

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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**DEPARTMENT OF COMMERCE**

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



PROJECT NAME : ELECTRONIC BANKING

**CERTIFICATE**

This is to certify that U. Manasa of class IB B.Com (Voc) has successfully completed his/her project on topic Electronic 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

Sign of external

  
Lecturer's name

( )

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## Introduction to E-Commerce

Electronic Commerce is commerce enabled by Internet - era technologies.

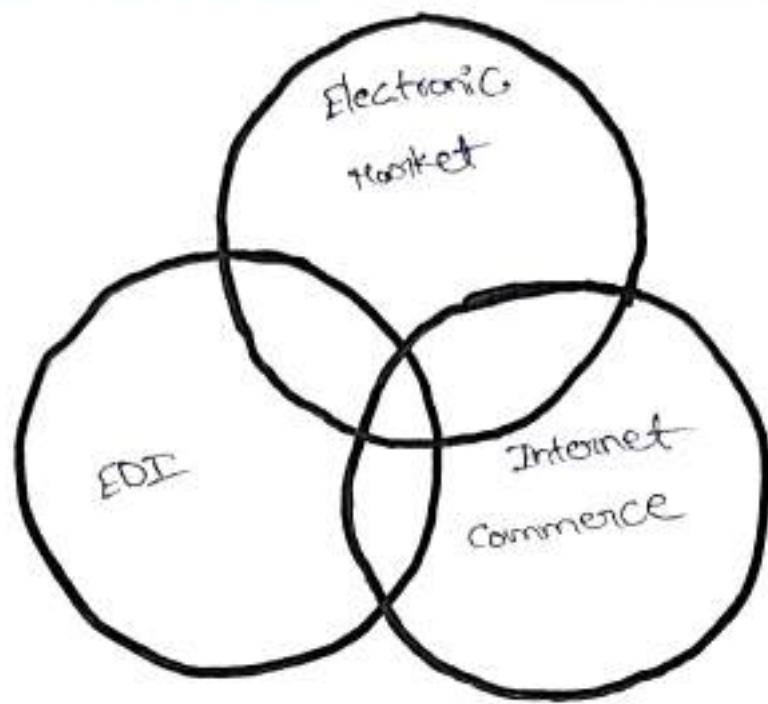
It is the commercialization and popularization of the internet that has put e-commerce towards the top of the public and political agenda. But e-commerce using electronic markets and EDI have been an established part of the business scene for at least a decade prior to the "Internet era". A more general definition of e-commerce is given by Wigand (1997) as the seamless application of information and communication technology from its point of origin to its endpoint along the entire value chain of business processes conducted electronically and designed to enable the accomplishment of a business goal. These processes may be partial or complete and may encompass business to business as well as business to consumer and consumer to business transactions.



A further definition of e-commerce is provided at a Electronic Commerce is a general concept covering any form of business transactions or information exchange executed using information and communication technology, between companies, between companies and their customers or between companies and public administrations.

Electronic commerce includes electronic trading of goods services and electronic material

The mainstream of e-commerce consists of these three areas. These are represented as a diagram and outlined in a little more detail below.



The three Categories of e-commerce

\* Electronic Market

An electronic market is the use of information and communications technology to present a range of offerings available in a market segment. So that the purchase can compare the prices of the offerings and make a purchase decision. The usual example of an electronic market is an airline booking system.

\* EDI

EDI refers to Electronic Data Interchange. EDI provides a standardized system for coding trade transactions. So that they can be communicated directly from one computer system to another without the need for printed orders and invoices and the delays and errors implicit in paper handling. EDI is used by organizations that make a large number of regular transactions. One sector where EDI is extensively used is the large supermarket chains which use EDI for transactions with their suppliers.



