

PROJECT REPORT SUBMITTED FOR THE PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD FOR THE DEGREE OF
BACHELOR OF COMMERCE

BY

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UNDER THE GUIDENCE OF

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S.CH.V.P.M.R. GOVT DEGREE COLLEGE, GANAPAVARAM

DEPARTMENT OF COMMERCE

2021-2022

S.CH.V.P.M.R. GOVT DEGREE COLLEGE, GANAPAVARAM
DEPARTMENT OF COMMERCE



PROJECT NAME : E BANKING

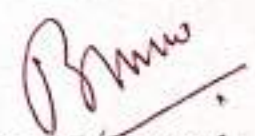
CERTIFICATE

This is to certify that ...Sk. Alisha..... of class B.Com (V) has successfully completed his/her project on topicE...Banking..... as prescribed by Mr...P.V. Ramesh Babu.....during the academic year.....2022..... as per the guidelines given by Head of the department

Sign


Lecturer's name

()


Sign of external

Names- Sk. Alsha

Topic

E - BANKING

Thanking you

I am very much tankfull to you to
Submit my Project on "E-banking" for the
Co-pperation and Support of the college principleal
Sri Sri P. Madhu Raju Garu And Commerce Depart
-ment Smt. Rani durga madam and , Ramesh Sri,
Bala madam.

I shall be every graceful to the depart
of Commerce and express by gratitudo to All the
facility to department of Commerce Sri P.V Ramesh
babu M-C-A and Smt. B. Rani durga mam and Smt.
Bala mam.

Thanking you Sri,

Yours faithfully,
Sk. Alisha.

Place :- Ganapavaram.

Date :- 6/8/2022.

E-Banking

Electronic banking has many names like e-banking, virtual banking, online banking, or Internet Banking. It is simply the use of electronic and telecommunications network for delivering various banking products and services. Through e-banking, a customer can access his account and conduct many transactions using his computer or mobile phone. In this article, we will look at the importance and types of e-banking services.

