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## A SURVEY ON CLIENTS OF VARIOUS FINANCIAL SERVICE USERS IN NORTH LAKHIMPUR TOWN

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### ABSTARCT

*Financial services are those that helps with borrowing and funding, lending and investment, buying and investing securities making and enabling payment and settlement and managing risk exposure in financial markets. In present world there are a long list of financial services that are provide by the financial institutions but some of the common financial services which are mostly used by the majority of the people. This report makes an attempt to study the various financial services that are provided by the financial institutions and also an attempt was made to study the various services that are widely used now a days by the peoples and to analyze their awareness level of the clients. The growth and development of the financial system to a large extend depends on the financial services that are provided by the financial institutions as it is the financial services that encouragers a person to come up and use the services which ultimately helps in the growth of the economy. For the present study data are collected from 80 respondents residing in the North Lakhimpur town. From the analysis it was found that majority of the respondents living in this area are not fully aware about all the financial services and the secondary market facilities and the various business opportunities available. The new generation are making the most out of internet banking as compared to that of others. The introduction of new and more innovative products by the financial institutions will help in developing and building an investment environment which results in capital formation of the economy.*

*Keywords: Financial services, capital formation, economic growth.*

### 1.1 INTRODUCTION:

Financial services refers to mobilization of the savings for the distribution to the constructive purpose. Thus financial services is an intermediary activity involve in securing the savings of the public and facilitating them to



be available to the needy for investment.<sup>1</sup> These are those that help with borrowing and funding, lending and investment, buying and investing securities making and enabling payment and settlement and managing risk exposure in financial markets.<sup>2</sup> Financial services help in fund intermediation services which link the savers and borrowers which in turn leads to capital formation and economic growth. In the present world there are a long list of financial services that are provided by the financial institutions but some of the common financial services which are mostly used by the majority of the people are deposit collection, granting loans, issuing draft, agency functions, fund transfer, ATM services, online services, safe lockers, mutual funds, demat services, insurance products, mobile banking services, credit card services, etc. and there are many more financial services that are available to the users.

This report makes an attempt to study the various financial services that are provided by the financial institutions and also an attempt was made to study the various services that are widely used now a days by the people and to analyze their awareness level of the clients.

## 1.2 OBJECTIVES OF THE STUDY:

The objectives of the present study are:

1. To study the people's awareness regarding various financial services.
2. To study the people's involvement in the financial system.
3. To study whether the various financial services had been able to touch the lives of general people.

## 1.3 IMPORTANCE OF THE STUDY:

The growth and development of the financial system to a large extent depends on the financial services. As it is the financial services that encourage a person to come up and use the services which ultimately help in the growth of the economy. Financial services play a major role in the financial inclusion because most of the people are included in the financial system just to avail the financial services like savings, loan, micro finance, debit card, credit card, mobile banking and the various services that are easily available. The study is important so as to find out the involvement of the daily wage earners in the financial system through various services and to find out the factors hindering their involvement.

<sup>1</sup> Mohan S, Elangovan R (2008), "Financial Services" Deep & Deep Publication, New Delhi, p9

<sup>2</sup> Pathak, B (2014), "Indian Financial System" Pearson Publication, New Delhi, p6.

#### 1.4 LITERATURE REVIEW:

**K. Shanti Swarup** (2004) found that for delivering quality service, it is imperative to have customer orientation as a culture in the bank. Customer orientation builds long-term relationship resulting in customers' satisfaction and cash flows to the banks.

**Nayak, S** (2013), in her study found that most of the rural households have low educational status which is resulting in less awareness of the people towards the benefits of saving.

**Rajamohan and Krishnan** (2012) in their study found that less interest, less formalities, less securities, timely sanction of loan, more time for repayment and offers of subsidy are the motivational factors of the customers to avail of loan.

**Ravi and Kundan** (2012) in their study found that although banks have been set up to provide finance, people do not have an easy access to these sources. Most of the people in rural areas prefer informal loans because of timely and adequate availability of loans.

#### 1.5 SCOPE OF THE STUDY:

The scope of the study is confined to the various financial services that are available to the clients. Moreover it also covers the services which are mostly used by the different age groups. Also the study was carried out to find the various services that are used by the clients.

#### 1.6 METHODOLOGY:

The data used in this study are collected using purposive sampling technique from various clients residing in North Lakhimpur town. The project was mainly based on primary data. The primary data are collected through field survey with a well-structured schedule of questionnaire which was given personally to the respondents and by using the direct oral investigation method responses were filled up in the questionnaire. In this study, 80 respondents were interviewed collecting information through one to one interview, for which 10 brief questions were set in the questionnaire.

The raw data are then edited and coded so as to fill into the SPSS software and analysis had been made using cross-tabulation.