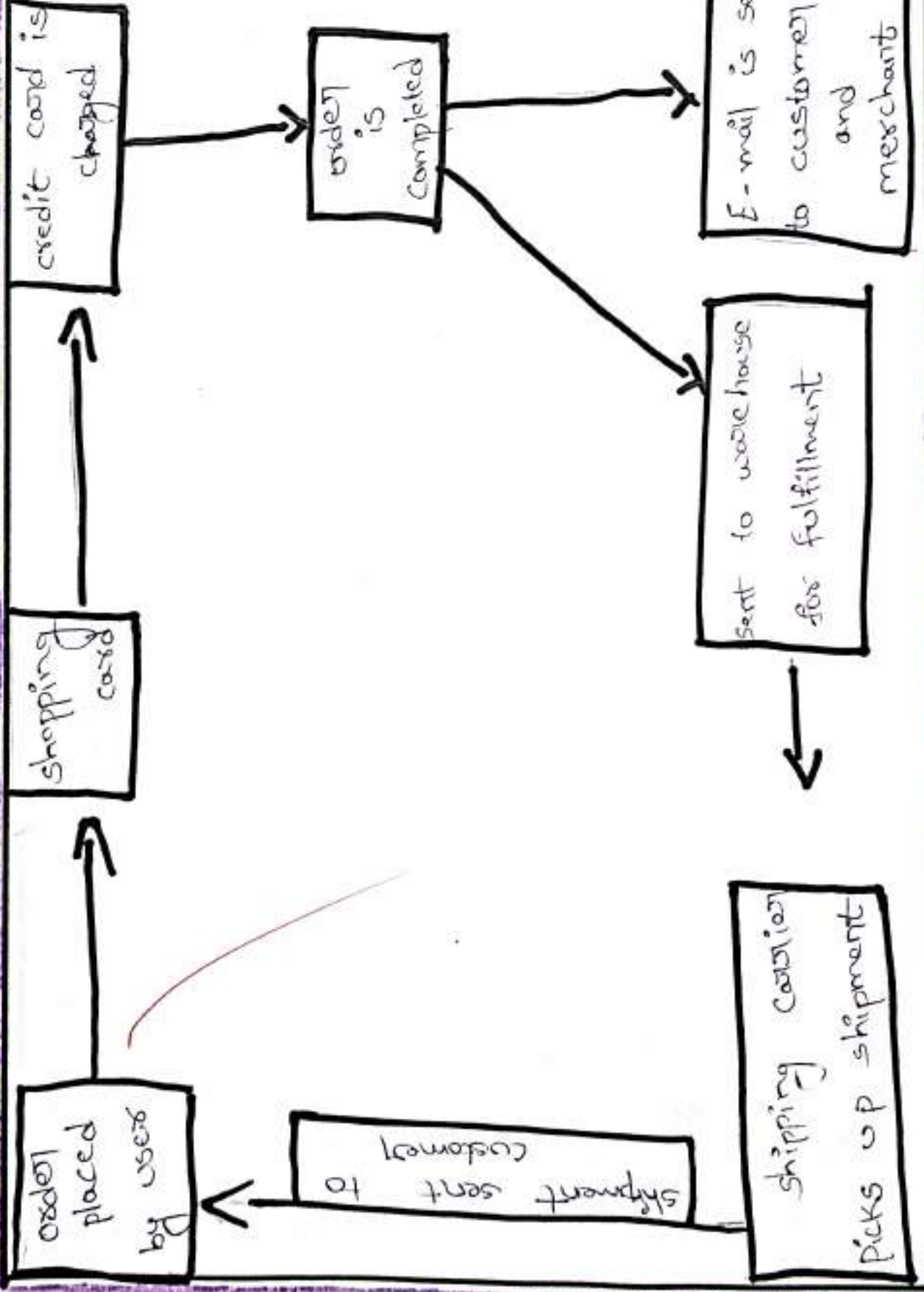
## \* Internet Commerce

Information and Communications technologies can also be used to advertise and make once-off sales of a wide range of goods and services. This type of e-commerce is typified by the commercial use of the internet. The internet can, for example, be used for the purchase of books that will then be delivered by post or the booking of tickets that can be picked up by the clients when they arrive at the event. It is to be noted that the internet is not the only technology used for this type of service and this is not the only use of the internet in e-commerce.