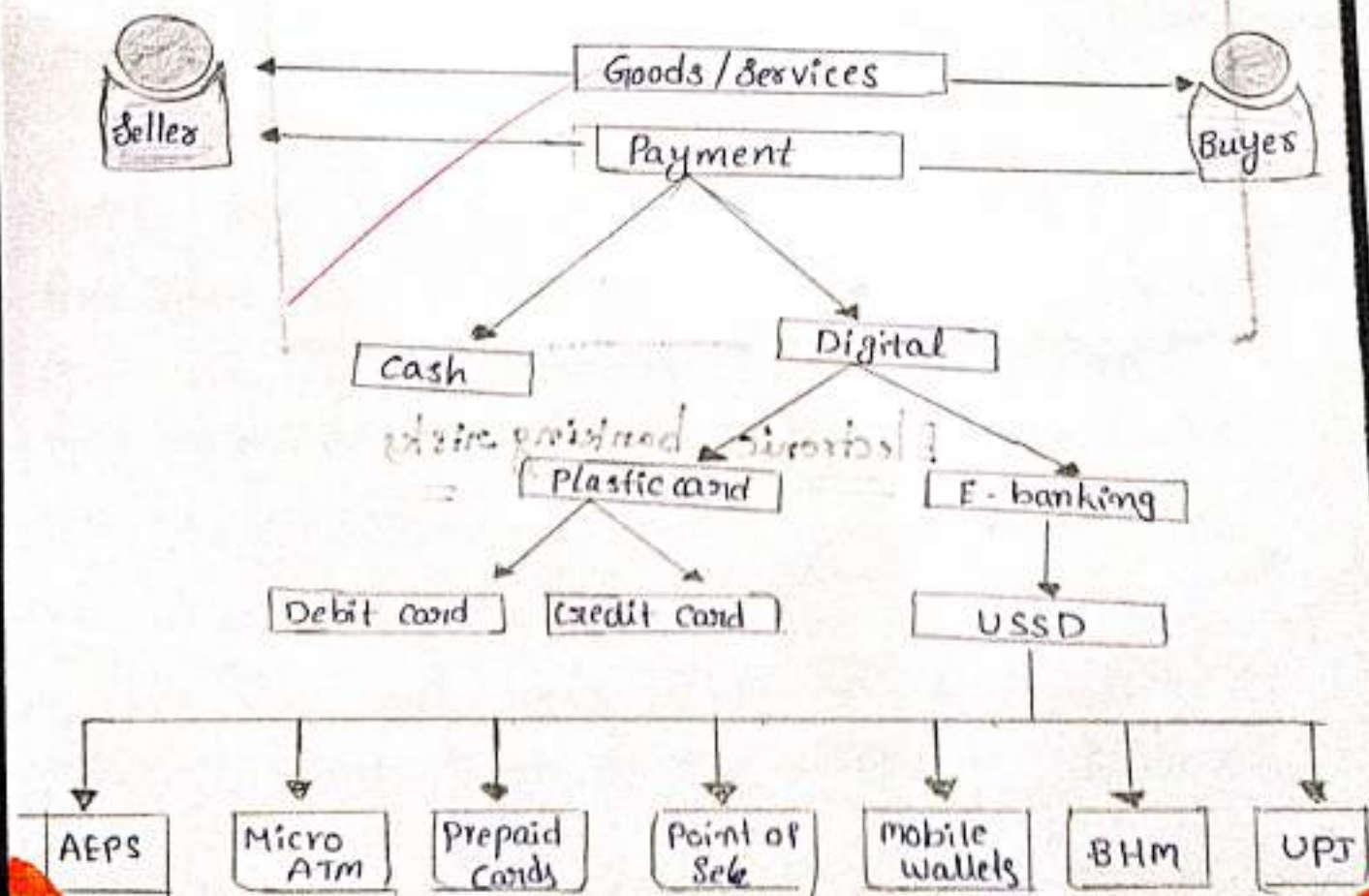
Definition:-

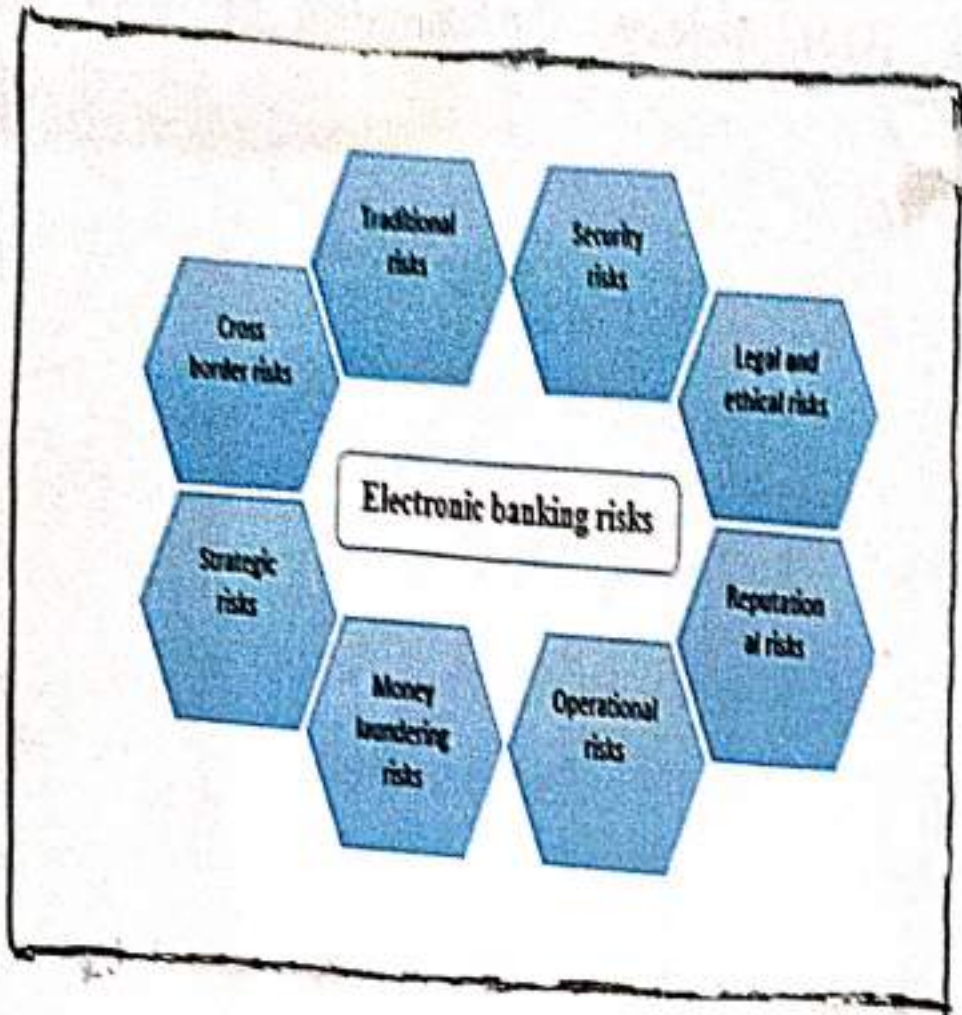
E-banking is a blanket term used to indicate a process through which a customer is allowed to carry out, personal or commercial banking transactions using electronic and telecommunication network.