**1.7 LIMITATION OF THE STUDY:**

While carrying out the study the following problems were faced by the researcher:

- No proper responses from the respondents
- Lack of cooperation from some of the respondents

**2.1 ANALYSIS AND FINDINGS:**

An effort has been made to analyze the economic profile of the respondents in respect to their age groups and usage of the various financial services that are offered by the banks through cross tabulation.

**Table 2.1**

<b>Availing Deposit Service</b>				
<b>Age Group</b>	<b>Yes</b>	<b>Percentage</b>	<b>No</b>	<b>Percentage</b>
25-35 Years.	12	20	11	55
36-45 Years.	36	60	6	30
46-55 Years.	12	2	2	10
55 Years and Above	0	0	1	5
<b>Total</b>	<b>60</b>	<b>100%</b>	<b>20</b>	<b>100%</b>
<b>Percentage</b>	<b>75%</b>		<b>25%</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 60 respondents availing the deposit services, it was found to be more in the age group 36-45 years, and among the rest 20 respondents who are not availing the deposit services, it was found that the major age group that was not availing the service is 25-35 years.

**Table 2.2**

<b>Availing Loan Service</b>				
Age Group	Yes	Percentage	No	percentage
25-35 Years	11	27.5	12	30
36-45 Years	10	25	24	60
46-55 Years	18	45	4	10
55 Years and Above	1	2.5	0	0
<b>Total</b>	<b>40</b>	<b>100%</b>	<b>40</b>	<b>100%</b>
<b>Percentage</b>	<b>50 %</b>		<b>50%</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 40 respondents availing the loan services, it was also found to be more in the age group 46-55 years, and among the rest 20 respondents who are not availing the loan services, it was found that the major age group that was not availing the service is 36-45 years.

**Table 2.3**

<b>Availing Internet Banking Service</b>				
Age Group	Yes	Percentage	No	percentage
25-35 Years	25	52.1	6	18.75
36-45 Years	17	35.4	17	35.40
46-55 Years	6	12.5	8	16.67
55 Years and Above	0	0	1	2.08
<b>Total</b>	<b>48</b>	<b>100</b>	<b>32</b>	<b>100</b>
<b>percentage</b>	<b>60 %</b>		<b>40%</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 48 respondents availing the internet banking services, it was found to be more in the age group 25-35 years, and among the rest 32 respondents who are not availing the internet banking services, and it was found that the major age group that was not availing the service is 36-45 years.

**Table 2.4**

<b>Availing Bill Payment Service</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years	7	31.82	16	25.86
36-45 Years	13	27.08	29	50
46-55 Years	1	4.55	13	27.08
55 Years and Above	1	4.55	0	0
<b>Total</b>	<b>22</b>	<b>100</b>	<b>58</b>	<b>100</b>
<b>Percentage</b>	<b>27.50%</b>		<b>72.50 %</b>	

Source: Field study

**Interpretation:** From the study, it was found that among 22 respondents availing the bill payment services, it was found to be more in the age group 25-35 years, and among the rest 58 respondents who are not availing the bill payment services, it was found that the major age group that was not availing the service is 46-55 years.

**Table 2.5**

<b>Availing Debit Card Facility</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	19	32.75	4	18.18
36-45 Years.	25	43.10	1	4.55
46-55 Years.	14	24.10	0	0
55 Years and Above	0	0	17	77.27
<b>Total</b>	<b>58</b>	<b>100</b>	<b>22</b>	<b>100</b>
<b>Percentage</b>	<b>72.50 %</b>		<b>27.5 %</b>	

Source: Field study

**Interpretation:** From the study, it was found that among 58 respondents availing the debit card services, it was found to be more in the age group 36-45 years, and among the rest 22 respondents who are not availing the debit card services, it was found that the major age group that was not availing the service is above 55 years.



**Table 2.6**

<b>Availing Credit Card Facility</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	11	44	12	21.82
36-45 Years.	11	4.55	31	56.36
46-55 Years.	2	8	12	21.82
55 Years and Above	1	4	0	0
<b>Total</b>	<b>25</b>	<b>100</b>	<b>55</b>	<b>100</b>
<b>Percentage</b>	<b>31.25 %</b>		<b>68.75 %</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 25 respondents availing the credit card services, it was found to be in the age group 25-35 years, and among the rest 55 respondents who are not availing the debit card services, it was found that the major age group that was not availing the service is 36-45 years.