E-Commerce process cycle



## Topic

# E-Banking

## Introduction

Internet Banking also known as online banking (or) e-banking (or) net banking is a facility offered by banks and financial institutions that allow customers to use banking to use banking services over the internet. Customers needs not visit their bank's branch office to avail each and every small service.

Not all account holders get access to internet banking. If you would like to use internet banking services, you have to use the registered customer ID and password to log into your internet banking account.

## Features of E-Banking

- \* Check the account statement online.
- \* Open a fixed deposit account.
- \* Make merchant payments.



- \* Pay utility bills such as water bill and electricity bill.
- \* Transfer funds.
- \* Order for a cheque book.
- \* Buy general insurance.
- \* Recharge prepaid mobile/OTT.

## Internet Banking Advantages And Disadvantages

## Advantages of E-Banking

The advantages of internet banking are as follows:

### \* Availability

You can avail the banking services round the clock throughout the year. Most of the services offered are not time-restricted.

You can check your account balance at any time and transfer funds without having to wait for the bank to open.

### \* Easy to operate

Using the services offered by online banking is simple and easy. Many find transaction online a lot easier than visiting the branch for the same.

### \* Convenience

You need not leave your chores behind and go stand in a queue at the bank branch. You can complete your transactions from wherever you are. You can pay utility bills, recurring deposit account instalments and others using online banking.

### \* Time Efficient

You can complete any transaction in a matter of a few minutes via internet banking. Funds can be transferred to any account within the country or open a fixed deposit account within no time on net banking.

### \* Activity Tracking

When you make a transaction at the bank branch, you will receive an acknowledgement receipt. There are possibilities of you losing it. In contrast all the transactions you perform on a bank's internet banking portal will be recorded. You can show this as proof of the transaction if need be details such as the payee's name, bank account number, the number of amount, the amount paid, the date and time of payment and remarks if any will be recorded as well.

## Extra Advantages



## Disadvantages of E-Banking

The disadvantages of internet banking are as follow :

### \* Internet Requirement

An uninterrupted internet connection is a foremost requirement to use internet banking services. If you do not have access to the internet, you cannot make use of any facilities offered online.

Similarly if the bank servers are down due to any technical issues on their part, you cannot access most banking services.

no matter how much precautions banks take to provide, a secure network online banking transactions are still susceptible to hackers. In spite of the advanced encryption methods used to keep user data safe, there have been cases where the transaction data is compromised. This may cause a major threat such as using the data illegally for the hacker's benefit.

### \* Difficult for Beginners

There are people in India who have been living lives far away from the web of the internet. It might seem a whole new deal for them to understand how internet banking works.

Worse still, if there is nobody who can explain them on how internet banking works and the process flow of how to go about it. It will be very difficult for inexperienced beginners to figure it out themselves.

## \* Securing password

Every internet banking account requires the password to be entered in order to access the services. Hence, the password plays a key role in maintaining integrity. If the password is revealed to others, they may utilise the information to devise some fraud. Also, the chosen password must comply with the rules stated by the Banks.

Individuals must change the password frequently to avoid password theft, which can be a hassle to remember by the account holder himself.