It is a product offered by banks which facilitates online banking, with the help of which

the customer can have access to the bank account in just one click.

E-banking covers facilities such as - fund transfer, checking account statements, utility bill payments, opening of bank account, locating nearest ATM, obtain information in financial products and services, applying for loans, etc. using a personal computer, smartphone, laptop or personal digital assistant.

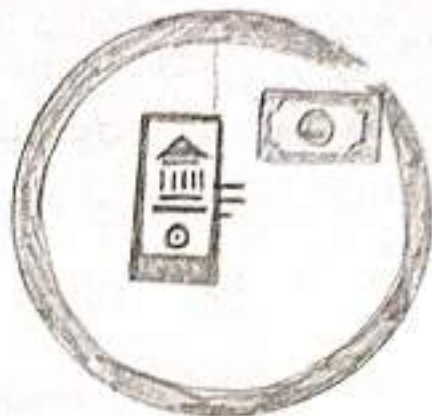




Electronic banking risks

Types of e-banking

Banks offer various types of services through electronic banking platforms. These are of [e-banking] three types.



Level - 1

This is the basic level of service that banks offer through their websites. Through this service, the bank offers information about its products and services to customers. Further, some banks may receive and reply to queries through e-mail too.

Level - 2

In this level, banks allow their customers to submit instructions or applications for different

Services, check their account balance. etc. However banks do not permit their customers to do any fund-based transactions on their accounts.

Level - 3

In the third level, banks allow their customers to operate their accounts for funds transfer, bill payments, and purchase and redeem securities, etc..

Most traditional banks offer e-banking services as an additional method of providing service. Further, many new banks deliver banking services primarily through the internet or other electronic delivery channels. Also, some banks are "Internet only" banks without any physical branch anywhere in the country.

* Functions of money and its Demand.

* Supply of money

* Instruments of monetary policy and the Reserve Bank of India.

E-banking Services

In simple words, e-banking refers to a banking arrangement, with which the customer can perform various transactions over the Internet, which is end-to-end encrypted, i.e. it is completely safe and secure.

E-banking promotes paperless/cashless transactions. It comes with a number of rights, responsibilities and fees as well. The range of services covered under e-banking are.

1. Internet Banking.
2. Mobile Banking
3. ATM
4. Debit Card
5. Credit Card
6. Point of Sale [POS]
7. Electronic Data Interchange [EDI]
8. Electronic Fund Transfer [EFT]

1. Internet Banking

A banking facility provided to the customers through which the customers are able to perform a number of monetary and non-monetary transactions, using the Internet, through the bank's website or applications.

2. Mobile Banking:-

Almost all the banks have designed their mobile applications with which you can perform transactions at your fingertips. For this, four things are required - a smartphone, Internet, mobile application, and mobile banking service enabled in your bank account.

3. ATM

Automated Teller machine popularly known as ATM is one of the most common and initial service provided under e-banking. It is not just a machine with which you can withdraw cash as and when required, but it also allows you

⑦

to check your account status, transfer fund, deposit fund, changes mobile numbers, change Debit Card PIN, i.e. personal Identification number.

4. Debit Card

Debit Cards are used in our day to day life so as to perform end number of transactions. Debit Cards are linked to the customer's bank account and so the customer only needs to swipe the card. In order to make payment at point of sale (POS) outlets, online shopping, ATM withdrawal. In this way, the amount is deducted from the customer's account directly.

5. Credit Card

Just like a debit card, a credit card is also a payment card which the banks issue to the customer on their request, after checking their credit score and history. It enables the cardholder to borrow funds upto the pre-approved limit and make payment.

②
The limit is granted by the banks which issue the card. The cardholder promises to repay the amount within a stipulated time, with some charges, for the use of credit card.

6. Point of Sale (pos)

Points of Sale system refers to the point, in terms of date, time and place (retail outlet) where the customer makes a payment, using a plastic card, for the purchase made or services received.

7. Electronic Data Interchange [EDI]

Electronic Data Interchange is a new mode of communicating information between businesses electronically using a standardized format, which was conventionally paper-based.

8. Electronic Fund Transfer [EFT]

When money is transferred electronically from one bank to another, it is called as electronic

a

Fund transfer. It covers direct debit, direct deposits, wire transfers, NEFT, RTGS, IMPS, etc..