**Table 2.7**

<b>Do you have General Insurance</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	11	27.5	12	30
36-45 Years.	21	52.5	7	17.5
46-55 Years.	7	17.5	21	52.5
55 Years and Above	1	2.5	0	0
<b>Total</b>	<b>40</b>	<b>100</b>	<b>40</b>	<b>100</b>
<b>Percentage</b>	<b>50 %</b>		<b>50 %</b>	

**Source:** Field study

**Interpretation:** From the study, it is found that among 40 respondents availing the general insurance services, it was found to be more in the age group 36-45 years, and among the rest 40 respondents who are not availing the general insurance services, it was found that the major age group that was not availing the service is 46-55 years.

**Table 2.8**

<b>Do you have Life Insurance</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	11	22.45	12	38.71
36-45 Years.	30	61.22	12	38.71
46-55 Years.	7	14.29	7	22.59
55 Years and Above	1	2.04	0	0
<b>Total</b>	<b>49</b>	<b>100</b>	<b>31</b>	<b>100</b>
<b>percentage</b>	<b>61.25 %</b>		<b>38.75 %</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 49 respondents availing the life insurance services, it was found to be more in the age group 36-45 years, and among the rest 31 respondents who are not availing the life insurance services, it was found that the major age group that was not availing the service is 25-35 years.

**Table 2.9**

<b>Are you a Demat Account Holder</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	7	50	16	24.24
36-45 Years.	7	50	1	1.52
46-55 Years.	0	0	14	21.21
55 Years and Above	0	0	35	53.03
<b>Total</b>	<b>14</b>	<b>100</b>	<b>66</b>	<b>100</b>
<b>percentage</b>	<b>17.5 %</b>		<b>82.5 %</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 14 respondents having demat account, it was found to be equal in both the age group 25-35 years and 36-45 years, and among the rest 66 respondents who don't have the demat account, it was found that the major age group that was not having the account was above 55 years.

**Table 2.10**

<b>Availing Post Office Saving Account Facility</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	13	26.53	15	48.39
36-45 Years.	27	55.10	10	32.26
46-55 Years.	9	18.37	5	16.13
55 Years and Above	0	0	1	3.23
<b>Total</b>	<b>49</b>	<b>100</b>	<b>31</b>	<b>100</b>
<b>Percentage</b>	<b>61.25 %</b>		<b>38.75 %</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 49 respondents availing post office savings account service, it was found more in the age group 36-45 years, and among the rest 31 respondents who are not availing post office savings account service, it was found that the major age group that was not having the account was 25-35 years.

**Table 2.11**

<b>Availing Post Office Recurring Deposit Facility</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	6	25	17	30.36
36-45 Years.	1	4.17	26	46.43
46-55 Years.	16	66.67	13	23.21
55 Years and Above	1	4.17	0	0
<b>Total</b>	<b>24</b>	<b>100</b>	<b>56</b>	<b>100</b>
<b>Percentage</b>	<b>30 %</b>		<b>70 %</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 24 respondents availing post office recurring deposits account service, it was found more in the age group 46-55 years, and among the rest 56 respondents who are not availing post office recurring deposits account service, it was found that the major age group that was not having the account was 36-45 years.

**Table 2.12**

<b>Availing Post Office Fixed Deposit/Certificate Facility</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	9	28.13	23	47.92
36-45 Years.	4	12.6	14	29.17
46-55 Years.	19	59.38	10	20.83
55 Years and Above	0	0	1	2.08
<b>Total</b>	<b>32</b>	<b>100</b>	<b>48</b>	<b>100</b>
<b>Percentage</b>	<b>40 %</b>		<b>60 %</b>	

Source: Field study

**Interpretation:** From the study, it was found that among 32 respondents availing post office fixed deposits account service, it was found more in the age group 46-55 years, and among the rest 48 respondents who are not availing post office fixed deposits account service, it was found that the major age group that was not having the account was 25-35 years.

**Table 2.13**

<b>Availing Post Office Monthly Income Scheme Facility</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	10	33.33	25	50
36-45 Years.	17	56.67	13	26
46-55 Years.	2	6.67	12	24
55 Years and Above	1	3.33	0	0
<b>Total</b>	<b>30</b>	<b>100</b>	<b>50</b>	<b>100</b>
<b>Percentage</b>	<b>37.5 %</b>		<b>62.5 %</b>	

Source: Field study

**Interpretation:** From the study, it was found that among 30 respondents availing post office monthly deposits account service, it was found more in the age group 36-45 years, and among the rest 50 respondents who are not availing post office monthly deposits account service, it was found that the major age group that was not having the account was 25-35 years.

**Table 2.14**

<b>Do you have Public Provident Fund Account?</b>				
Occupation	Yes	Percentage	No	Percentage
Service Pvt. Sector	13	46.42	17	32.69
Service Govt. Sector	13	46.42	7	13.46
Business/Professional	2	7.14	23	44.23
Any other	0	0	5	9.62
<b>Total</b>	<b>28</b>	<b>100%</b>	<b>52</b>	<b>100%</b>
<b>Percentage</b>	<b>35</b>		<b>65</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that among 28 respondents having public provident fund account service, was an employee whether in the public sector or private sector and among the rest 52 respondents don't have provident fund service, it was found that respondents who are engaged in business or profession do have such account.