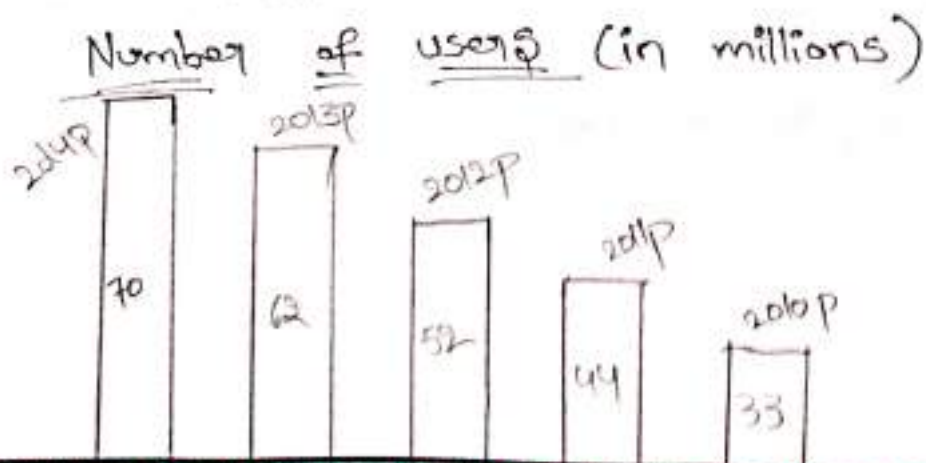
## Introduction of e-banking

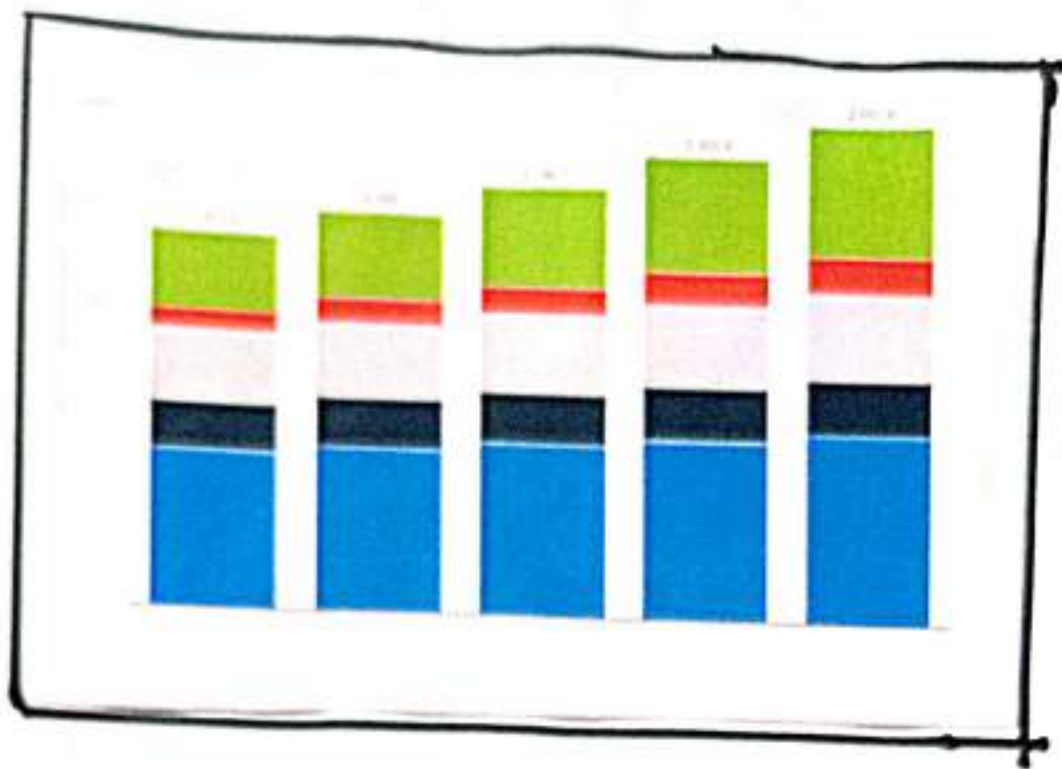
In January 1997, the first online banking service was launched by "Sumitomo" bank. By 2010 most major banks implemented online banking services. However, the types of services offered varied.

