

A STUDY ON FINANCIAL INCLUSION IN INDIA

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Abstract: Financial Inclusion can be stated as the availability of financial services to the needful people in the economy. Finance the important component in life and with regards to business concern it's considered as blood, and the need for it arise in each and every situation. The availability of finance to all sections of the society is very much important without any difference. The development of the economic sectors with adequate finance on time helps in economic development and growth which helps in achieving the aim of overall development and sustainability of the nation. With the help of financial inclusion concept of providing adequate funds we could achieve the country as a developed one, as said above. In this paper, it throws light on the concept of financial inclusion, the importance of financial inclusion in the present era and the opportunities and availabilities available are analyzed with the aim of financial inclusion in the country with a very high stake.

Keywords: Economic Development, Finance, Financial Inclusion.

I. INTRODUCTION

The economic growth taking place in the country is through the contribution of all sectors of the economy which goes hand in hand in developing the nation. Providing the adequate amount of finance to these sectors helps in contribution at a greater level. The development which is taking place in banking sector is considered as a tremendous growth.

The system of online banking is changing the approach of people from traditional banking method. These shows that people are going with the change of time and having a direct relationship with banks and their process.

The nature of providing finance to the needful on time helps in following the thought of financial inclusion and for this to happen the Government and banking sectors are making people aware on the need to have a bank account and how to use finance efficiently at the ease. This makes sure that all sectors of the economy is given equal privilege without any differentiation.

II. REVIEW OF LITERATURE

The collection of reviews has been made from various studies undertaken by academicians and scholars that are found in, magazines, books, journals, publications and the like.

Sonu Garg, Dr. Parul Agarwal (2014) in their article titled “Financial Inclusion in India – a Review of Initiatives and Achievements” Published in IOSR Journal of Business and Management (IOSR-JBM) highlighted the importance of financial inclusion in India. The concept of financial inclusion and various approaches to achieve it were set out.

Divya Joseph (2014) in her article titled “A Study on Financial Inclusion and Financial Literacy” Published in International Journal of Business and Administration Research Review (IJBARR) stated the concept of financial inclusion and how it is related with the concept of financial literacy. The research intends to conduct a study of the extent to which the people having different demographic profile residing in a rural area are conversant with banking habits

III. OBJECTIVES

- To understand the concept of financial inclusion.
- To analyze the banking culture of respondents.
- To understand the view on financial services and products with various aspects.

IV. RESEARCH METHODOLOGY

The data for the study was collected from primary and secondary source. The secondary information was taken from magazines, journals, newspaper and websites. For the primary information a questionnaire was framed and a sample size of 150 respondents chosen according to sampling method. The analysis of response was done using Percentage method and Chi-Square Test.

V. ANALYSIS AND INTERPRETATION

Table 1: Representing the No. of Respondents having Bank A/C

Respondents having Bank A/C				
Yes		No		Total
No.	%	No.	%	
129	86%	21	14%	150

From the table we could infer that, out of 150 respondents 86% of the respondents have bank account and 14% of the respondents don't have an account.

Table 2: Representing the respondents choice of Bank A/C

Types of Bank A/C		
Types	%	No.
Savings A/C	41%	61
Time Deposit	28%	42
Recurring Deposit	31%	47
Total	100	150

From the table we could infer that, 41% of the total respondents have Savings A/C in bank, 31% of the respondents have Recurring Deposit account and the rest 28% have Time Deposit account.

Table 3: Representing the factors which influence to have a Bank A/C

Factors influencing to have a Bank A/C		
Factors	%	No.
Interest Rate	22%	33
Security	24%	36
Service	16%	24
Convenience	17%	26
ATM Facility	21%	31
Total	100	150

From the above table we could infer that, out 150 respondents 24% of the respondents choose Security, 22% of the respondents choose Interest Rate, 21% of the respondents choose ATM facility as the factors which influence them to have a bank account. And the rest 17% and 16% of the total respondents prefer convenience and service as their choice of factor.

Table 4: Representing the Source of information on Financial Services & Products

Information on Financial Services & Products		
Source	%	No.
Internet	23%	34
Newspaper	25%	38
Journals	15%	22
T.V	19%	29
Relatives & Friends	18%	27
Total	100	150

From the table we could infer that, Newspaper is the main source of information on Financial Services and Products with 25% respondent's choice on it. 23% of the respondents avail Internet to know the information, 19% of the respondents get information through T.V, 18% of the respondents get information from their Relatives & Friends and the rest 15% from Journals.

VI. TESTING OF HYPOTHESIS

H₀: There is no significant relationship between Income of the respondents and the types of Bank A/C they hold.

Variables taken for the test are: **Independent Variable-** Income of the respondents

Dependent Variable- Types of Bank A/C

Chi-Square Test

	Value	df	Asymp.Sig (2-sided)
Pearson Chi-Square	2.730 ^a	6	0.842
Likelihood Ratio	2.758	6	0.839
Linear-by-Linear Association	1.318	1	0.251
N of Valid Cases	150		

It is interpreted from the chi square analysis that the p value (.842) is lesser than the significant value (0.05). It is proved that there is no significant relationship between the variables taken for the study.

VII. FINDINGS

The major findings of the study and their implications are as follows:

- Out of 150 respondents 86% of the respondent has bank account and the rest 14% have no account.
- Majority with 41% of the respondents choose Savings A/C, 31% preferring Recurring Deposit and 28% with less majority use Time Deposit.
- From the analysis majority of respondents with 24%, 22% and 21% consider Security, Interest Rate and ATM Facility as major factor influencing them to have a bank account than the rest.
- Newspaper has been considered as major source of information relating to financial services and products with a majority of 25% out of the total respondents of 150.

VIII. CONCLUSION

Financial inclusion is dealt as a concept which helps in providing the funds to needful ones. Now people have access to all sorts of financial products and services, so it is necessary that the access is utilized to the fullest and helps in contributing for the development. Financial inclusion thus can be said as the platform through adequate finance flow in the society and each sectors contributing to it helps in the development.

IX. REFERENCE

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