Therefore, banking websites are two types

1. Informational Websites:-

These websites offer general information about the bank and its products and services to customers.

2. Transactional Websites.

These websites allow customers to conduct transactions on the bank's website. Further, these transactions can range from a simple retail account balance inquiry to a large business-to-business funds transfer. The following table

lists some common retail and wholesale

e-banking services offered by banks and

financial institutions.

Common e-banking Services

Retail Services	Wholesale Services
Account management	Account management
Bill payment	Cash management
New account opening	Small business loan applications, approvals, or advances.
Consumer wire transfers	Commercial wire transfers
Investment / Brokerage Services	Business-to-Business payments
Loan application and approval	Employee benefits / pension administration.
Account aggregation.	

Benefits of E-banking

- * It enables digital payments, which encourages transparency.
- * It allows 24/7 access to the bank account.
- * It also sends notifications and alerts to get updated with the banking transactions and changes in the rules.

- * It lowers transaction cost for the banks.
- * It is convenient and easy for customers as they are not required to visit the bank branch every time.

In a nutshell, any type of banking transaction performed through electronic mode comes under E-banking.

Importance of e-banking

We will look at the importance of e-banking for banks, individual customers, and businesses separately.

Banks

1. Lesser transaction costs - electronic transactions are the cheapest modes of transaction.
2. A reduced margin for human error - since the information is relayed electronically, there is no room for human error.

Businesses

1. Account reviews - Business owners and designated staff members can access the accounts quickly using an online-banking interface.
2. Better productivity - Electronic banking improves productivity. It allows the automation of regular monthly payments and a host of other features to enhance the productivity of the business.
3. Lower costs - usually, costs in banking relationship are based on the resources utilized. If a certain business requires more assistance with wire transfers.
4. Lesser errors - Electronic banking helps reduce errors in regular banking transactions. Bad handwriting, mistaken information, etc. can cause errors which can prove costly.
5. Reduced fraud - Electronic banking provides a digital footprint for all employees who have the right to modify banking activities.

that you are an authorized person
instructions clause 5.

Instructions

If it is not possible to direct an electronic banking services to a specified account in accordance with the Instructions you or an authorized person gives the electronic equipment, we may direct it to any account that is linked to your Security Code.

using electronic banking services

Availability

Electronic banking services, and certain facilities under the electronic banking services, may be available only for certain types of accounts and not others.

Eligibility

you and each authorized person must be at least 18 years of age to use electronic banking services.

Service temporarily at any time for maintenance and upgrading of services.

SMS Banking

SMS Banking is only available for mobile phones and data connections which meet the specifications and configurations we specify.

To protect your own confidential information, you must delete all incoming and outgoing SMS messages from your mobile phone immediately after you have read them. You consent to us recording SMS messages you send us or we send you.

EStatement

You may elect to receive eStatement by one or both of the following methods.

method	Description
online banking	your eStatement is available for download by logging into online banking.
Email only	your encrypted eStatement as an attachment is sent to your email addresses