## History of E-banking

Online Banking

Since the early 1980's innovations in online banking have made it easier for people to manage their money. Banks are offering more and more tools, information and access to financial accounts to help customers achieve their financial goals. Tower group research projects that global usage of personal finance management tools will reach 70 million in 2014.

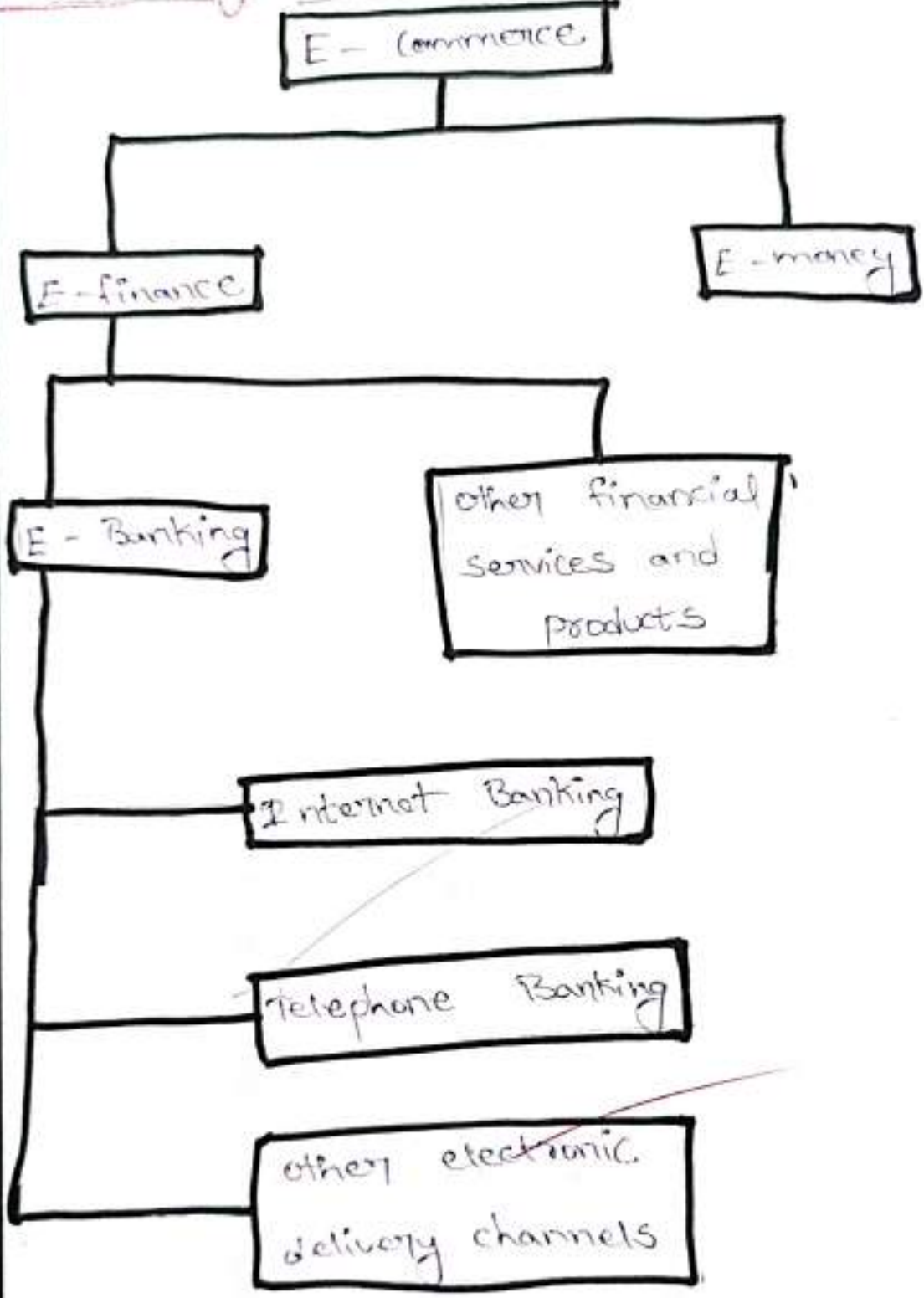




## Banking uses

- \* using networking to transfer funds.
- \* using net banking to generate and track account statements.
- \* using net banking to pay bills.
- \* using net banking to apply for loans.
- \* using net banking to pay insurance premiums.
- \* using net banking to pay EMIs.

