for a fixed period to purchase Machinery. Truck. Scooter. House etc. The borrowers repay the loans in Monthly/Quarterly/Half Yearly/Annual installments.
- B. Bank Overdraft:** The customer who maintains a current account with the bank, takes permission from the bank to withdraw more money than deposited in his account. The extra amount withdrawn is called overdraft. This facility is available to trustworthy customers for a small period. This facility is usually given against the security of some assets or on the personal security of the customer. Interest is charged on the actual amount overdrawn by the customer.
- C. Cash Credit:** Under this arrangement, the bank advances cash loan up to a specified limit against current assets and other securities. The bank opens an account in the name of the borrower and allows him to withdraw the borrowed money from time to time subject to the sanctioned limit. Interest is charged on the amount actually withdrawn.
- D. Discounting the Bill of Exchange:** Under this, a bank gives money to its customers on the security of a bill of exchange before the expiry of the bill in ease of customers needs it. For this service bank charges a discount for the remaining period of the bill.

Secondary Functions

The secondary functions of commercial banks are as under:

(1) Agent Functions

As an agent of its customers a commercial bank provides the following services:

- (I) Collecting bills of exchange, promissory notes and cheques.
- (II) Collecting dividends, interest etc.
- (III) Buying and selling shares, debentures and other securities.
- (IV) Payment of interest, insurance premium etc.
- (V) Transferring funds from one branch to another and from one place to another.
- (VI) Acting as an agent of representative while dealing with other banks and financial institutions. A Commercial bank performs the above functions on behalf of and as per the instructions of its customers.

(2) General Utility Functions:

Commercial banks also perform the following miscellaneous functions:

- (I) Providing lockers for safe custody of jewellery and other valuables of customers.
- (III) Providing information to a customer about the credit worthiness of other customers.
- (IV) Supplying various types of trade information useful to customers.
- (V) Issuing letter of credit, pay orders, bank draft, credit cards and travelers cheques to customers.
- (VI) Underwriting issues of shares and debentures.
- (VII) Providing foreign exchange to importers and travellers going abroad.

Bank Draft: It is a financial instrument with the help of which money can be remitted from one place to another. Anyone can obtain a bank draft after depositing the amount in the bank. The bank issues a draft for the amount in its own branch at other places or other banks (only in case of tie up with those banks) on those places. The payee can present the draft on the drawee bank at his place and collect the money. Bank charges some commission for issuing a bank draft.

Banker's cheque or Pay Order: It is almost like a bank draft. It refers to that bank draft which is payable within the town. In other words banks issue pay orders for local purpose and issue bank draft for outstation transactions.

ELECTRONIC BANKING SERVICES/E-BANKING

Use of computers and the internet in the functioning of the banks is called electronic banking. Because of these services the customers don't need to go to the bank every time for every transaction. He can make transactions with the bank at any time and from any place. The chief electronic services are the following:

1. **Electronic Fund Transfer:** Under it, a bank transfers wages and salaries directly from the company's account to the accounts of employees of the company. The other examples of EFTs are online payment of electricity bill, water bill, insurance premium, house tax etc.
2. **Automatic Teller Machines:** (ATMs) ATM is an automatic machine with the help of which money can be withdrawn or deposited by inserting the card and entering personal Identity Number (PIN). This machine operates for all 24 hours.
3. **Debit Card:** A Debit Card is issued to customers in lieu of his money deposited in the bank. The customers can make immediate payment of goods purchased or services obtained on the basis of his debit card provided the terminal facility is available with the seller.
4. **Credit Card:** A bank issues a credit card to those of its customers who enjoy a good reputation. This is a sort of overdraft facility. With the help of this card, the holder can buy goods or obtain services up to a certain amount even without having sufficient deposit in their bank accounts.
5. **TeleBanking:** Under this facility, a customer can get information about the account balance or any other information about the latest transactions on the telephone.
6. **Core Banking Solution Centralized Banking Solution:** In this system customers by opening a bank account in one branch (which has CBS facility) can operate the same account in all CBS branches of the same bank anywhere across the country. It is immaterial with which branch of the bank the customer deals with when he/she is a CBS branch customer.
7. **National Electronic Fund Transfer:** NEFT refers to a nationwide system that facilitates individuals, firms and companies to electronically transfer funds from any branch to any individual, firm or company having an account with any other bank branch in the country. NEFT settles transactions in batches. The settlement takes place at a particular point of time. For example, NEFT settlement takes place 6 times a day during the weekdays (9.30am, 10.30 am, 12.00 noon, 1.00 pm, 3.00 pm & 4.00pm) and 3 times during Saturday (9.30 am, 10.30 am and 12.00 noon) Any transaction initiated after a designated settlement time is settled on the next fixed settlement time.
8. **Real Time Gross Settlement:** RTGS refers to a funds transfer system where transfer of funds takes place from one bank to another on a Real-time and on Gross basis. Settlement in Real-time means transactions are settled as soon as they are processed and are not subject to any waiting period. Gross settlement means the transaction is settled on one to one basis without bunching or netting with any other transaction. This is the fastest possible money transfer system through the banking channel. The RTGS service for customers is available from 9.00 am to 3.00 pm on weekdays and from 9.00 am to 12.00 noon on Saturdays. The basic difference between RTGS and NEFT is that while RTGS transactions are processed continuously, NEFT settles transactions in batches.

Benefits of E-Banking to Customer:

1. E-Banking provides 24 hours a day X 365 days a year services to the customers.
2. Customers can make transactions from the office or house or while traveling via mobile telephone.
3. There is greater customer satisfaction through E-banking as it offers unlimited access and great security as they can avoid travelling with cash.

Benefits of E-Banking to Banks:

1. E-Banking lowers the transaction cost.
2. Load on branches can be reduced by establishing a centralized database.
3. E-Banking provides competitive advantage to the bank, and adds value to the banking relationship.



Bibliography

Government and other websites
Online and RBI links
News paper, magazines.