**Table 2.15**

<b>Have you Purchased any units of Mutual Funds?</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	9	26.47	14	30.44
36-45 Years.	18	52.94	24	52.17
46-55 Years.	6	17.65	8	17.39
55 Years and Above	1	2.94	0	0
<b>Total</b>	<b>34</b>	<b>100</b>	<b>46</b>	<b>100</b>
<b>Percentage</b>	<b>42.5 %</b>		<b>57.5 %</b>	

**Source:** Field study

**Interpretation:** From the study, it was found that only 42.5 % respondents have purchased mutual fund or invested in mutual fund whereas 57.5 % do not purchase or invest in mutual funds.

**Table 2.16**

<b>Do you take market credit to meet your household requirement/expenses?</b>				
Age Group	Yes	Percentage	No	Percentage
25-35 Years.	10	47.62	13	22.03
36-45 Years.	7	33.33	35	59.32
46-55 Years.	3	14.28	11	18.64
55 Years and Above	1	4.76	0	0
<b>Total</b>	<b>21</b>	<b>100</b>	<b>59</b>	<b>100</b>
<b>Percentage</b>	<b>26.25 %</b>		<b>73.75 %</b>	

**Source:** Field study

**Interpretation:** It was found from the study that only 26.25 % respondents take market credit to meet the household requirements whereas 73.75 % do not take market credit to meet the household requirements.

**2.2 FINDINGS OF THE STUDY:**

1. From the analysis, it had been observed that most of the respondents that are availing the financial services are between the age group of 36-45 years as they are well settled in their respective jobs.
2. From the analysis it was found that majority of the respondents living in this area are not fully aware about the secondary market facilities and the various business opportunities.
3. Although from the study it was seen that there was a balance between the mutual fund holders but they lack the general information that is required to harvest the optimum benefit out of it.
4. In case of insurance (either general or life) the respondents doesn't have the full knowledge of the policy that they are opting to take, they only take it as good investment opportunity and consider the maturity value as optimum profit.
5. The new generation are making the most out of internet banking as compared to that of others. Since the new generation are techno savvy they are always trying to use the technology in order to make the most out of it.
6. The culture of using credit card is not seen in the targeted samples as the income level of the respondents are not maintaining the required standard of living required for obtaining it.

7. The respondents were more concerned about post office savings bank account as compared to other facilities of post office such as recurring and fixed deposit and monthly saving scheme. The services of post offices are cheaper as compared to other financial services.

8. After introduction of Pradhan Mantri Jan Dhan Yojana, most of the respondents have started opening their accounts with zero balance and with the liberalizing the KYC norms, it has helped them in easy availability of bank account.

9. Though some of the respondents were willing to avail the loan facility but due to non-supportive nature of the banks or the financial institutions they are not able to access the services.

### 3.1 SUGGESTIONS:

- Awareness camps should be made by the banks or the financial institutions about the various financial services that one can avail.
- Since it was found that some of the respondents were not able to avail the loan facilities due to the complex procedure of documentation so the banks should be liberal while sanctioning loans especially to the low income clients.
- Since most of the respondents are not aware about the investments to be made in the secondary market, so the financial institutions should come forward to motivate the peoples and make them to invest in the secondary market
- It was seen that the internet banking facilities were being accessed mostly by the younger generation, so the banks should come forward in order to make other age groups aware about the facilities of the internet banking so that they can access from their place of comfort.
- The common people have no idea about provident fund; they only know that something out of their salary has been deducted in the name of provident fund account. So some initiatives should be taken to make the people to make understand the people about it and its usefulness.

### 3.2 CONCLUSION:

Financial services with the help of various financial intermediaries helps in providing various investment and financial advisory services which helps in pooling out the resources from various sectors of the economy. Financial services also helps in augmenting various financial services to various sections of the economy. The

introduction of new and more innovative products by the financial institutions will help in developing and building an investment environment which results in capital formation of the economy.

The study which had been carried out regarding the uses of various financial services in North Lakhimpur town showed that the respondents were less concerned about the newly introduced financial services, such as demat account ,mutual fund ,provident fund, except a few. Most of the services that people were availing are usually the day to day services of banks and post offices, such as savings bank account, deposit and withdrawal of money and various life insurance policies of the family members.

Liberalizing the banking norms for opening of more accounts and supplying of more credit to the priority sectors such as agriculture and small scale sector service will support the unprivileged sections of the economy. Thus by developing some simple financial services, the aim of sustainable development can be achieved.

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