E-Banking structure



## E-Banking Applications

- \* YONO LITE SBI
- \* CANARA mobile App
- \* HDFC Mobile App
- \* HDFC pay2 app
- \* Bank of Baroda II-Connect plus App
- \* PNB one mobile App
- \* Kotak - 811 & mobile App
- \* ICIC i mobile App
- \* IDBI mobile + App









## Types of E-Banking

- \* Internet banking
- \* Mobile banking
- \* Automated teller machine (ATM'S)
- \* Smart cards
- \* Electronic funds transfer (EFT)
- \* Electronic clearing services (ECS)
- \* Tele banking
- \* Door - step banking

## \* Internet Banking

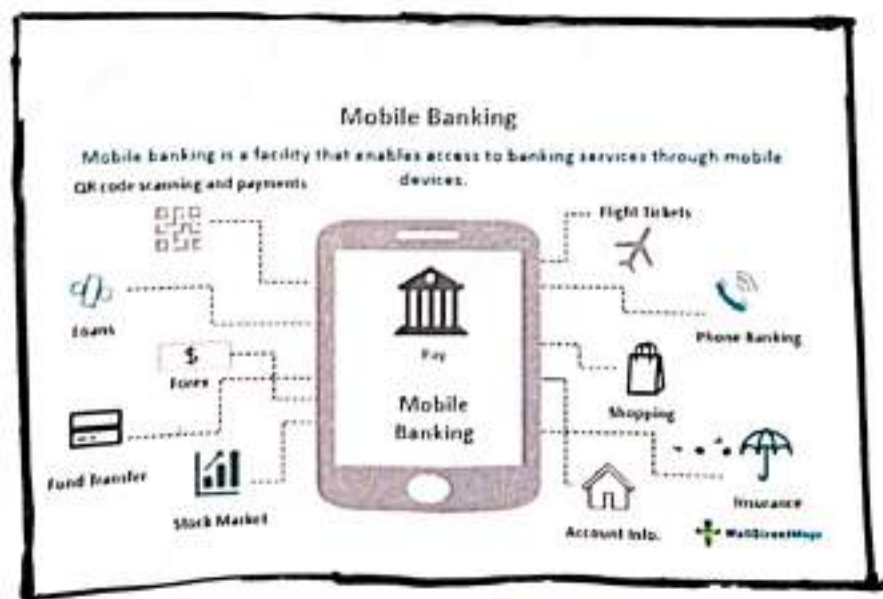
Internet Banking also known as net banking (or) online banking, is an electronic payment system that enables the customer of a bank or a financial institution to make financial or non-financial transactions online via the internet. This service gives online access to almost every banking service, traditionally available through a local branch including fund transfers, deposits and online bill payments to the customers.





## \* Mobile Banking

Mobile banking is the act of making financial transactions on a mobile device. This activity can be as simple as a bank sending fraud or usage activity to a client's cell phone or as complex as a client paying bills or sending money abroad. Advantages to mobile banking include the ability to bank anywhere and at any time. Disadvantages include security concerns and a limited range of capabilities when compared to banking in person or on a computer.



## \* ATM

An ATM, which stands for automated teller machine is a specialized computer that makes it convenient to manage a bank account holder's funds. It allows a person to check account balances, withdraw or deposit money, print a statement of account activities or transactions and even purchase stamps.