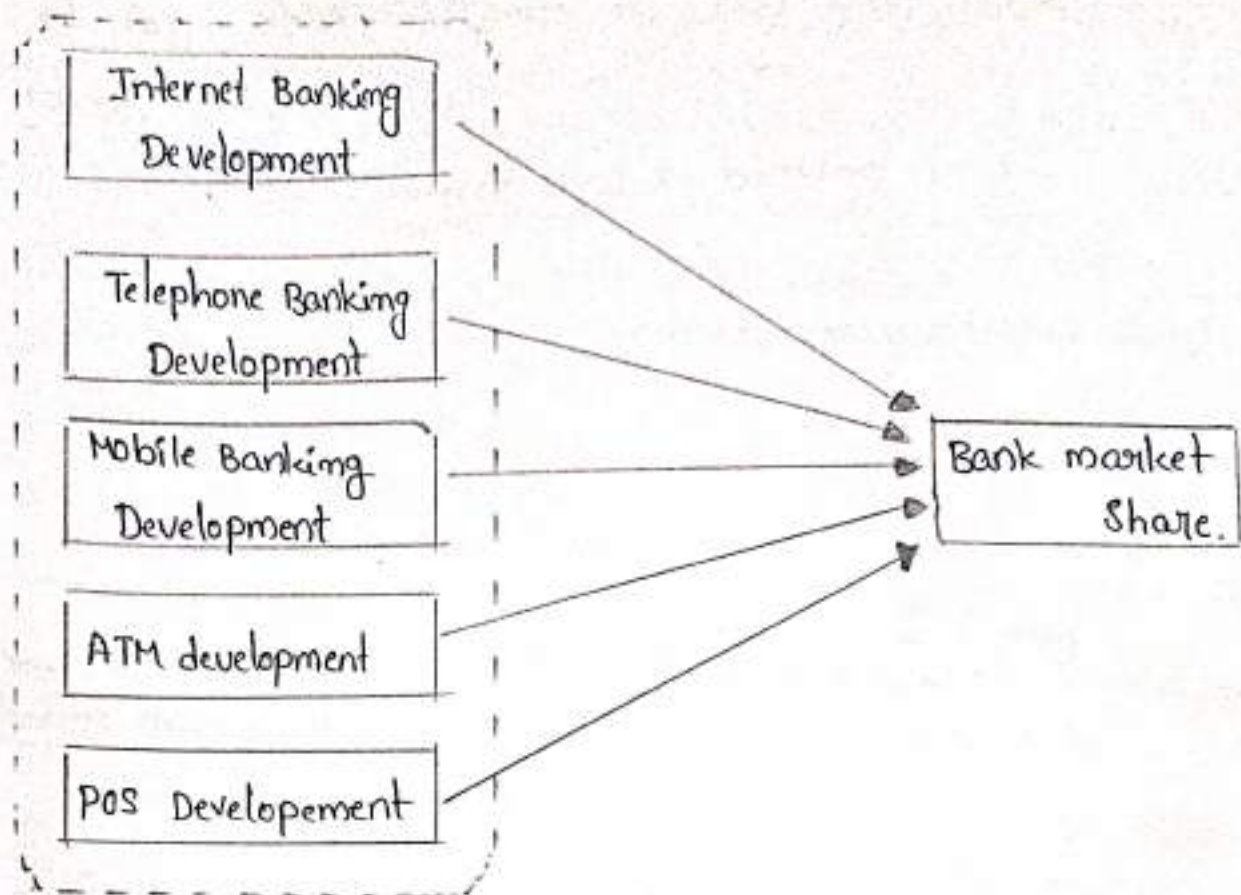
If you elect to receive e-statements we automatically stop issuing paper printouts of your statements. However, if you ask, we agree to give paper printouts on the basis that you pay the applicable fee.

We send e-statement at the frequency agreed with us when your account is opened. You are taken to receive each e-statement or e-statement notifications being sent by us. You must use only software compatible with the e-statement service to access the e-statement.

e-banking Issues & challenges

1. Debit Card :- Debit cards are used in our day to day life so as to perform a number of transactions. online shopping, ATM withdrawal. In this way the amount is deducted from the customer's account directly.

e-banking market shares



Development of e-banking market shares.

* Pay by phone systems

This service allows the customer to contact his/her bank to request them for any bill payments or to transfer funds to some other account.

* Deposit and withdraws

This service under e-banking offer the customer a facility to approve paychecks regularly

The difference between e-money and e-banking is that, with e-money, balances are not kept in financial accounts with banks.

Types of e-banking

The common assumption is that Internet banking is the only method of on-line banking. However, this is not strictly the case, as several types of service are currently available.

- PC Banking - The forerunner to Internet banking has been around since the late 1980's and is still widely used today. Individual banks provide software which is loaded on to an SME's office computer.
- Internet banking - Using a web browser, a user can access their account, once the bank's application server has validated the user's identity.
- Digital TV Banking = Using the standard digital reception equipment, users can access their bank account. Abbey National and HSBC services are available via Digital TV providers. One of its main selling

Points is that no account details are transmitted via the world wide web.

Owenship of Software

- If we allow you to use any e-banking service software, we grant you a non-exclusive licence to use the electronic banking service software only for the purpose of accessing e-banking services.
- * take copies, sell, assign, transfer or
 - * otherwise deal with the e-banking service software or your licence to use it: or
 - * attempt to decompile, reverse engineer, input or compile any of the electronic banking services software.

e-banking weakness

1. High Initial amount to open a account: In Comparison of other banks ING VYSYA Bank offers their Savings and Current account with a minimum balance of RS. 5000 and 10,000 respectively.
2. Less no. of Branches: Branches of ING VYSYA Bank are to low as compared to other Banks, specially

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in the usual or semi-usual part of the country -

Other Services and programmes

We are not responsible for any services that are not controlled by us, through which you or an authorized person accesses any e-banking services and we are not liable for any loss you incur in connection with that service.

We may offer incentive programmes or value added services in connection with electronic banking services. These may be provided by us or a third party. We may vary or withdraw the programme of services at any time. They are provided on the terms offered by the third party.