ATMs were first used in London in 1967, and after 50 years, these machines can be found ~~found~~ nation wide.



## Smart Cards

A smart card, chip card or integrated circuit card (ICC or IC card) is a physical electronic authorization device, used to control access to a resource. It is typically a plastic credit card sized card with an embedded integrated circuit chip.

The universal integrated circuit card, or sim card is also a type of smart card. As of 2015, 10.5 billion smart card IC chips are manufactured ~~annually~~ annually, including 5.44 billion sim card IC chips.

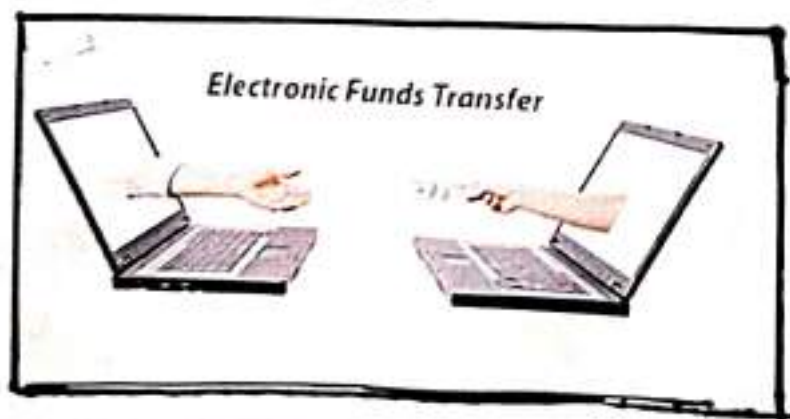
## SMART CARD



## \* Electronic funds transfer

Electronic funds transfer (EFT) is the electronic transfer of money from one bank account to another, either within a single financial institution or across, multiple institutions, via computers based systems, without the direct intervention of bank staff.

According to the United States Electronic Funds Transfer Act of 1978 it is a "funds transfer initiated through an electronic terminal, telephone, computer or magnetic tape for the purpose of ordering, instructing or authorizing a financial institution to debit or credit a consumer's account".



The first step is to identify the needs of the customer. It is important to note that you can only meet the needs of the customer if you have a clear understanding of what they want. This understanding comes from the marketing research process, which involves gathering information about the customer's needs, preferences, and behavior. This information is then used to develop a marketing strategy that meets the customer's needs. The second step is to develop a marketing strategy. This involves deciding on the marketing objectives, the marketing mix, and the marketing budget. The third step is to implement the marketing strategy. This involves executing the marketing plan and monitoring the results. The fourth step is to evaluate the marketing strategy. This involves comparing the actual results to the marketing objectives and making adjustments as needed.



## \* Electronic clearing service (ECS)

The electronic clearing service is an electronic mode of payment for transactions that can be used for making bulk payments or receipts.

This facility is used by institutions for making bulk payments of amounts towards distribution of dividend, interest, salary, pension, etc.



## \* Door step Banking

Door step Banking is one of the key action points of the road map for banking reforms brought out by the Department of financial services. PSB Alliance door step banking service is facility introduced in this regard to cater to both financial and non-financial banking needs of the customers of all Banks under a single umbrella.



## E-Banking Security

- \* create strong passwords & change them regularly.
- \* Monitor your accounts.
- \* Use a secure location/sites/network when banking online.
- \* use Banking notifications.
- \* Always log out.
- \* Enable multi-factor authentication.
- \* Beware of e-mail Scams.
- \* use antivirus software.



## E-BANKING SECURITY

### E-Banking issues (or) problems

- \* Traditional banking habits.
- \* security and fraud instances.
- \* cross-border transactions.
- \* technical issues.
- \* Multi-currency and payment methods.

### **Problems encountered in E-Banking in Selected Banks in Quezon City**

thesistitle





Internet Banking solution is an online account management solution that facilitates retail banking, corporate banking and computer portals. Through this solution banks can provide a unique online banking experience to its customers by providing an engaging and interactive online web service.

Internet banking solution essentially supports two ~~types~~ of transactions.

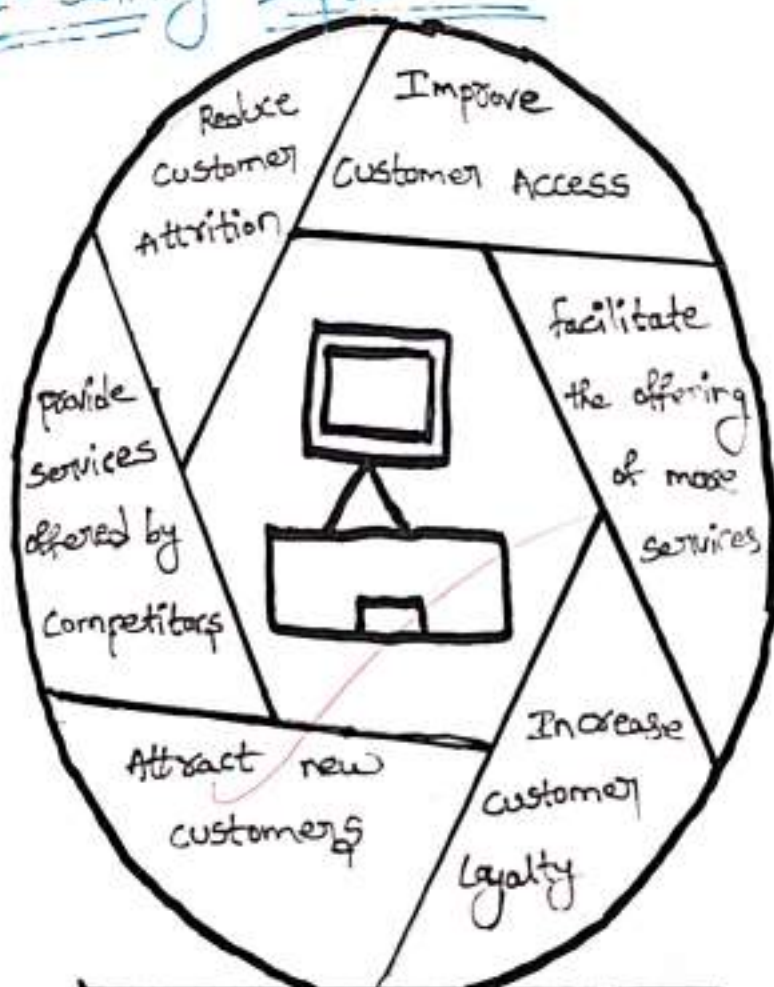
\* financial transactions

which involve inter and intra bank money fund transfers as in the case of third party transfers, NEFT, bill payments etc.

## \* non - financial transactions

which deal with provision of account information such as account balance, printing bank statements, even opening an account etc.

## \* E-Banking Improvement



## \* E-Banking conclusion

The main intention behind the commencement of electronic banking services to provide the customers with an alternative that is more responsive and with less expensive options, with options just a click away, customers have more control have more control than ever.

Their expectations are usability and real-time answers. They also want personal attention and highly customized products and services. This research intends to see how electronic banking has improved the efficiency and effectiveness in the bank.



Take a look at the security measures on ground and also prefer a solution that can eradicate fraud in electronic banking.

## Thanking you

I am very much thankful to you to submit my project on "E-Banking" for the co-operation and support of the college principal sir Sri P. Madhu Raju MSc mphil And Commerce Department HOD (Smt. B. Rani Durga M. Com) And Sri P.V. Ramesh Babu M.C.A. Lecture in Commerce.

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Thanking you Sir,

B

Yours faithfully,

U. Manasa.

Place :- Ganapavaram

Date :- 06-08-2022



Electronic  
Banking  
Project  
The End